Transforming the management of genetic testing

Optum | avalon

E-book introduction

New technologies don’t wait to emerge until the policies for handling them are in place. That’s certainly the case with genetic testing. It’s been coming over the horizon for years, but healthcare has been caught unprepared by the dramatic growth in the adoption of testing and the variety of tests. Providers and health plans are scrambling to determine the validity and utility of tests, while dealing with an inadequate system for coding and management.

If genetic testing is to fulfill its potential to improve healthcare, it must be conducted through a scientific, evidence-based system that recommends test use in diagnosing, treating, managing, and monitoring disease while ensuring the right test for the right member at the right time determines the right care to deliver. This system also gives providers, labs, and health plans greater transparency into ordering and reporting while controlling costs and preventing waste, fraud, and abuse.

Through three chapters, this e-book will explore the inadequacies of the current genetic test management system and how a new, tailored genetic testing approach can unlock this exciting technology's full potential to fulfill its promise. While each chapter is a solid standalone read, when assembled, they form a thorough perspective. Chapter 1 of this e-book discusses the explosive growth in genetic testing and the need to manage it better to benefit patients, providers, and health plans. Chapter 2 will reveal a better system that controls spending while ensuring the right test is ordered for the right member at the right time.

Chapter 2
How to manage genetic testing

The number of new genetic tests being developed each year is increasing rapidly. This increase raises concerns about the accuracy and usefulness of many of these tests. Health plans, doctors, and patients all need to have confidence in the accuracy of genetic test results to ensure good patient care. However, ensuring accuracy is becoming more challenging for health plans because of the many available tests and the clinical indications they cover. Health plans must ensure that their coverage policies keep up with the latest clinical medicine, that only quality laboratories provide results, and that laboratories are appropriately reimbursed. The following options may help health plans stay at the forefront of genetic testing management while also making it easier to authorize tests and improve the quality of testing available to members:

1. Develop and manage policy processes that ensure genetic and laboratory-experienced physicians review the latest science to establish coverage criteria. This review should occur minimally once a year and more frequently as the science changes rapidly.
2. Establish a continuous process for reviewing and optimizing the use of UM/PA or claims adjudication to evaluate a test's compliance with the plan's policies.
3. Increase provider, physician, and health plan operations efficiency and accuracy by implementing a unique test identifier that enables faster PA evaluations, streamlined claims adjudication determinations, and specific test-level pricing.
4. Establish a system for discouraging Fraud, Waste, and Abuse focused on genetic testing.

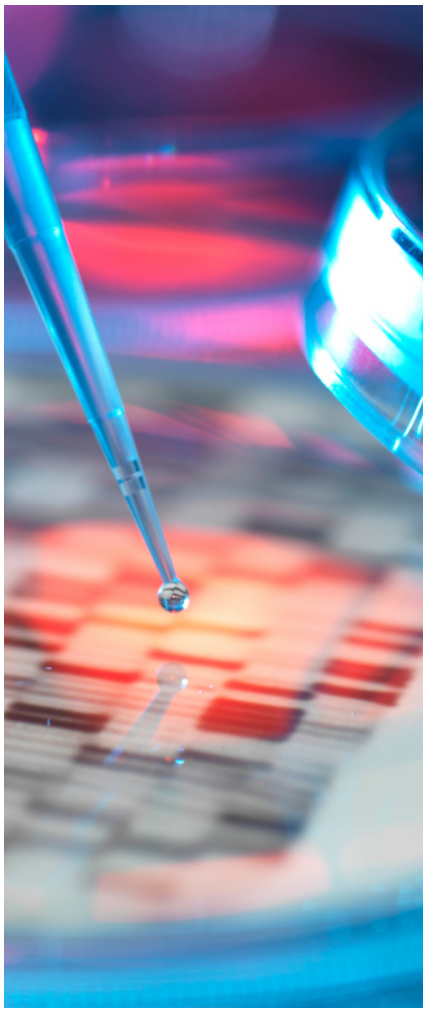
The proliferation of genetic testing is overwhelming the controls in place to manage it

The proliferation of genetic testing is overwhelming the controls in place to manage it, much like the out-of-control, bucket-carrying brooms in Disney's The Sorcerer's Apprentice. There are now so many tests available that there are not enough Current Procedural Terminology (CPT®) codes to cover them, and there is insufficient oversight by insurers. Additionally, the science-based evidence that is currently being used to determine when, how, and which test should be used is inadequate.

