AVALON HEALTHCARE SOLUTIONS
SHIFTS IN THE LAB ECOSYSTEM: TRANSPARENCY AND UNNECESSARY TESTING

November 15, 2022
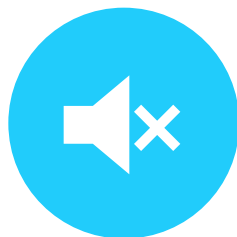
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OVERVIEW & INTRODUCTIONS
Kerri Fritsch, Chief Client Officer, Avalon

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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**.

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DOWNLOAD THE 2022 LAB TREND REPORT

EMERGING TRENDS AND ACTIONABLE INFORMATION

- Market forces affecting the laboratory space and health plans

- Avalon's view of laboratory trends

- Lab Values Management through data

- The lingering impact of COVID-19

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Agenda

OVERVIEW AND INTRODUCTIONS
Kerri Fritsch, Chief Client Officer, Avalon

WHAT'S THE LATEST FROM WASHINGTON, D.C.?
Julie Barnes, Principal, Maverick Health Policy

LAB POLICY IN THE LAME DUCK AND 118TH CONGRESS
Brett Meeks, Executive Director, Laboratory Access & Benefits (LAB) Coalition

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CLOSING REMARKS
Bill Kerr, M.D, Chief Executive Officer, Avalon

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WHAT'S THE LATEST FROM WASHINGTON, D.C.

Julie Barnes, Principal, Maverick Health Policy

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Health Policy Overview

- Multiple federal rules are coming soon

- News from NCQA about health plan quality measures

- New U.S. Government Accountability Office (GAO) report on payer market

- Senate Finance Committee Chair Ron Wyden on Medicare Advantage marketing tactics

- Electronic Prior Authorization coming soon

Multiple Requests for Information (RFIs)

The federal agencies are preparing to promulgate several rules and are seeking industry guidance

Comment Deadline	Topic
August 31, 2022	CMS Medicare Advantage Improvements
November 4, 2022	CMS Health Equity RFI
November 7, 2022	CMS Medicaid / CHIP Proposed Rule (streamlining eligibility and enrollment)
November 15, 2022	AHRQ RFI regarding care planning for multiple chronic conditions
November 15, 2022	CMS RFI on No Surprises Act – advanced explanation of benefits (AEOBs) and good faith estimates (GFEs)
December 6, 2022	CMS RFI and Proposal for National Directory for Healthcare Providers and Services

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NCQA Health Plan Quality Measures

October 31- November 3 in Washington, D.C.

- 1,300 attendees (sold out)
- 30+ sessions over 4 days

Maverick's Summaries of the NCQA Innovation Summit

1. **The Future of Digital Health** (David Brailer and Eric Schneider)
2. **Breakthrough Innovators in Health Care** (Walmart, Humana, Oak Street)
3. **CMS' Vision for the Transition to Digital Measurement** (CMS CMO Lee Fleisher)
4. **Investing in Unpaid Caregivers** (Alex Drane)
5. **Evolving Measures From Paper to Fully Executable Software—Using Digital Quality Measures and FHIR** (Don Rucker)
6. **C-Suite Leadership Forum** (UPMC, Geisinger, Banner Health)
7. **Keynote with Dr. Jaewon Ryu** (CEO of Geisinger)
8. **FHIRside Chat** (Edward Yurcisin, CTO at NCQA and Don Rucker)
9. **HEDIS Measurement Year 2022 & 2023 Updates** (Cindy Ottone, NCQA Director of Measures)
10. **Social Needs Quality Measurement in HEDIS** (two NCQA researchers presented)
11. **Fireside Chat with Mandy Cohen** (EVP and CEO of Aledade Care Solutions)
12. **Equity and Accountability in Fee-For-Service Medicare** (Liz Fowler)
13. **Transforming Behavioral Health Care** (John Palmieri, SAMHSA, Alabama Mental Health Dept., Health Management Associates)
14. **Driving Data and Interoperability to Improve Patient Outcomes: How CMS Aims to Transform Quality** (CMS Division of Quality Measurement and Yale)
15. **Whole Person Care In Medicare** (Meena Seshamani)

