AVALON HEALTHCARE SOLUTIONS HOT TOPICS IMPACTING HEALTH PLANS AND MEMBER HEALTH

November 16, 2021





OVERVIEW & INTRODUCTIONS

Barry Davis, Chief Growth Officer, Avalon



Before we start



This meeting is being recorded



We will be **MUTING** everyone except the presenter to make sure the AUDIO is clean and clear



Q&A will be done by using the "Questions" feature



Agenda

OVERVIEW AND INTRODUCTIONS

Barry Davis, Chief Growth Officer, Avalon

HEALTHCARE POLICY UPDATE FROM WASHINGTON, D.C.

Julie Barnes, Principal, Maverick Health Policy

COMMENTS ON COVID-19 VACCINE MANDATES

Steve Morgan, General Counsel, Avalon

IMPACT OF COVID-19 ON PREVENTIVE LAB SCREENINGS

Rahul Singal, M.D., Chief Medical Officer, Avalon





HEALTHCARE POLICY UPDATE FROM WASHINGTON, D.C.

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Overview



| No Surprises Act | Democrat Domestic Agenda – Impact on Health Care | |
|---------------------|--|--|
| What It Does | Infrastructure Investment and Jobs Act | |
| Who It Impacts | Reconciliation package | |
| Regulatory Timeline | Other critical bills in 2021: Debt ceiling limit, prevent government shutdown, defense bill, and Medicare cuts | |



No Surprises Act – What Does It Do?



- Holds patients harmless from big surprise medical bills.
- Patients only pay in-network cost-sharing; providers can't bill them without permission.
- New arbitration process will settle fights about reimbursement and leave the patient out of it entirely.
- Multiple price transparency mandates for health plans and providers.



No Surprises Act – The Mandates



Give Notice: Providers and plans must notify patients about their right to be held harmless from surprise balance bills.

Use Specific Payment Formula to Determine Cost-Sharing: Plans must pay "qualifying payment amount" for purposes of calculating cost-sharing for patients.

Arbitrate Disputes: Plans and providers must handle reimbursement disputes according to a new arbitration process.

Be Transparent About Prices:

- Providers must provide good faith estimates of patient out-of-pocket expenses.
- Plans must offer an advanced explanation of benefits before patients receive services, price comparison tools to enrollees, and regularly update provider directories.



Transparency in Coverage Rule for Payers



By January 1, 2022, plans must share price information via public machine-readable files including the following:

- In-network negotiated payment rates
- Out-of-network allowed amounts
- Pricing information for prescription drugs

By January 1, 2023, self-service tool showing personalized out-of-pocket costs for 500 prospective items and services.

By January 1, 2024, tool must include all items and services.



No Surprises Act – Who Does It Impact?



Payers, Providers and Consumers

- Health plans offering group or individual health insurance
- Applicable Health Care Facilities (hospitals, hospital outpatient departments, critical access hospitals, and ambulatory surgical centers)
- Insured and uninsured consumers



Which Services:

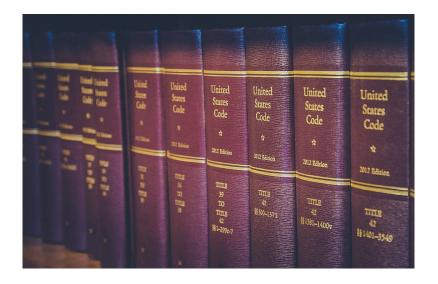
Emergency services and non-emergency services. e.g., non-emergent services provided by an off-site, non-par lab for sample collected at an innetwork healthcare facility.

When:

Starting January 1, 2022, the rest will be phasing in.



No Surprises Act — Implementing Rules (so far, more to come):



July 1, 2021 Interim Final Rule

August 20, 2021 FAQs

September 10, 2021 Proposed Rule

September 30, 2021 Interim Final Rule



No Surprises Act – Rule #1

July 1st Interim Final Rule

No More Balance Billing

- Bans surprise billing for all ER services.
- Bans OON charges for OON care (e.g., labs or anesthesiologist) at in-network facility.

No More Surprises

- Notice rules providers and plans must tell patients about protections.
- Consent process patients can agree to be balance billed for OON charges for non-ER services.
- NO notice consent exception for non-emergency ancillary services (e.g., lab tests except advanced diagnostic laboratory tests).

