

AVALON HEALTHCARE SOLUTIONS **NAVIGATING THE LAB LANDSCAPE: TOP TRENDS AND POLICIES**

May 17, 2022



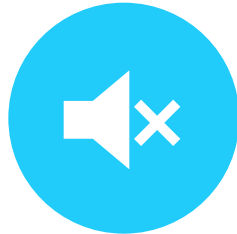
OVERVIEW & INTRODUCTIONS

Rhonda Willingham, EVP, Sales & Marketing, 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

Rhonda Willingham, EVP, Sales & Marketing, Avalon

LEARN WHAT IS GOING ON IN D.C. AND THE EFFECT ON HEALTH PLANS

Eric Schiavone, Analyst, Maverick Health Policy

L.A.B. COALITION: WHAT IT IS AND HOW TO GET INVOLVED

Rhonda Willingham, EVP, Sales & Marketing, Avalon

2022 LAB TREND REPORT: EARLY ACCESS TO THE LATEST INSIGHTS

Jason Bush, Ph.D., EVP, Product, Avalon

CLOSING REMARKS

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



LEARN WHAT IS GOING ON IN D.C. AND THE EFFECT ON HEALTH PLANS

Eric Schiavone, Analyst, Maverick Health Policy



Overview

- Health Policy Update
 - New FTC Commissioner
 - Price Transparency
 - e-Prior Auth

FTC's Increased Focus on Privacy



FTC Authority

- Protects consumers from unfair and deceptive business practices; extends to HIPAA and non-HIPAA covered entities.

Latest Privacy Activity

- Sept 15, 2021: Policy Statement – reminder that non-HIPAA covered health apps must notify consumers if health data is released without authorization.
 - Civil penalties: up to \$43,792 per day

New Privacy-Focused Commissioner: Alvaro Bedoya

- Founding Director, Georgetown Law's Center on Privacy and Technology
- Chief Counsel, U.S. Senate Judiciary Subcommittee on Privacy, Technology, and the Law
- Crucial deciding vote on all FTC decisions



Price Transparency Regulation Landscape

TiC Machine Readable Files

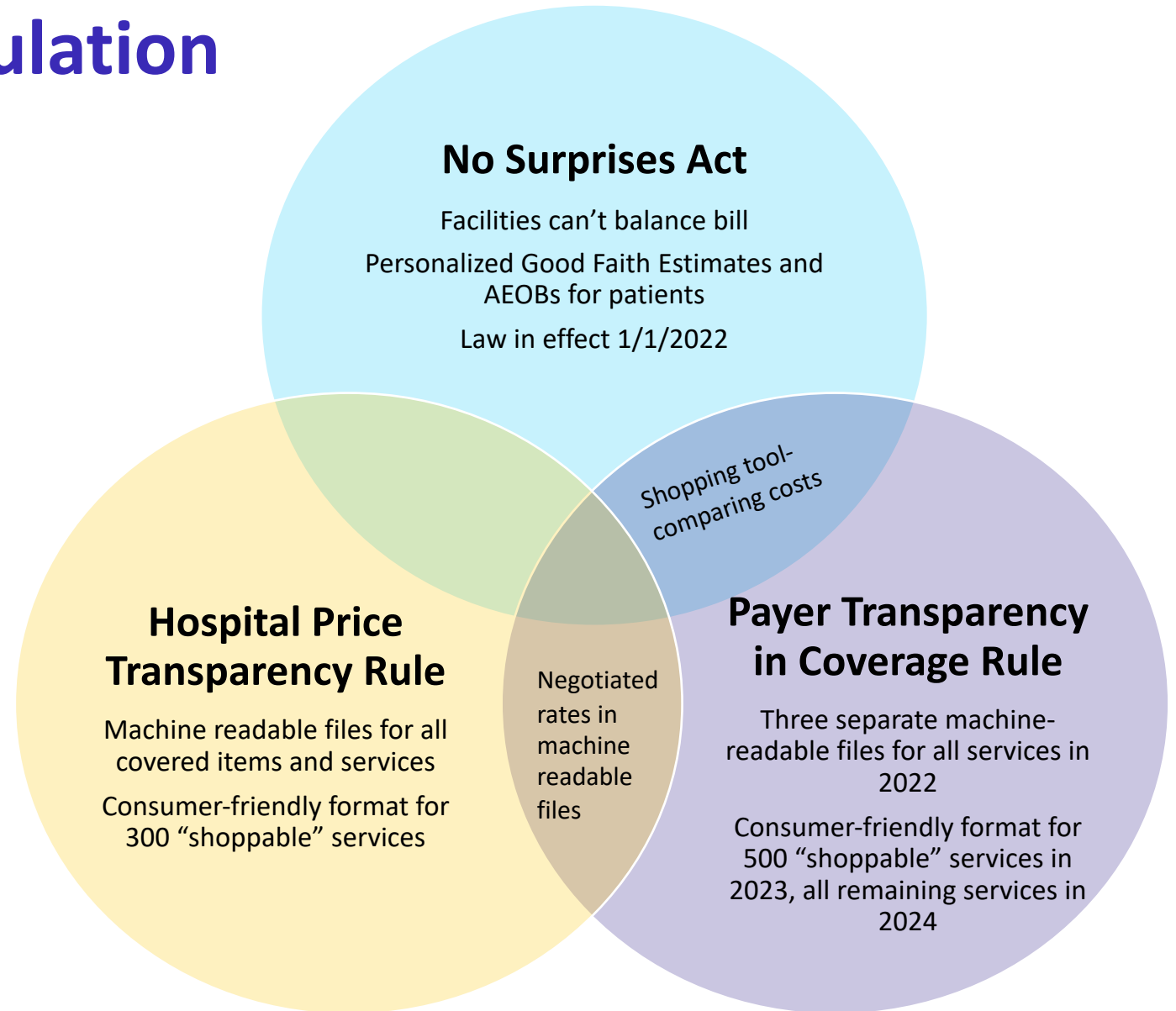
- Enforcement discretion until July 1, 2022
- Delayed pending rulemaking for prescription drugs