To receive summaries email Rourke Day at
Rourke.Day@Avalonhcs.com

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GAO Releases New Report on Payer Market

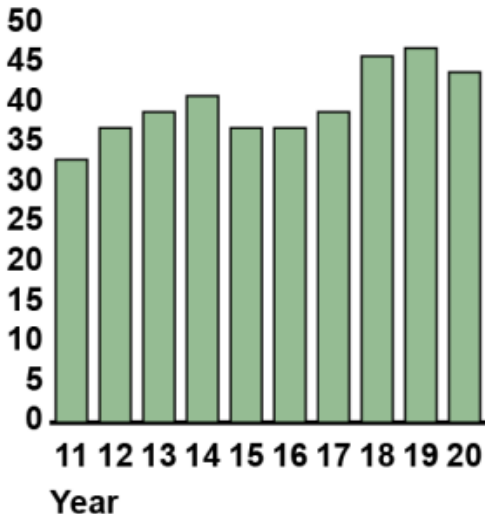U.S. Government Accountability Office

GAO

PRIVATE HEALTH INSURANCE

Markets Remained Concentrated through 2020, with Increases in the Individual and Small Group Markets

Number of States, including the District of Columbia, Where the Three Largest Issuers Had at Least 80 Percent of Enrollment, by Market, 2011-2020
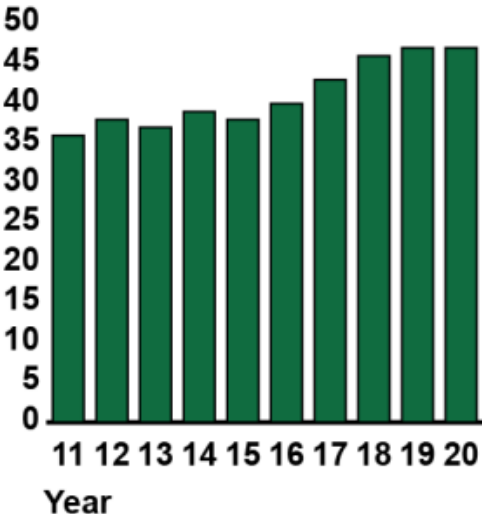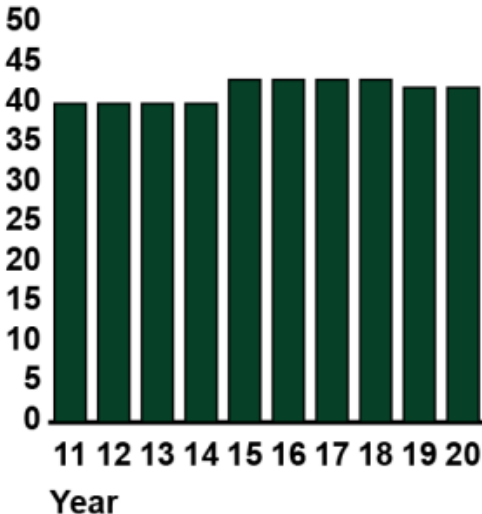
Individual market
Number of states

Small group market
Number of states

Large group market
Number of states

Appendix III: Number and Market Share of Issuers in Individual Market Exchanges, 2015-2020

Appendix IV: Number of Issuers and Market Share of Largest Issuers Participating in Small Group Health Insurance Market

Appendix V: Number of Issuers and Market Share of Largest Issuers Participating in Large Group Health Insurance Market

Source: GAO analysis of data from the Centers for Medicare & Medicaid Services (CMS). | GAO-23-105672

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Wyden Warns Against Medicare Advantage Marketing Tactics

November 3, 2022

Wyden Reports Deceptive Marketing Practices in Medicare Advantage that Harm Seniors

Following Multi-State Survey, Finance Chairman Finds Substantial Increase in Marketing Materials and Tactics Designed to Trick Seniors

Electronic Prior Authorization

What happened before:
Trump Admin Final Rule

January 2021 – rescinded

PURPOSE: Reduce amount of time providers must wait for a prior auth decision (72 hours for urgent requests or 7 days for non-urgent)

