

# AVALON HEALTHCARE SOLUTIONS HOT TOPICS IMPACTING HEALTH PLANS AND MEMBER HEALTH

November 16, 2021

Confidential





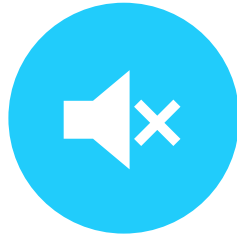
# OVERVIEW & INTRODUCTIONS

**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

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## HEALTHCARE POLICY UPDATE FROM WASHINGTON, D.C.

**Julie Barnes**, Principal, Maverick Health Policy

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## COMMENTS ON COVID-19 VACCINE MANDATES

**Steve Morgan**, General Counsel, Avalon

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## IMPACT OF COVID-19 ON PREVENTIVE LAB SCREENINGS

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



# HEALTHCARE POLICY UPDATE FROM WASHINGTON, D.C.

**Julie Barnes**, Principal, Maverick Health Policy

# Overview



## No Surprises Act

What It Does

Who It Impacts

Regulatory Timeline

## Democrat Domestic Agenda – Impact on Health Care

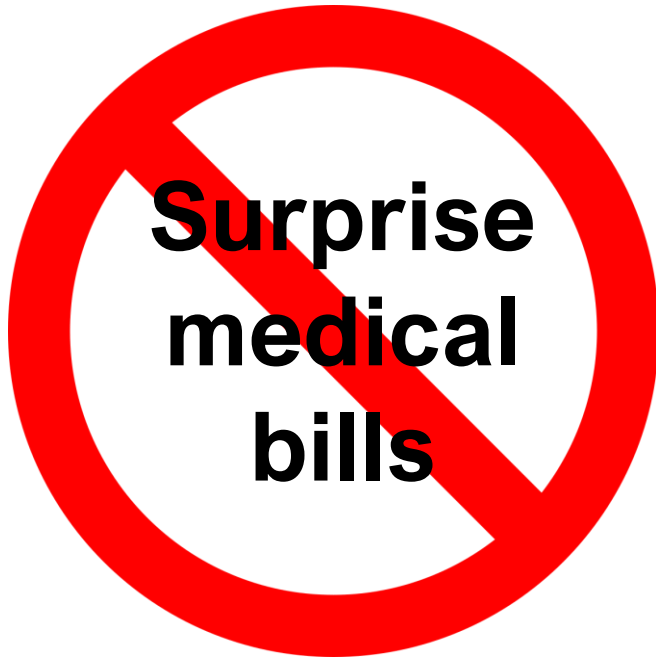
Infrastructure Investment and Jobs Act

Reconciliation package

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 in-network healthcare facility.

## When:

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

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



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July 1, 2021 Interim Final Rule

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August 20, 2021 FAQs

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September 10, 2021 Proposed Rule

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September 30, 2021 Interim Final Rule

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# No Surprises Act – Rule #1

**July 1<sup>st</sup>**  
**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. 30<sup>th</sup> Interim Final Rule

New Website:  
[www.cms.gov/nosurprises](http://www.cms.gov/nosurprises)