No Surprises Act Price Comparison

- Enforcement discretion until January 1, 2023, to align with TiC requirements

Hospital Price Transparency Enforcement

- January 1, 2021, effective date
- Minimum \$109,500 annual penalty with a max of \$2,007,500. Varies by hospital size



Interoperability Mandates Will Continue to Disrupt Business Model to Empower Patients

Information Sharing

WHAT: Payers must download personal data to an app of an enrollee's choosing

- Plans must educate enrollees about third party apps – FTC jurisdiction kicks in

Enforcement date: July 1, 2021

IMPACT: Access to data is not used if no medical need

Electronic Prior Authorization

WHAT: Automates and streamlines prior authorization processes

- ePA capabilities will be part of existing provider workflow

Enforcement date: ????

IMPACT: Prior auth process will be faster and less burdensome on all parties

Payer-to-Payer Data Exchange

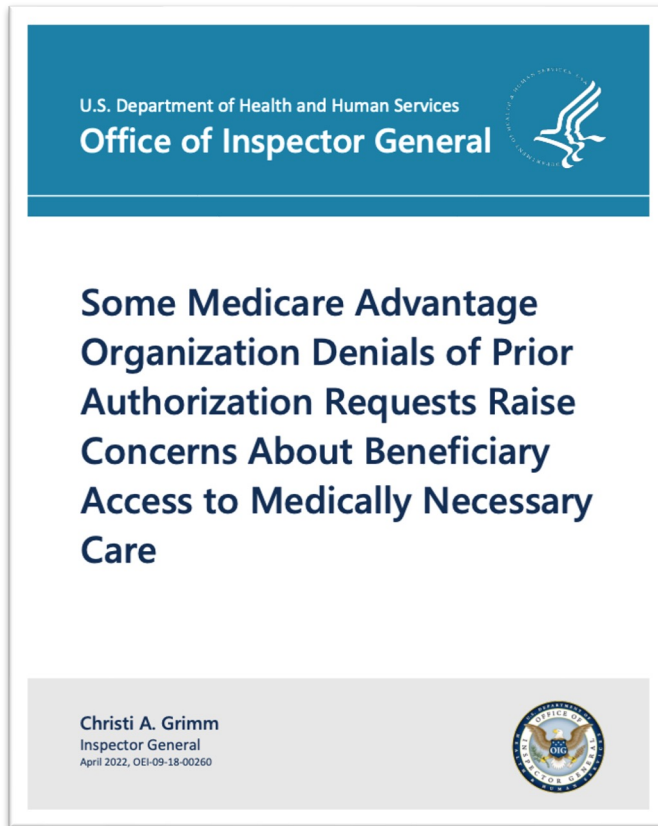
WHAT: Payers must send clinical data to another payer that now covers an enrollee

- Part of original interoperability rule, needed technical standards

Enforcement date: ????