WHO: Medicaid, CHIP and QHP payers (not Medicare Advantage plans or employer-sponsored insurance plans)

WHAT: Part of CMS interoperability rule for payers. Beginning on January 1, 2023, payers must add APIs to support prior auth requirements

What's happening now:

OFFICE of INFORMATION and REGULATORY AFFAIRS
OFFICE of MANAGEMENT and BUDGET
EXECUTIVE OFFICE OF THE PRESIDENT

U.S. General Services Administration — GSA

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Search: ○ Agenda ● Reg Review ○ ICR

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Pending EO 12866 Regulatory Review

RIN: 0938-AU87   View EO 12866 Meetings   Received Date: 10/13/2022

Title: Interoperability and Prior Authorization for MA Organizations, Medicaid and CHIP Managed Care and State Agencies, FFE QHP Issuers, MIPS Eligible Clinicians, Eligible Hospitals and CAHs (CMS-0057)

Agency/Subagency: HHS / CMS   Stage: Proposed Rule

Legal Deadline: None   Economically Significant: Yes

International Impacts: No   Affordable Care Act [Pub. L. 111-148 & 111-152]: No

Pandemic Response: No   Dodd-Frank Wall Street Reform and Consumer Protection Act, [Pub. L. 111-203]: No

FIERCE Healthcare

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PAYERS

House passes bill to install electronic prior authorization in Medicare Advantage plans

By Robert King • Sep 14, 2022 01:27pm

LAB POLICY IN THE LAME DUCK AND 118TH CONGRESS

Brett Meeks, Executive Director, Laboratory Access & Benefits (LAB) Coalition

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Agenda

- **LAB Coalition Overview**
  - — Who we are
  - — Why we formed
  - — What we're doing

- **Post-Election Analysis**

- **Lab Policy in Lame Duck and 118th Congress**

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Steering Committee

Senate Results

Candidate	Party	Votes	Pct.
Raphael Warnock* ✓	Democrat	1,941,837	**49.41%**
Herschel Walker ✓	Republican	1,906,643	**48.52**
Chase Oliver	Libertarian	81,193	**2.07**

Candidate	Party	Votes	Pct.
Catherine Cortez Masto* ✓	Democrat	488,373	**48.77%**
Adam Laxalt	Republican	481,805	**48.11**
None of these candidates		12,077	**1.21**

Candidate	Party	Votes	Pct.
Mark Kelly* ✓	Democrat	1,244,514	**51.6%**
Blake Masters	Republican	1,117,864	**46.3**
Marc Victor	Libertarian	50,429	**2.1**

50 Democrats*

118th Senate

50

Republicans **48**

*Includes two Independents, Bernie Sanders (Vt.) and Angus King (Maine), who caucus with Dems