### Independent Dispute Resolution (IDR)

- Payers median contracted rate is the default

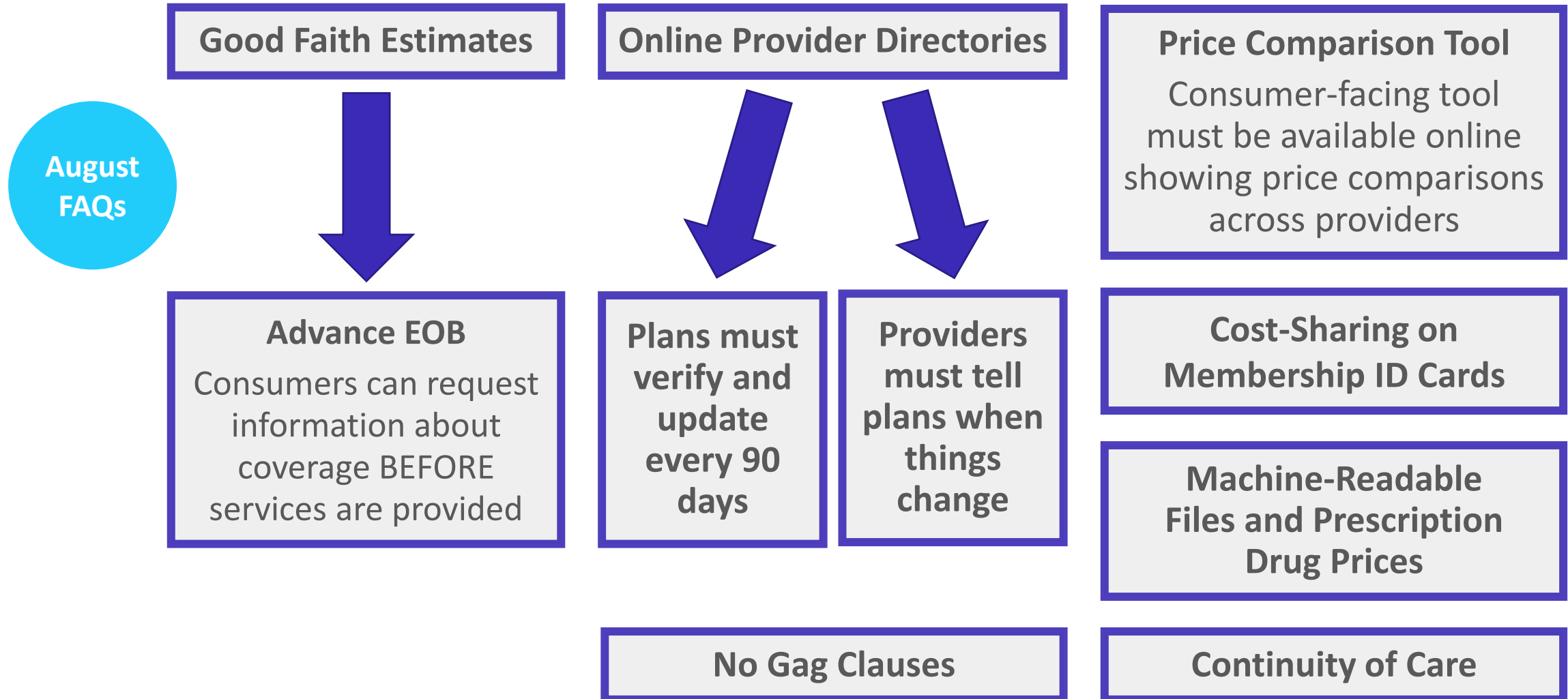
### New Uninsured Patient Rules

- Good faith estimates
- Dispute resolution process

### External review expanded

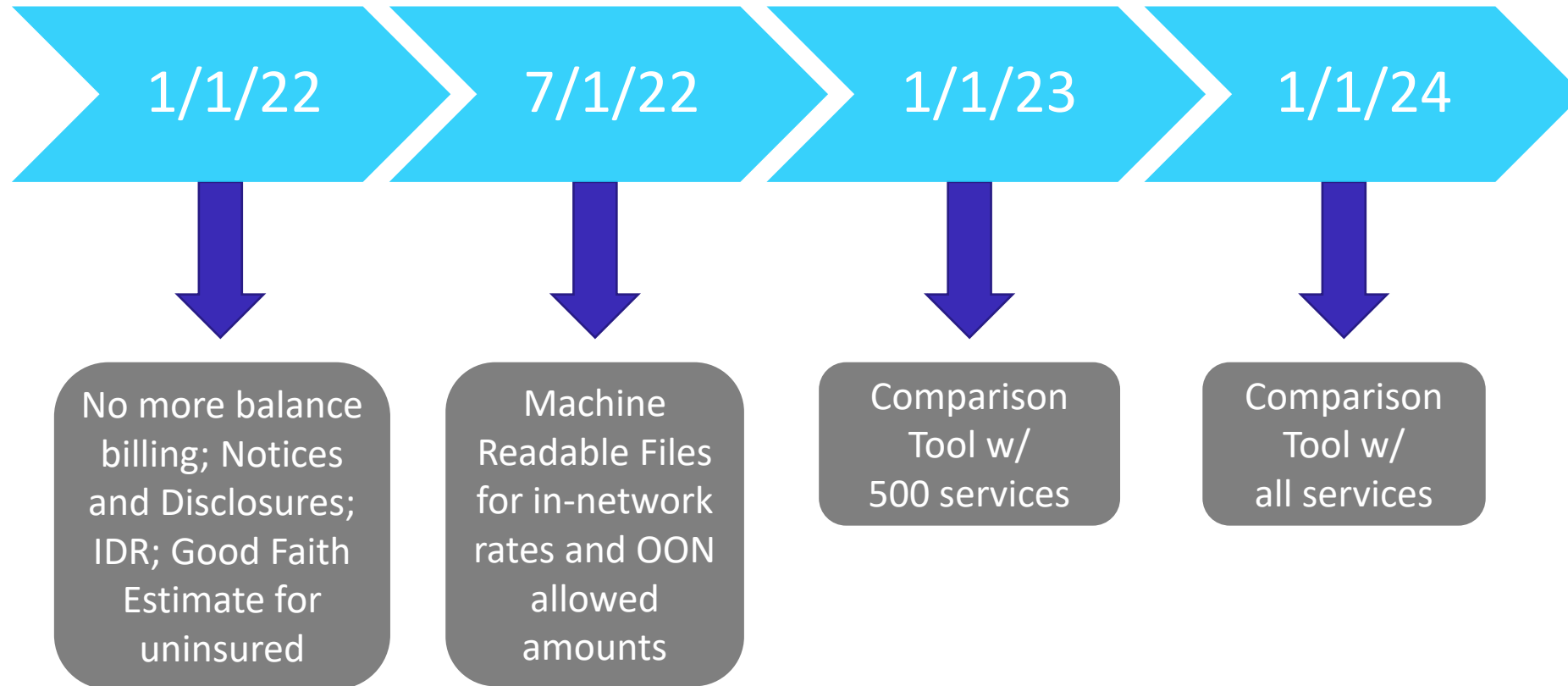
- Includes No Surprises Act-related disputes