IMPACT: Payers will have the most data for care coordination and population health

Serious Momentum for Electronic Prior Authorization



HHS OIG Report on Medicare Advantage Coverage Denials; April 27, 2022

Report concluded that Medicare Advantage plans denied prior authorization requests by:

- Using plan clinical criteria that are not part of Medicare coverage rules;
- Requesting unnecessary documentation; and
- Making manual review errors and system errors.

Prior authorization 'gold card' bills spark conversations in states

GOLD CARD BILLS ACROSS THE COUNTRY

At least eight states have considered bills this year.

States that have **discussed** prior authorization gold card bills this year



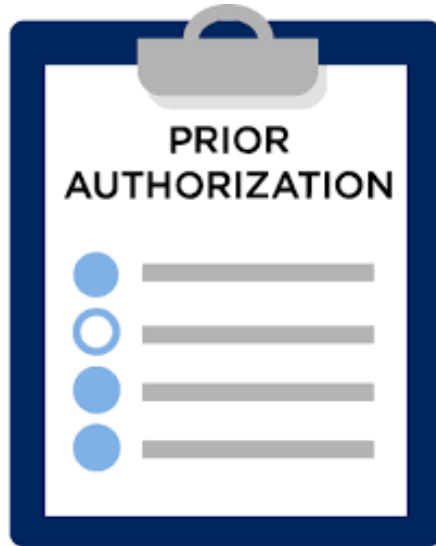
States that already **have laws** on the books



Operating a **pilot program**

Vt.

Electronic Prior Authorization – New Federal Rule Soon



- **What**

- Automated prior auth process will be part of EHR system, including document lookup service API.
- Payers must quickly decide whether to approve coverage, give reasons for denial, report % of approvals, denials, etc. Enforcement discretion until July 1, 2022.

- **Who**

- Payers and providers
- CMS rule, ONC is helping with technical standards

- **When**

- Soon





L.A.B. COALITION: WHAT IT IS AND HOW TO GET INVOLVED

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LABORATORY ACCESS
& BENEFITS COALITION

<https://www.labcoalition.org/>

HORIZON
GOVERNMENT AFFAIRS

Membership open to health plans

- Launched July 2021
- Multi-stakeholder industry group is lobbying to improve federal public policy that ensures high-value lab testing
- Advocacy Issues / Concerns:
 - Prior authorization, OTC lab tests, 21st Century Cures 2.0 (Medicare coverage of breakthrough devices, genetic testing), VALID Act (increased FDA oversight of LDTs)