Narrows \$\$: Creates a formula to determine the total amount paid to a provider – the "qualifying payment amount"



No Surprises Act– Rule #3

Sept. 30th Interim Final Rule

New Website: www.cms.gov/nosurprises

Independent Dispute Resolution (IDR)

• Payers median contracted rate is the default

New Uninsured Patient Rules

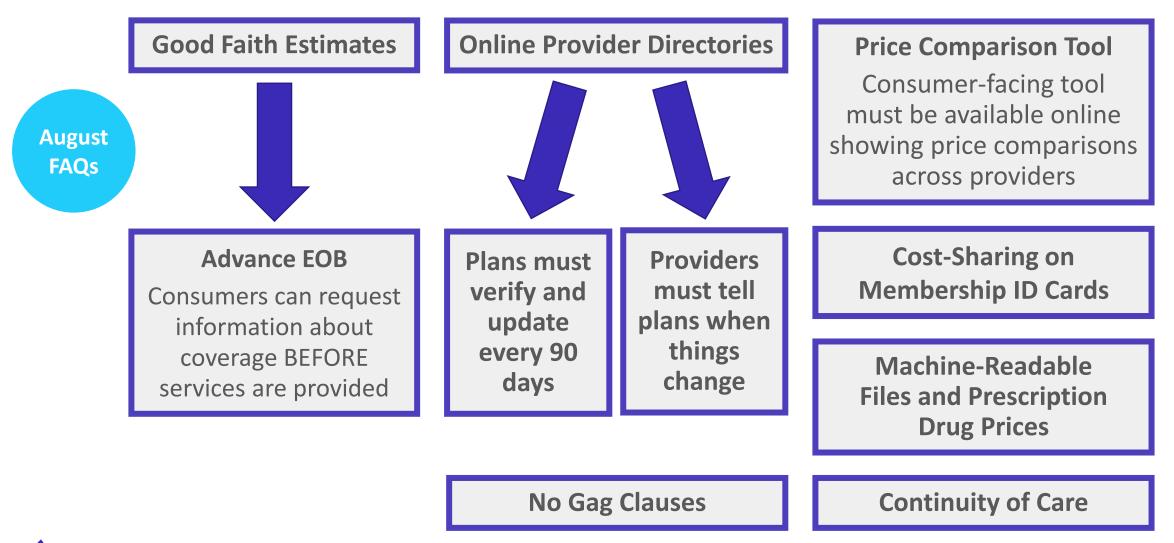
- Good faith estimates
- Dispute resolution process

External review expanded

• Includes No Surprises Act-related disputes

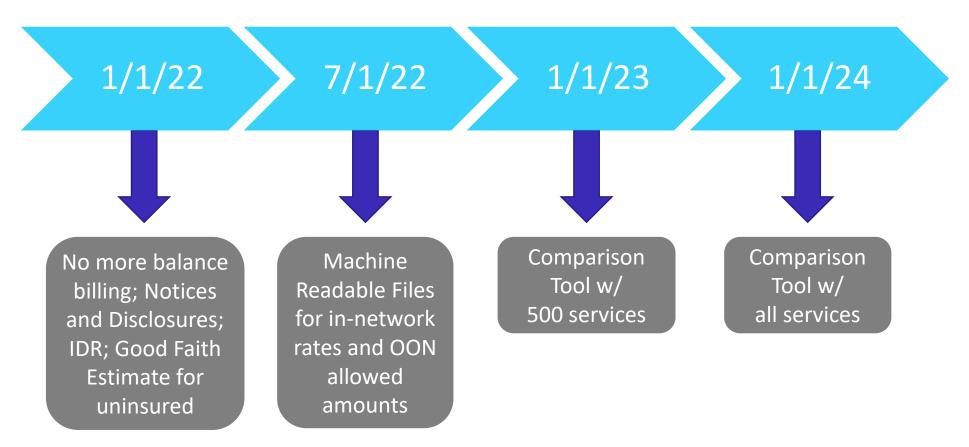


No Surprises Act – Price Transparency Mandates Delayed



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No Surprises Act / Transparency – Deadlines*



* Deadlines will be in the future rulemaking for good faith estimates and advanced EOBs, provider directory updates, health plan ID cards, continuity of care, prescription drug pricing.