36 not up for reelection

Alaska: Likely Republican

29 not up for reelection

As of 2:30 p.m. ET Nov. 13

HELD GAIN
DEM

State won, by party

HELD GAIN
GOP

Goes to runoff

Not yet decided   No election

Sources: Politico, NY Times

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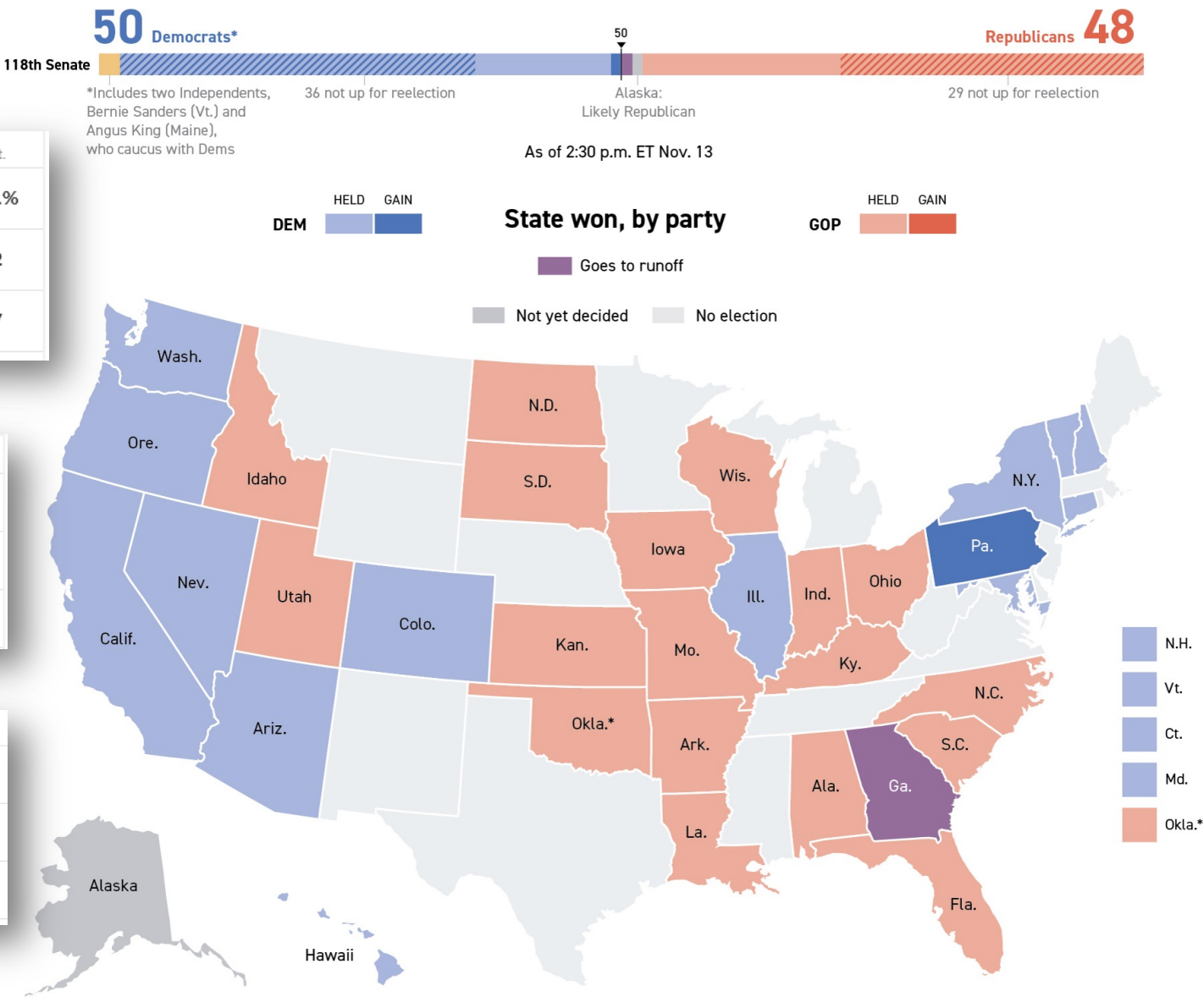
Did Trump Lose the Senate?

Endorsements by Donald Trump, 2018-2022

Election year	Total endorsements	Primary endorsements	Primary success rate	General election endorsements	General election success rate
2022	495	241	93%	254	77%
2021	6	3	100%	3	67%
2020	303	121	97%	182	78%
2019	14	5	80%	9	67%
2018	132	37	95%	95	59%