Maverick Health Policy



2022 LAB TREND REPORT: EARLY ACCESS TO THE LATEST INSIGHTS

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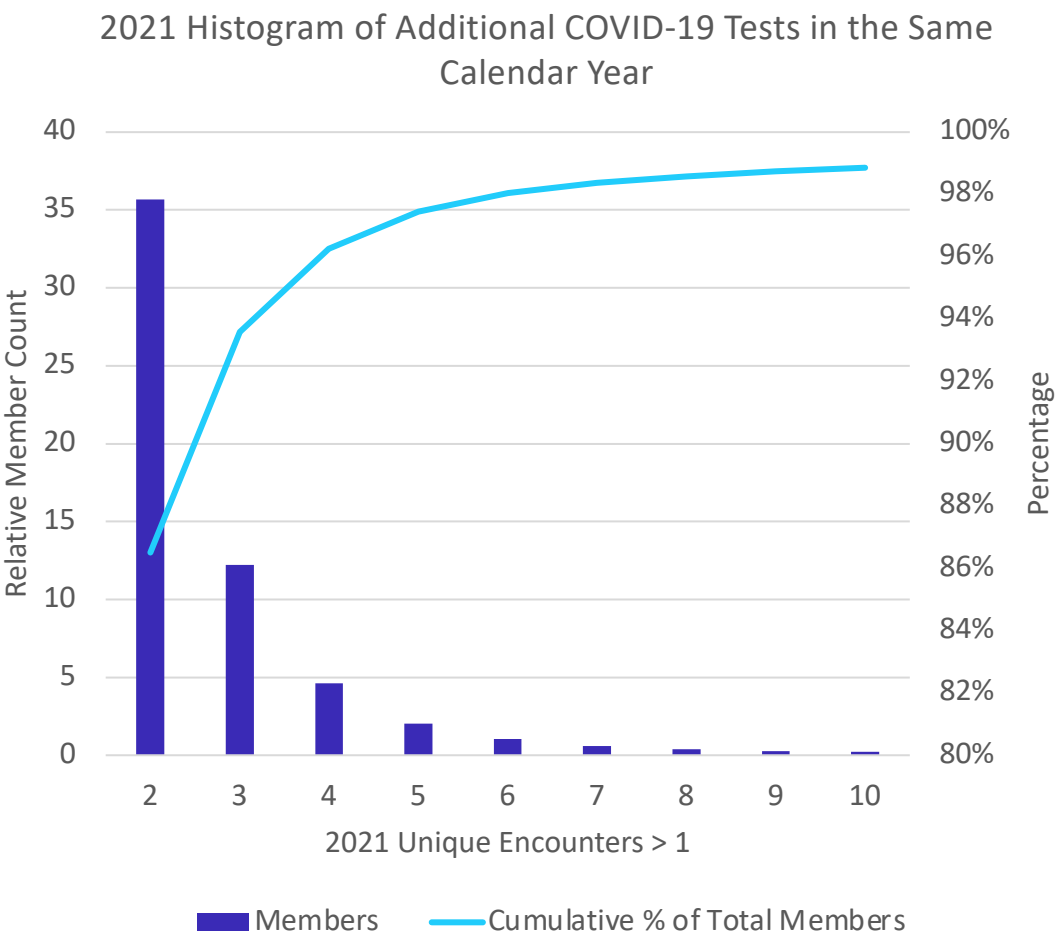
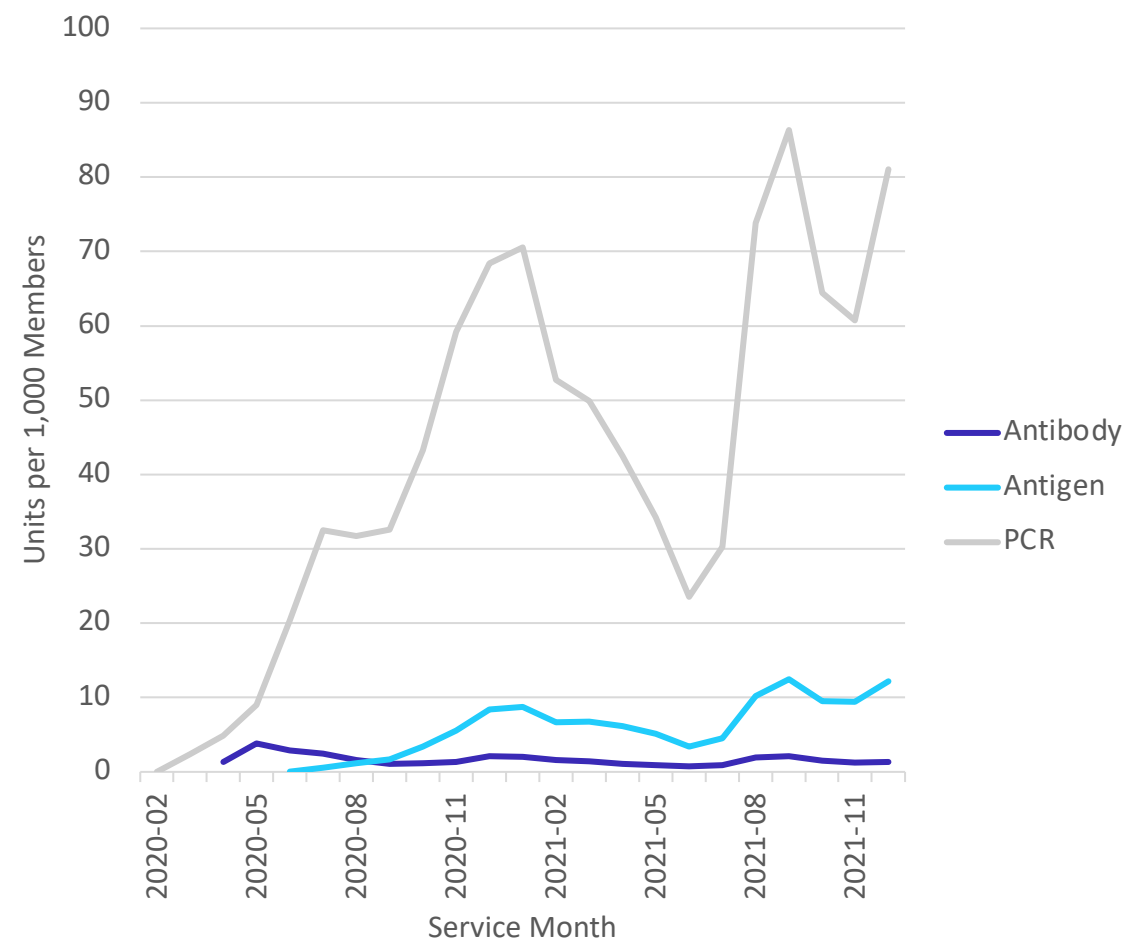
2022 Lab Trend Report Overview