# No Surprises Act – Price Transparency Mandates Delayed



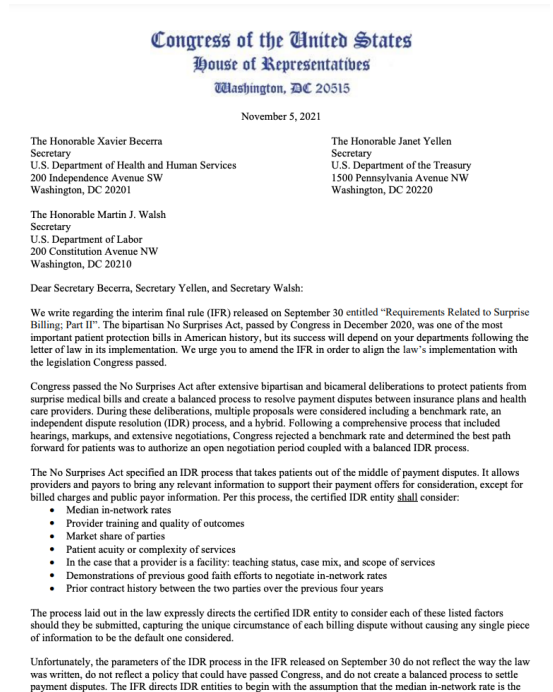


# No Surprises Act / Transparency – Deadlines\*

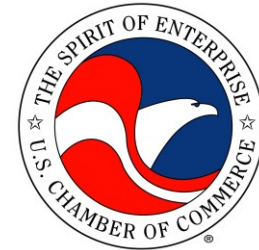


\* Deadlines will be in the future rulemaking for good faith estimates and advanced EOBs, provider directory updates, health plan ID cards, continuity of care, prescription drug pricing.