No Surprises Act – The Pushback



Congress of the United States House of Representatives Washington, DC 20515

November 5, 2021

The Honorable Xavier Becerra Secretary U.S. Department of Health and Human Services 200 Independence Avenue SW Washington, DC 20201

The Honorable Janet Yellen Secretary U.S. Department of the Treasury 1500 Pennsylvania Avenue NW Washington, DC 20220

The Honorable Martin J. Walsh Secretary U.S. Department of Labor 200 Constitution Avenue NW Washington, DC 20210

Dear Secretary Becerra, Secretary Yellen, and Secretary Walsh:

We write regarding the interim final rule (IFR) released on September 30 entitled "Requirements Related to Surprise Billing; Part II". The bipartisan No Sarprises Act, passed by Congress in December 2020, was one of the most important patient protection bills in American history. You its success will depend on your departments following the letter of law in its implementation. We urge you to amend the IFR in order to align the law's implementation with the degistation Congress passed.

Congress passed the No Surprises Act after extensive bipartisan and bicameral deliberations to protect patients from surprise medical bills and create a balanced process to resolve payment dispute between insurance plans and health care providers. During these deliberations, multiple proposals were considered including a benchmark rate, an independent dispute resolution (DR) process, and a bybrif. Following a comprehensive process that included hearings, markups, and extensive negotiations, Congress rejected a benchmark rate and determined the best path forward for patients was to authorize an open negotiation period coupled with a balanced DDR process.

The No Surprises Act specified an IDR process that takes patients out of the middle of payment disputes. It allows providers and payors to bring any relevant information to support their payment offers for consideration, except for billed charges and public payor information. Per this process, the certified IDR entity shall consider:

- Median in-network rates
- Provider training and quality of outcome
 Market share of partice
- Market share of parties
 Patient acuity or complexity of services
- In the case that a provider is a facility: teaching status, case mix, and scope of services
- Demonstrations of previous good faith efforts to negotiate in-network rates
- Prior contract history between the two parties over the previous four years

The process laid out in the law expressly directs the certified IDR entity to consider each of these listed factors should they be submitted, capturing the unique circumstance of each billing dispute without causing any single piece of information to be the default one considered.

Unfortunately, the parameters of the IDR process in the IFR released on September 30 do not reflect the way the law was written, do not reflect a policy that could have passed Congress, and do not create a balanced process to settle payment disputes. The IFR directs IDR entities to begin with the assumption that the median in-network rate is the

• Independent Dispute Resolution Process

- Texas Medical Association Lawsuit
- Bipartisan letter from 150 members of the House

• Price Transparency

- Physician fee schedule penalties
- PCMA
- Chamber of Commerce







U.S. Chamber new logo



Infrastructure Investment and Jobs Act



- Roads, bridges and, passenger rail
- Modernize transit, airports, and ports to improve supply chain bottlenecks and reduce greenhouse emissions (e.g., national network of electric vehicle chargers)
- Clean drinking water

- Reliable high-speed internet supports telehealth and rural hospital access
 - \$42B Grants to states
 - \$14.2B Permanent "Affordable Connectivity Benefit" for low-income families (\$30 per month vouchers) for internet access
 - **\$2.75B** Grants for digital literacy training, workforce development, and device access



"Build Back Better" – Budget Reconciliation Package



FUNDING FOR:

- Reinsurance and affordability programs
- Consumer assistance
- Medicaid coverage gap
- Permanent funding for CHIP
- Boost in federal matching rates for the expansion population
- Health coverage tax credit
- New Medicare hearing benefits 1/1/23

- Drug Price Reforms
 - Medicare Part D OOP caps
 - Penalties for price increases
 - Limited Medicare drug price negotiation
 - PBM reporting every 6 months
- Individual marketplaces
 - Subsidy increases thru 2025
 - Reduced employee contribution
- Section 1332 waivers state planning grants
- Cap on insulin cost-sharing (\$35 or 25%)



Next Steps for Congress



MUST ADDRESS:

- Debt ceiling limit
- Appropriations for agencies to prevent government shutdown
- Defense bill
- Medicare cuts