- Lingering Impact of COVID-19
- Market Forces Affecting the Laboratory Space and Health Plans
- Avalon's View of Laboratory Trends
- Lab Value Management Through Data

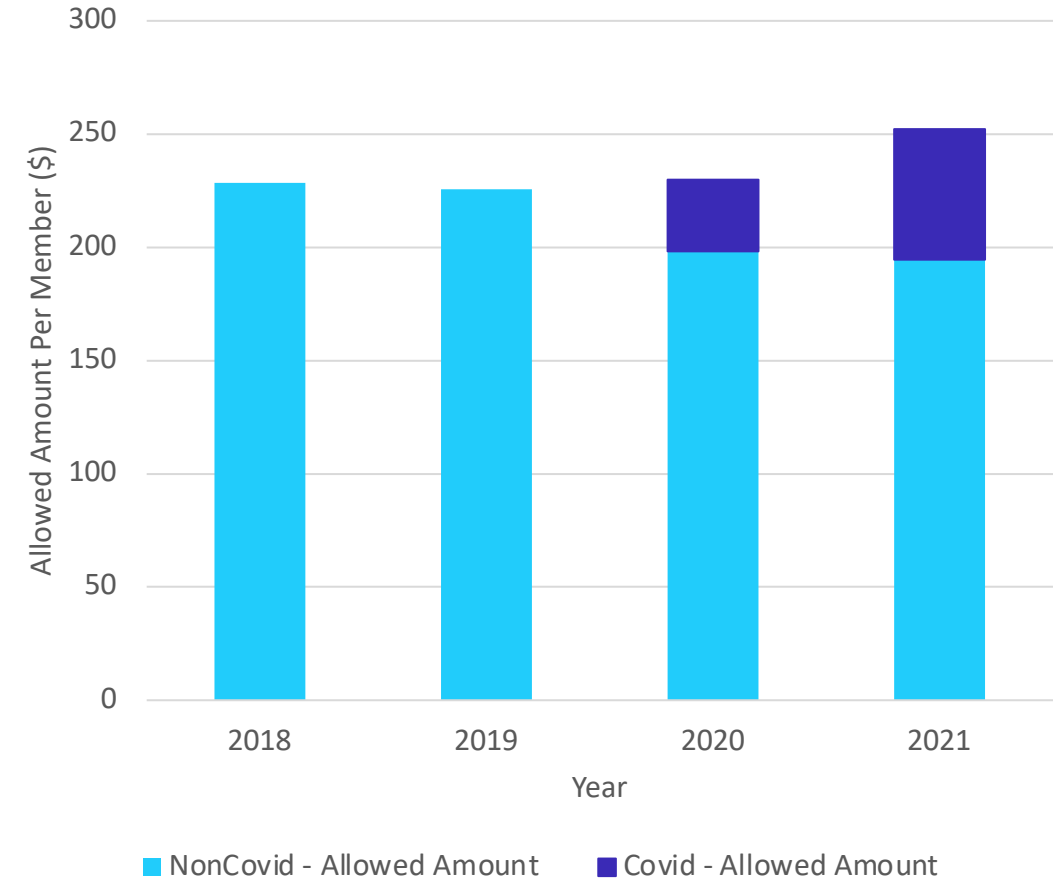
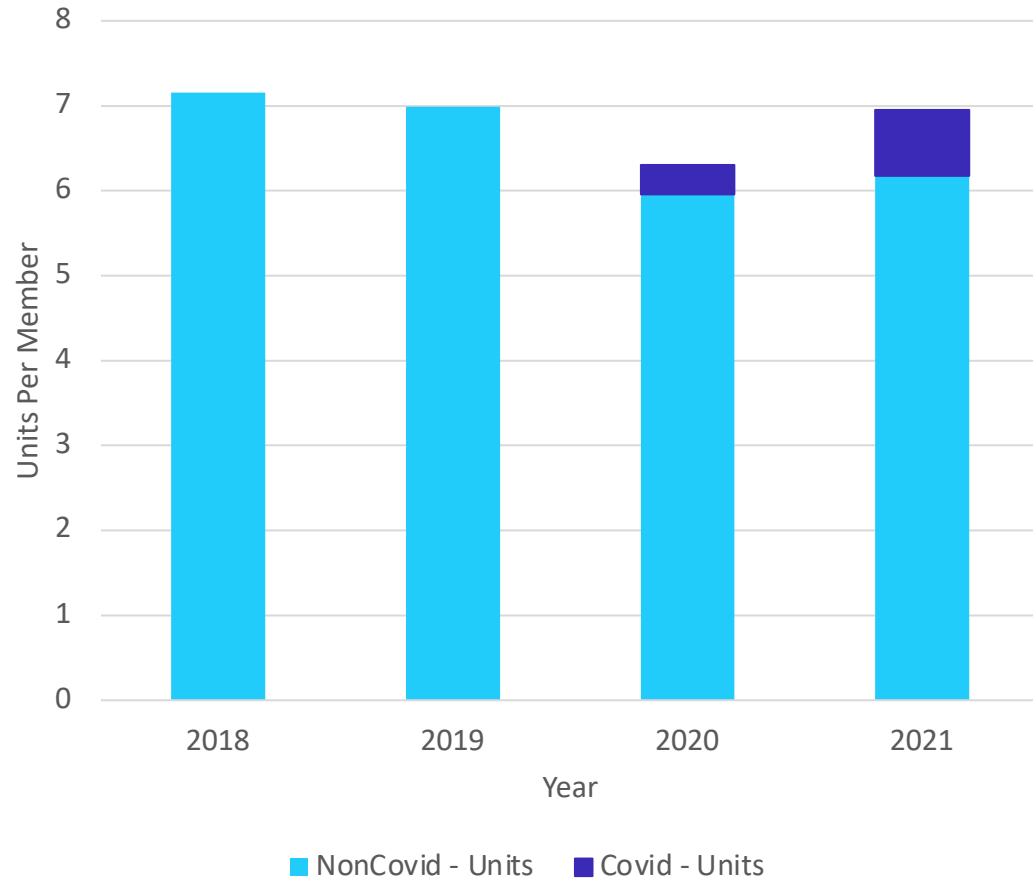
COVID-19 Testing