U.S. Senate endorsements by Donald Trump, 2022

Candidate	Office sought	Endorsement type	Outcome
Katie Britt (R) source	U.S. Senate Alabama	Primary Runoff, General	Won general
Kelly Tshibaka (R) source	U.S. Senate Alaska	Primary, General	Likely to lose runoff
Blake Masters (R) source 1 source 2	U.S. Senate Arizona	Primary, General	Lost general
John Boozman (R) source	U.S. Senate Arkansas	Primary, General	Won general
Leora Levy (R) source	U.S. Senate Connecticut	Primary, General	Lost general
Marco Rubio (R) source 1 source 2	U.S. Senate Florida	Primary, General	Won general
Herschel Walker (R) source 1 source 2	U.S. Senate Georgia	Primary, General	Headed to runoff
Mike Crapo (R) source	U.S. Senate Idaho	Primary, General	Won general
Chuck Grassley (R) source	U.S. Senate Iowa	Primary, General	Won general
Jerry Moran (R) source	U.S. Senate Kansas	Primary, General	Won general
Rand Paul (R) source	U.S. Senate Kentucky	Primary, General	Won general
John Neely Kennedy (R) source	U.S. Senate Louisiana	Primary	Won primary
Eric Schmitt (R) source	U.S. Senate Missouri	General	Won general
Adam Laxalt (R) source	U.S. Senate Nevada	Primary, General	Lost primary
Don Bolduc (R) source	U.S. Senate New Hampshire	General	Lost general
Ted Budd (R) source	U.S. Senate North Carolina	Primary, General	Won general
John Hoeven (R) source	U.S. Senate North Dakota	Primary, General	Won general
J.D. Vance (R) source 1 source 2	U.S. Senate Ohio	Primary, General	Won general
James Lankford (R) source	U.S. Senate Oklahoma	General	Won general
Markwayne Mullin (R) source	U.S. Senate Oklahoma (special)	Primary Runoff, General	Won general
Mehmet Oz (R) source 1 source 2	U.S. Senate Pennsylvania	Primary, General	Lost general
Sean Parnell (R) source	U.S. Senate Pennsylvania	Primary	Not on the ballot primary
Tim Scott (R) source	U.S. Senate South Carolina	Primary, General	Won general
Mike Lee (R) source	U.S. Senate Utah	Primary, General	Won general
Gerald Malloy (R) source	U.S. Senate Vermont	General	Lost general
Ronald Harold Johnson (R) source	U.S. Senate Wisconsin	Primary, General	Won general

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House Results

Calif. 27 › North Los Angeles County	Garcia +11	+14,861 votes	67%
Calif. 45 › Orange County	Steel +7	+12,252 votes	70%
Calif. 3 › Sierra Nevada	Kiley +6	+9,962 votes	53%
Calif. 22 › Central Valley (Bakersfield area)	Valadao +5	+2,878 votes	53%
Calif. 41 › Inland Empire (Palm Desert/Corona)	Calvert +3	+4,066 votes	74%
N.Y. 22 › Syracuse area	Williams +1.5	+4,020 votes	>95%
Ariz. 6 › Tucson/southeast Arizona	Ciscomani +0.65	+2,074 votes	89%
Colo. 3 › Western Slope	Boebert +0.35	+1,122 votes	>95%
Ariz. 1 › Phoenix area (Scottsdale/North Phoenix)	Schweikert +0.26	+894 votes	94%
Calif. 13 › Central Valley (Merced area)	Duarte +0.11	+84 votes	61%
Colo. 8 › Denver suburbs	Caraveo +0.73	+1,691 votes	>95%
Ore. 6 › Salem and Portland suburbs	Salinas +1.8	+4,400 votes	85%
Calif. 47 › Newport Beach/Huntington Beach	Porter +3	+5,337 votes	72%
Maine 2* › Northern Maine	Golden +3	+10,489 votes	>95%
Calif. 49 › Orange County/San Diego suburbs	Levin +5	+12,637 votes	79%
Calif. 21 › Central Valley (Fresno area)	Costa +9	+7,463 votes	75%
Calif. 6 › Sacramento suburbs	Bera +12	+11,624 votes	52%
Calif. 9 › Central Valley (Stockton area)	Harder +13	+9,918 votes	47%
Alaska 1* ›	Peltola +21	+44,406 votes	80%