COMMENTS ON COVID-19 VACCINE MANDATES

Steve Morgan, General Counsel, Avalon





PRICE TRANSPARENCY & IMPACT OF COVID-19 ON PREVENTIVE LAB SCREENINGS

Rahul Singal, M.D., Chief Medical Officer, Avalon



Price Transparency

| СРТ | Description | Outpatient Hospital Price | Independent Lab Price |
|-------|-------------------------------|------------------------------|--------------------------|
| 84443 | TSH | \$74 | \$9 |
| 80053 | Comprehensive metabolic panel | \$115 | \$5 |
| 85025 | Complete Blood Count | \$55 | \$7 |
| 80061 | Lipid Panel | \$64 | \$8 |
| 83036 | Glycosylated hemoglobin (A1c) | \$48 | \$6 |

- High variability with pricing based upon location (hospitals vs independent)
- CMS 9915F Transparency in coverage, health plans to provide consumers pricing tools. Avalon investing in technology to make pricing of lab services transparent <u>https://www.cms.gov/newsroom/fact-sheets/transparency-coverage-final-rule-fact-sheet-cms-9915-f</u>



Polling Question

In 2020, the COVID-19 pandemic impacted preventive health screenings.

Looking ahead at 2021, how impacted do you think preventive health screenings will be?

- None
- About 10%
- About 20%
- 30%+



Media Coverage of Pandemic Effect on Health Screenings and Advanced Cancers Ongoing

Lawmakers pen letter to CDC to address decline in breast cancer screenings due to COVID

Savannah Behrmann USA TODAY Published 9:00 a.m. ET Nov. 12, 2021

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Lawmakers discuss breast cancer and their legislation to raise awareness Sen. Amy Klobuchar, D-Minn., and Rep. Debbie Wasserman Schultz, D-Fla., who have both been diagnosed with breast cancer, are calling for action. Jasper Colt, USA TODAY

The New York Times

Advanced Cancers Are Emerging, Doctors Warn, Citing Pandemic Drop in Screenings March 17, 2021

Appointments for mammograms and other tests to detect potential cancers were canceled during lockdowns, possibly leading to undiagnosed malignancies. In some cases, the delay has come at a great cost.



Cancer Screening Rates: 2018 to 2020

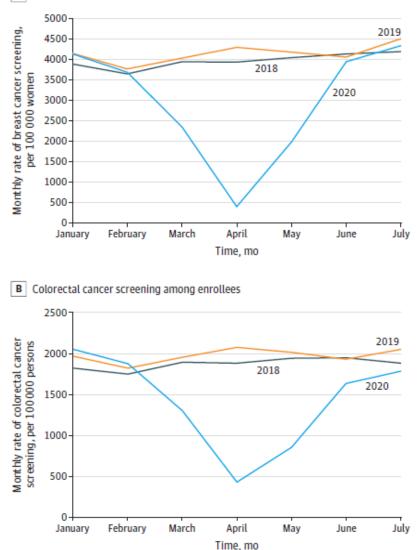
- Breast and colon cancer screening profiled over first 6 months of each calendar year
- In 2020, sharp decline in first 3 months of pandemic followed by recovery to baseline
- Peer review literature on the effect of the pandemic on screening rates and cancer diagnosis will continue to be published
- Health plans have screening data on their population in more real time and with a focus on preventative testing that can improve rates

Association of Cancer Screening Deficit in the United States With the COVID-19 Pandemic

Ronald C. Chen, MD, MPH; Kevin Haynes, PharmD, MSCE; Simo Du, MBBS, MHS; John Barron, PharmD; Aaron J. Katz, PharmD, PhD

JAMA Oncology June 2021 Volume 7, Number 6

Figure 1. Screening Rates per 100 000 Enrollees per Month in 2018, 2019, and 2020