PCR DOMINATES AND CONCERNS ABOUT REPEATED TESTING



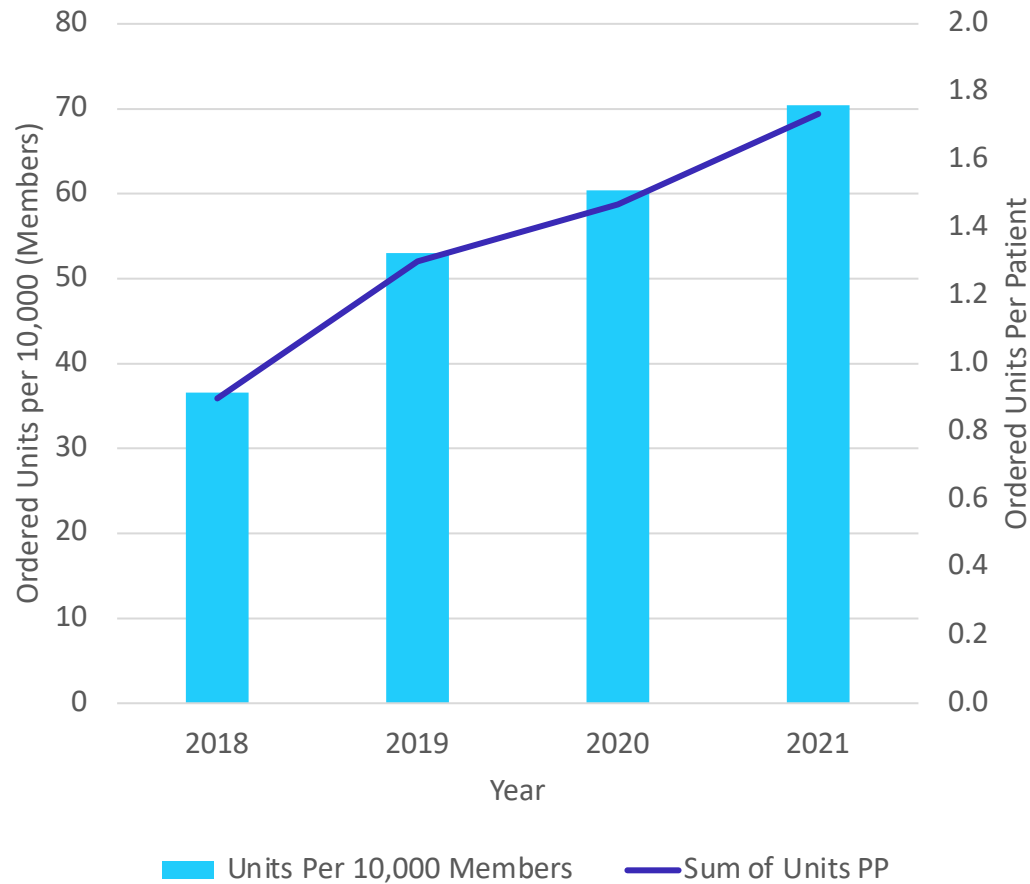
Avalon's Trends

COVID-19 MAKING UP FOR DEPRESSED UTILIZATION AND DRIVING HIGHER LABORATORY SPEND



Genetic Testing

SIGNIFICANT TREND INCREASE

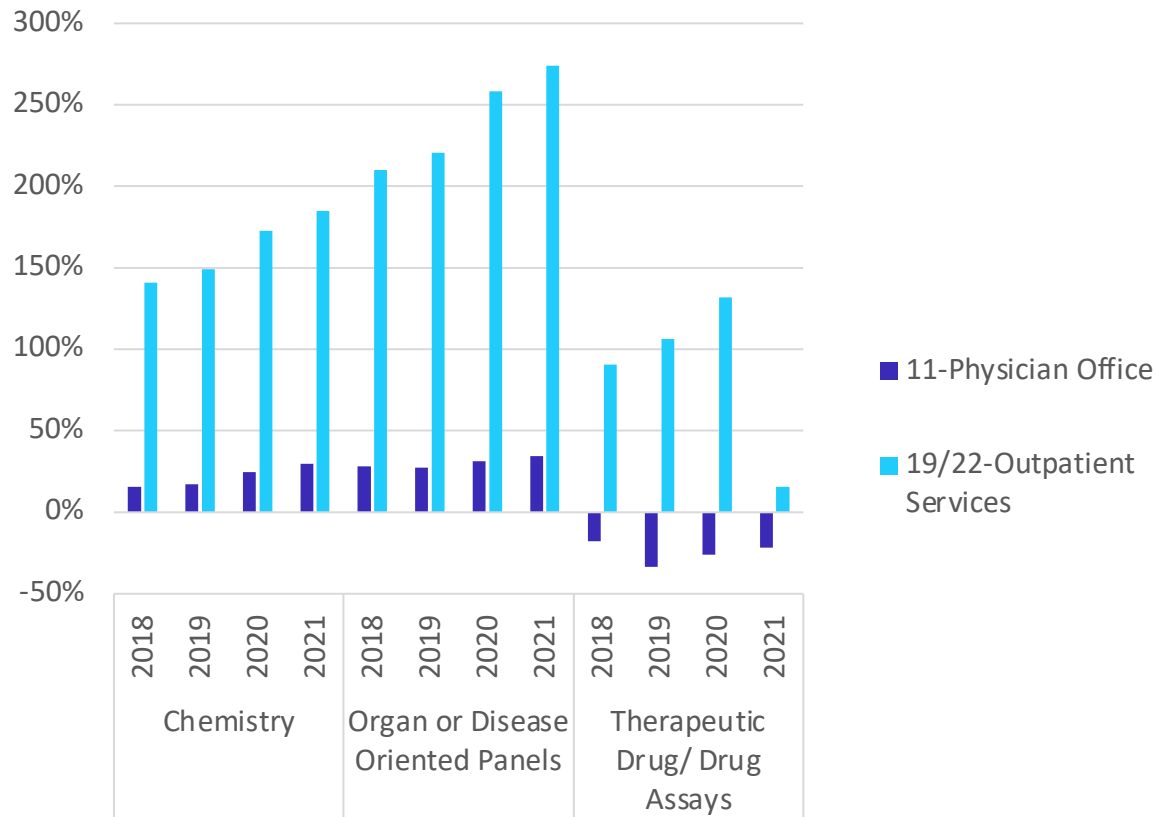


- A 2-fold increase in units per 10,000 members driven by more units per patient!
- A nearly 17% compounded annual growth rate!
- Preconception and prenatal testing leading the volume increases