204 Democrats | **19** Undecided | **212** Republicans

218 FOR CONTROL

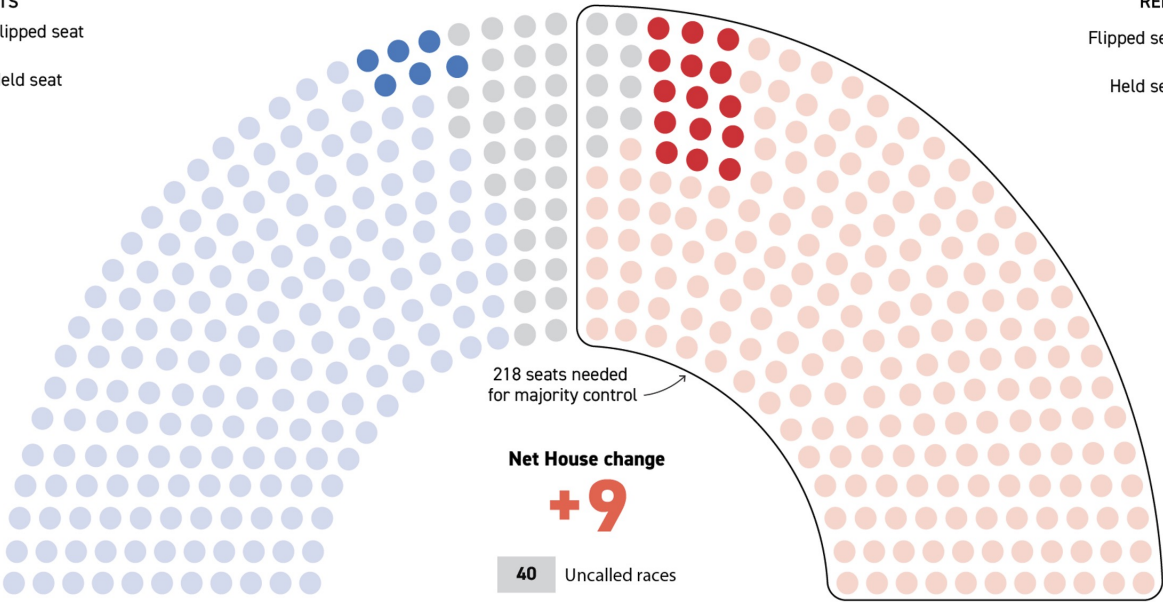## Republicans flip 15 seats to likely gain control of the House

Republicans have made significant gains in House districts previously held by Democrats, with 15 flips across 10 states. In four of those districts, Republicans defeated Democratic incumbents, including DCCC chair Sean Patrick Maloney of New York. Republicans need 11 more seats to clinch the majority and are favored to win 13 of the 40 remaining races, according to POLITICO's analysis.

DEMOCRATS
6 Flipped seat
180 Held seat

REPUBLICANS
Flipped seat 15
Held seat 194

218 seats needed for majority control

Net House change
+9

40 Uncalled races

Sources: Politico, NY Times

Six Key Takeaways

 There was no red wave.
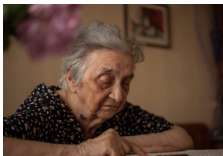
 Trump lost.

 DeSantis won big.

 Candidate quality matters.

 The country is more evenly divided.
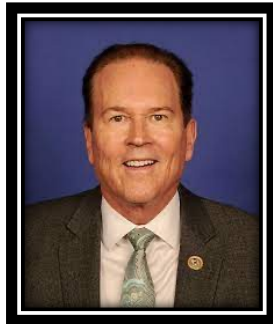
 Health care isn't in focus for the GOP.

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Key Committees—House

HEALTHCARE JURISDICTION

Richard Neal (D-MA)

Vern Buchanan (R-FL)

Jason Smith (R-MO)

Frank Pallone (D-NJ)

Cathy McMorris Rodgers (R-WA)

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Key Committees—Senate

HEALTHCARE JURISDICTION

UNITED STATES SENATE
COMMITTEE ON FINANCE

U.S. SENATE COMMITTEE ON
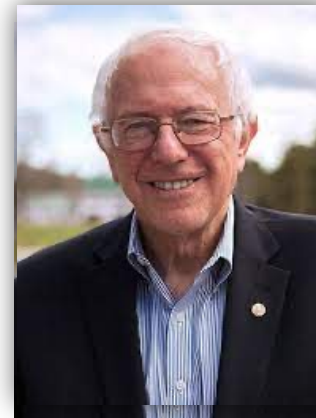Health, Education
Labor & Pensions

Ron Wyden (D-OR)

Mike Crapo (R-ID)

Bernie Sanders (I-VT)

Rand Paul (R-KY)

Bill Cassidy (R-LA)

End-of-Year Outlook

- **November 14** – House Adjourns, New Member Orientation
- **November 15** – House Rep. Leadership Elections
- **After Thanksgiving** – House Dem. Leadership Elections
- **November 29** – GOP Steering Committee (SC) Meets
- **November 30** – GOP SC Decides Contested Chairmanships
- **December 1** – GOP SC Assigns members to Committees

September 30

Short-term CR Enacted

Government Funding Deadline

FDA User Fees Extended

November 8

Election Day!