# No Surprises Act – The Pushback



- **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



# Breaking News





# 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

CPT	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  
<https://www.cms.gov/newsroom/fact-sheets/transparency-coverage-final-rule-fact-sheet-cms-9915-f>

# 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



**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

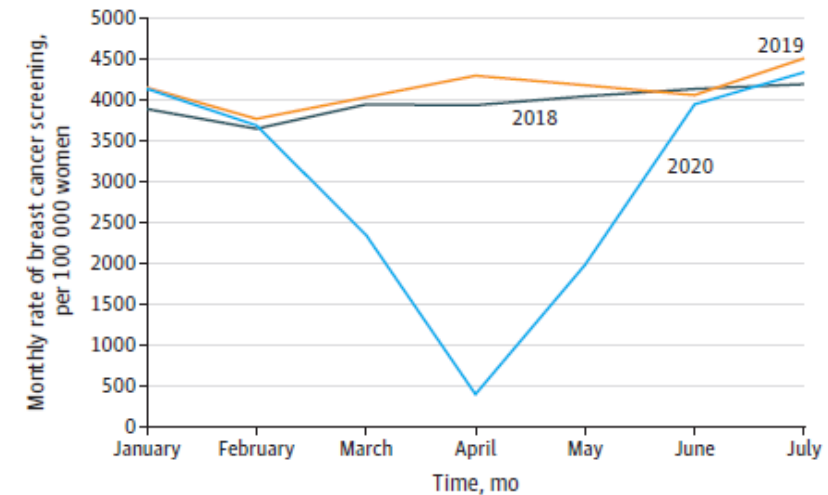
## Association of Cancer Screening Deficit in the United States With the COVID-19 Pandemic

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

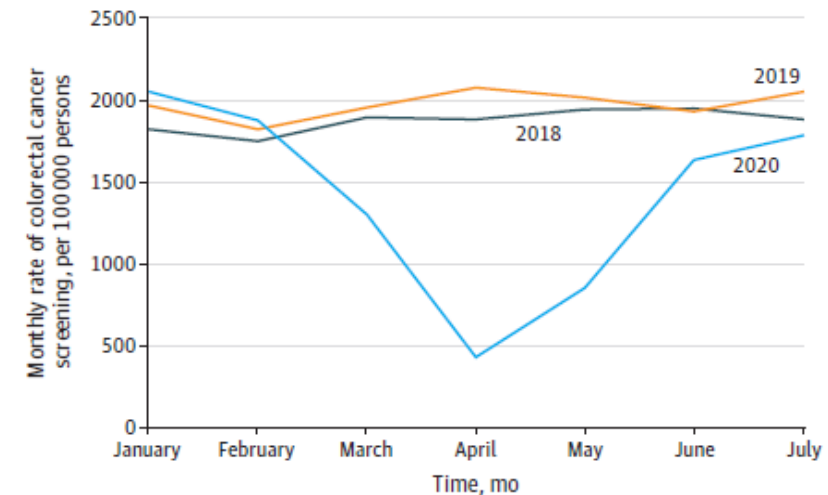
JAMA Oncology June 2021 Volume 7, Number 6