To address this issue, Avalon Healthcare Solutions and Optum have collaborated to create Precision Genetic Test Management (PGTM) - a solution designed to help health plans manage genetic testing spending while providing greater transparency into the testing process. PGTM rests on five pillars:

1. Policy development: Robust evidence-based outpatient laboratory policies and an exclusive partnership with Palmetto GBA® on DEX® Diagnostics Exchange, the same platform that powers the CMS MoIDX program.
2. Test identification and quality: A scalable framework to classify and evaluate a test based on the manufacturer's claims using industry-standard DEX® Z-Codes®.
3. Utilization management: NCQA-accredited utilization management and prior authorization (pre- and post-service), automated provider decisions, and clinical reviews based on health plan policies.
4. Payment accuracy: Automated claim coding rules to enforce policy development and validate authorization decisions during claim adjudication.
5. Genetic network management: A curated network of genetic labs that supplements a health plan's preexisting routine lab network with vetted providers and pre-negotiated pricing.

Benefits of incorporating DEX Z-Codes



Genetic testing faces a significant challenge in the form of limited CPT codes to cover the exponentially increasing number of tests. Currently, only around 500 codes cover over 175,000 genetic tests. This shortage of codes makes it difficult for labs and health plans to monitor testing, and it may lead to fraud, waste, and abuse.

To address this issue, PGTM incorporates DEX Z-Codes into coding and billing. Z-Codes are Palmetto GBA's proprietary, unique five character alpha-numeric codes associated with certain molecular diagnostics tests as an adjunct to CPT codes that are assigned within Palmetto GBA's Diagnostics Exchange (DEX). When submitted on a claim, in addition to the CPT code, Z-Codes provide greater clarity to ensure all parties understand which test is being ordered, performed, and billed.

This unique identification creates a one-to-one relationship among the Z-Code, CPT code, test, and lab. This allows for automated policy enforcement and payment decisions at the discrete test level while restricting unbundling. It also provides test quality measures to help payers decide if tests are clinically valid.

Z-Codes are quickly becoming the standard for discrete test identification. CMS has adopted them, and commercial carriers follow suit by mandating Z-Codes to reimburse molecular diagnostic tests. The benefits of this for other health plans include little to no provider confusion or abrasion regarding DEX Z-Codes, informed and educated providers on DEX Z-Codes nationally, providers registering for a Unique Test Identifier (DEX Z-Code), and providers being accustomed to including the DEX Z-Code on claims for reimbursement.

Pairing DEX Z-Codes with quality assurance policies

Genetic testing should always adhere to evidence-based clinical guidelines. However, with the ever-increasing number of tests available, it has become challenging for healthcare providers and health plans to assess each test's clinical validity and usefulness.

To address this issue, PGTM offers a comprehensive and regularly updated library of science-based policies covering over 530 genetic CPTs. Additionally, PGTM leverages Optum's exclusive partnership with Palmetto GBA to expand on DEX® Diagnostics Exchange, the same platform that powers the CMS MolDX program.

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To ensure that tests meet the required quality standards and are clinically valid and helpful for providers, PGTM pairs these policies with DEX Z-Codes. The program is also equipped with the necessary resources to keep up with the growth in the volume of genetic tests, enabling health plans to scale.