2022 Midterm Election

December 16

End of short-term CR

Omnibus Legislation to fund government?
PAMA Delay?
VALID Act?

Campaigning

- House out
- Senate has 9 legislative days
- Regulations likely

October

Lame Duck Begins

Potential Legislation

November 9
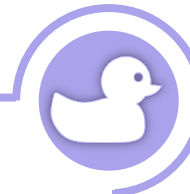
Medicare Payment Cuts
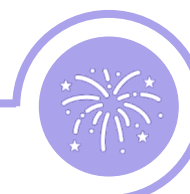
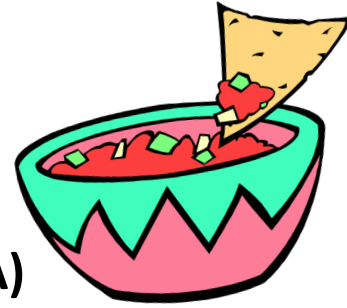## January 1

PAMA
PAMA RENEWS JANUARY 1, 2023

Saving Access to Laboratory Services Act (SALSA)

- Senators Burr (R-NC) and Brown (D-OH) introduced the Saving Access to Laboratory Services Act (SALSA) .

  — Updates Medicare's payment system for clinical diagnostic laboratory services.

  — Introduced in House by Reps. Bill Pascrell (D-NJ), Scott Peters (D-CA), Richard Hudson (R-NC), Gus Bilirakis (R-FL), and Kurt Schrader (D-OR).

  — Permanent reform of PAMA based on MedPAC recommendations

  — CBO Score "at least $6 billion"

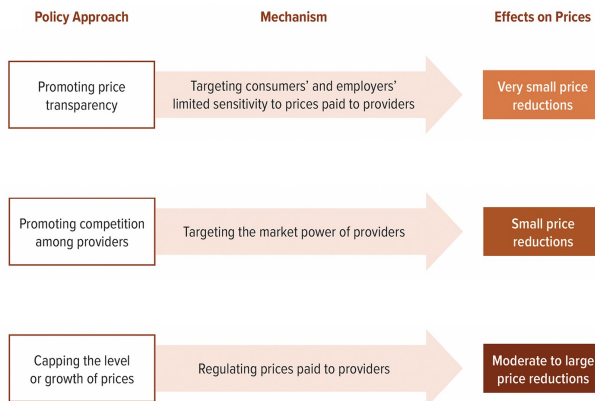### LAB Has Called for PAMA Delay – 11/2/22 Letter

Additional Regulations and Policies

Information Blocking

- **Information Blocking** – *"a practice that is likely to interfere with, prevent, or materially discourage access exchange or use of electronic health information"*
- *Laboratories considered providers under regulation*
- *Plans have separate requirements on APIs under CMS rules*

Price Transparency

- Ongoing Implementation
- "Good Faith Estimate" RFI
- CBO opinion that transparency "very small" impact

Policy Approach	Mechanism	Effects on Prices
Promoting price transparency	Targeting consumers' and employers' limited sensitivity to prices paid to providers	Very small price reductions
Promoting competition among providers	Targeting the market power of providers	Small price reductions
Capping the level or growth of prices	Regulating prices paid to providers	Moderate to large price reductions

FDA Regulation of LDTs

- VALID Act
- Califf says FDA may act on its own

Genetic Testing

- Rising cost to Medicare v. Medicare Solvency
- Patent Reform (Tillis – Cotton)

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Contact

bmeeks@labcoalition.org

https://www.labcoalition.org

CLOSING REMARKS

Bill Kerr, M.D., Chief Executive Officer, Avalon

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Thank you

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SAVE THE DATE

January 24| 2:00 - 3:00 PM EST
Registration open: www.avalonhcs.com

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