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

**A** Breast cancer screening among female enrollees



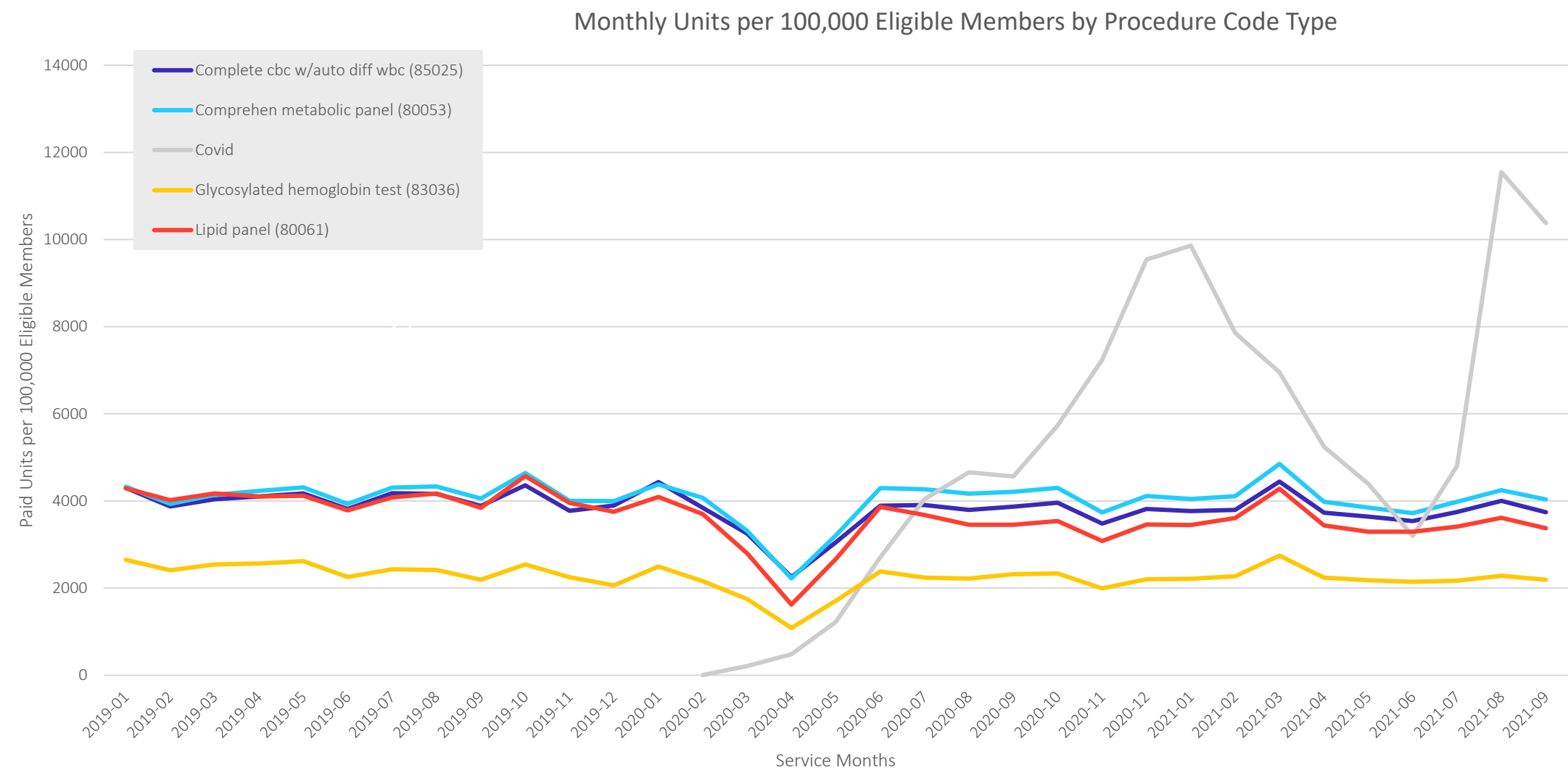
**B** Colorectal cancer screening among enrollees