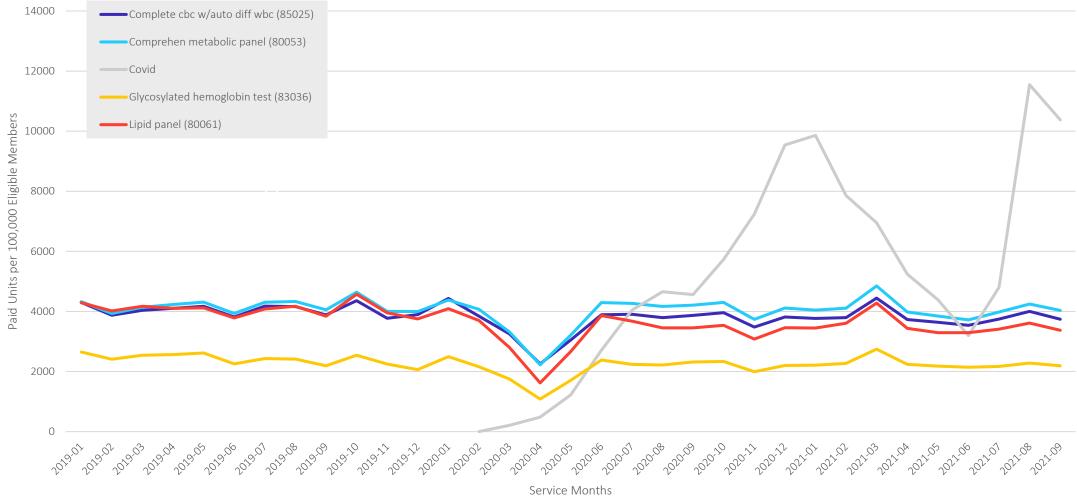


A Breast cancer screening among female enrollees

Testing Volume of Preventive Screenings

JANUARY 2019 TO SEPTEMBER 2021

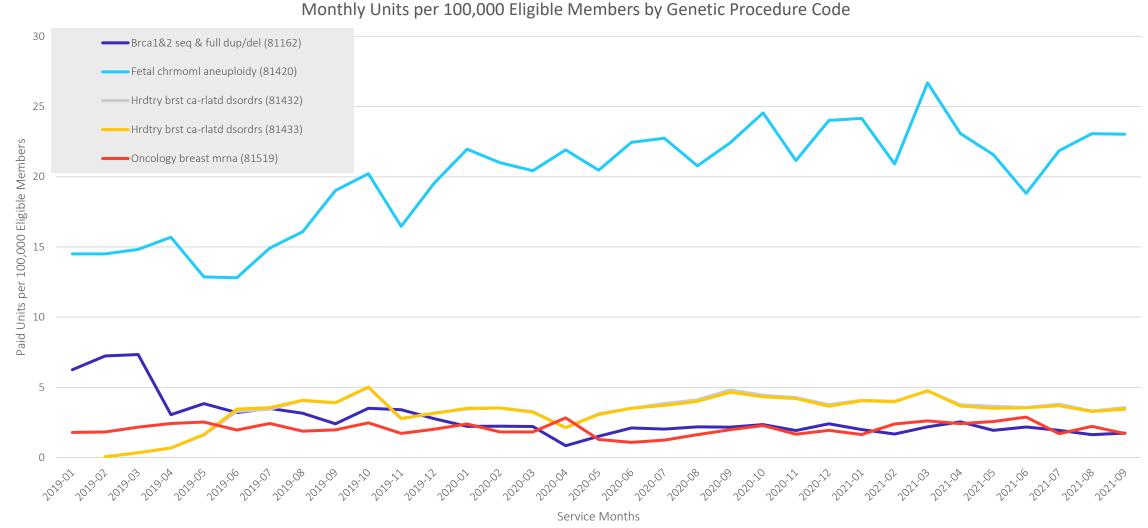
Monthly Units per 100,000 Eligible Members by Procedure Code Type





Confidentia

Genetic Testing/1M Lives – Top CPTs (In claims not PAS)





CPT 81420 Rising – What Does the Future Hold?





- **Epidemic: Rapid** increase of disease that spreads person-to-person in a finite location
- **Pandemic:** Epidemic that has spread over a large area (i.e., country, continent, or globally)

• Endemic:

- Usually refers to something that belongs or is native to a particular population or country (i.e., malaria in certain countries)
- Endemic also implies new infections are stable and predictable
- Flu is an example of a virus that is globally present

CPT 81420 = non-invasive prenatal screening



White Paper

DIGITIZED LAB RESULTS: The Untapped Opportunity to Accelerate Value-Based Care Success



WHITE PAPER | NOVEMBER 2021

Friday, November 19 www.avalonhcs.com





Confidential

Questions?



Thank you



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SAVE THE DATE JANUARY 18 2:00 - 3:00 PM EST