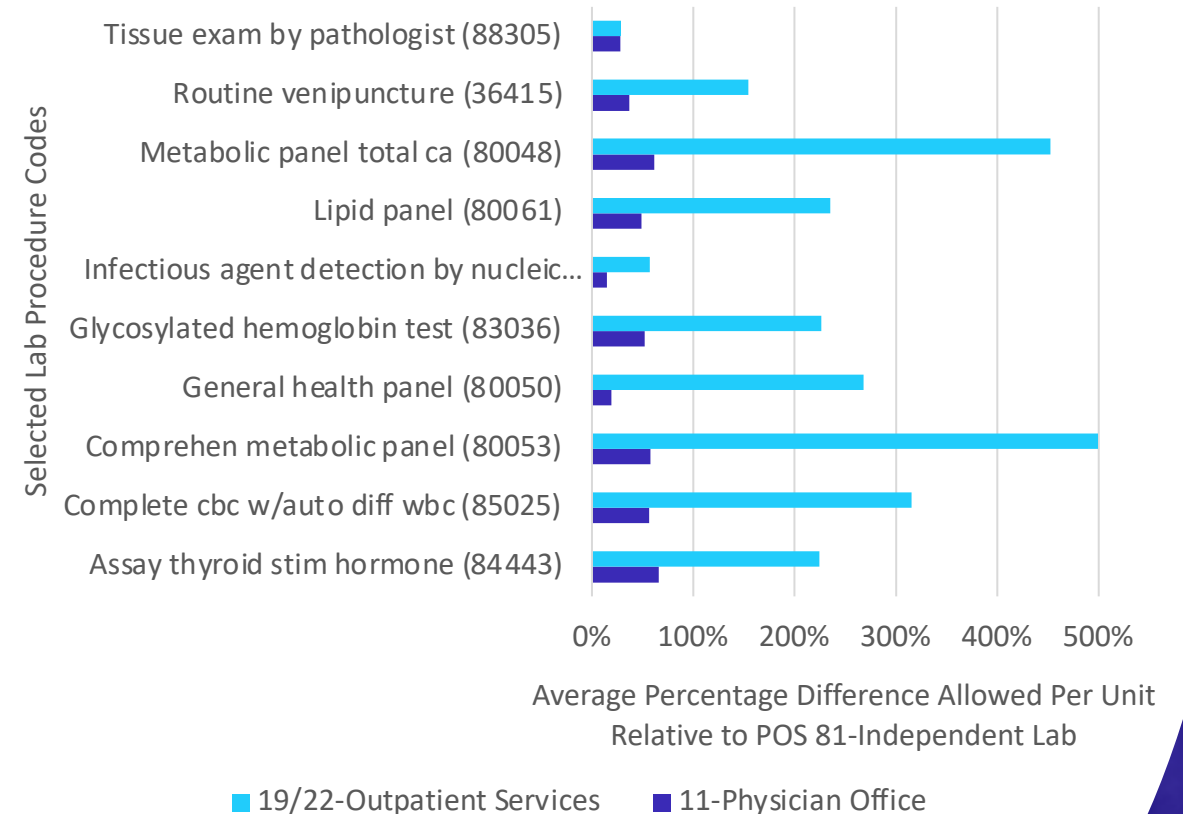
Place of Service Matters

CONSISTENT QUALITY – VARYING PRICES

Percentage Change in Average Cost per Unit by Test Type, Year, and Place of Service, Relative to Tests Rendered by Independent Labs



Percentage Difference in Average Allowed Payments for Independent Labs for Select 2021 Procedure Codes by Units Volume





CLOSING REMARKS

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

Thank you

**Clients Contact:**

Kerri Fritsch, Chief Client Officer
813-751-3832
kerri.fritsch@avalonhcs.com

Prospects Contact:

Barry Davis, Chief Growth Officer
201-218-3425
barry.davis@avalonhcs.com

SAVE THE DATE

JULY 19 | 2:00 - 3:00 PM EST

Registration open: www.avalonhcs.com