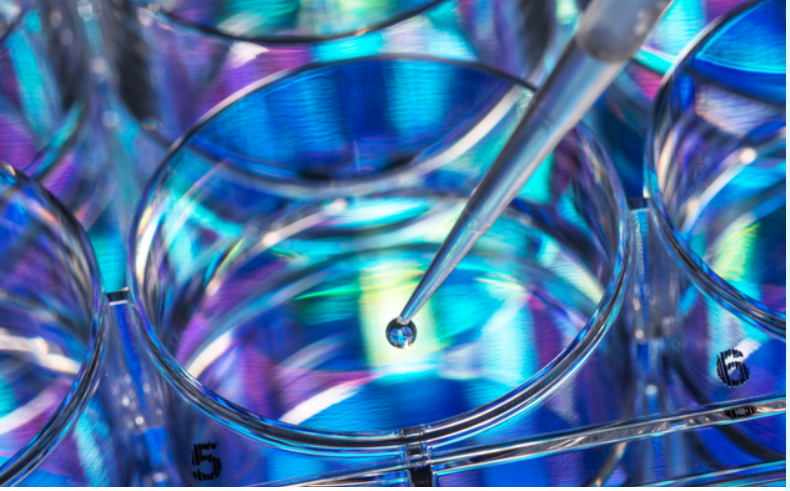
With PGTM, healthcare plans can be confident that the genetic tests they cover are valid, helpful to providers, and ultimately beneficial to patients.

Technology for policy adherence and payment integrity

The current system for coding and payment policies related to genetic testing can be inconsistent and varies depending on the test, lab, and order. Although there are fee schedules for CPT codes, there are none for individual tests, and health plans are missing out on the opportunity to negotiate rates using a test "formulary."

To eliminate inconsistencies, PGTM uses automated claim coding rules developed by Optum and Avalon and adopted by the health plan to enforce clinical guidelines and validate authorization decisions during claim adjudication. Additionally, the product includes integrated payment integrity capabilities that may help identified savings to occur post-service.

By aligning the clinical, lab network, and payment integrity teams, PGTM allows plans to move from focusing solely on cost containment to promoting affordability.



Improved network management

Avalon's Genetic Network is a carefully selected group of genetic labs that complement a health plan's existing network of routine labs. This means that health plans can continue to use their current lab relationships while outsourcing the management of genetic testing, pricing, compliance enforcement, test quality assessment, and contracting. This leads to streamlined prior authorization (PA) and an improved experience for providers when ordering tests.

Labs that join the network can benefit from an improved PA submission process and the removal of PA for certain providers/procedures. They may also experience reduced costs, administrative burdens, and a faster reimbursement timeline.

The network also offers provider education and network reporting to identify and influence behavior redirection, fraud, waste, and abuse. It can also help identify and address abusive ordering procedures, ultimately improving patient care quality.

To have an optimal genetic test benefit program, several key elements are suggested. These include:

1. Accreditation by NCQA and/or URAC in Utilization Management and compliance with state and federal regulations and statutes.
2. Coverage criteria based on the latest clinical science of genetic tests, including rapidly changing federal and state legislation and regulations.
3. An ongoing evaluation of test quality ensures members receive high-quality laboratory testing.
4. Expedited review of prior authorizations with clear expectations for laboratory providers on the covered clinical situations for genetic tests and the required documentation to support the authorization evaluation.
5. Clear expectations for laboratory providers on the coding necessary to bill genetic tests.
6. Genetic test-specific claim to authorization matching during claims adjudication.
7. Continually evaluate genetic tests, required coverage criteria, and historical lab performance to determine when a test should be managed through utilization management or claims adjudication.
8. An integrated program to prevent FWA (Fraud, Waste, and Abuse).
9. An optimized network of laboratory providers through differentiated quality, pricing, and health plan promotional activities.

Summary

Precision Genetic Testing Management (PGTM) is a comprehensive system that incorporates DEX Z-Codes, a national network of genetic labs, evidence-based testing policies, and payment safeguards to better manage and control genetic testing. PGTM offers several benefits, including improved care quality, precision specificity for comprehensive policy coverage, reduced administrative burden, minimized provider and member abrasion, and prevention of fraud, waste, and abuse, ultimately reducing medical expenses and increasing savings.

Chapter 3 of our e-book delves deeper into the benefits that improved genetic test management can bring to health plans, patients, and labs.

To learn more about how the Precision Genetic Test Management solution from Optum and Avalon can help you better manage your genetic test program, please visit www.avalonhcs.com **or contact us at** avalon-info@avalonhcs.com.

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