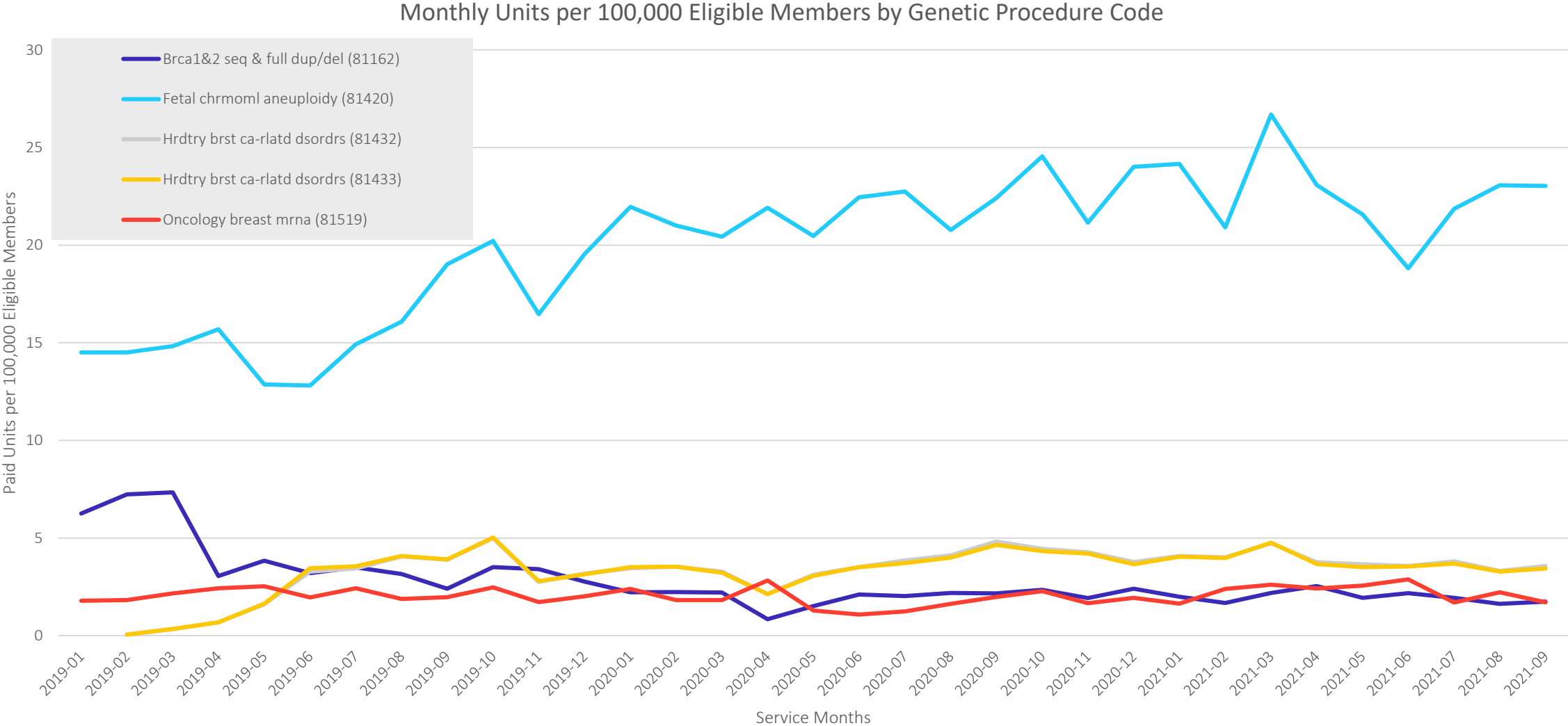


# Testing Volume of Preventive Screenings

JANUARY 2019 TO SEPTEMBER 2021



# 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

By Rahul Singal, MD and  
Rhonda Willingham, RN, BSN



WHITE PAPER | NOVEMBER 2021

Friday, November 19  
[www.avalonhcs.com](http://www.avalonhcs.com)



# Questions?

# Thank you

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## SAVE THE DATE

JANUARY 18 | 2:00 - 3:00 PM EST