Agenda

• Welcome and Introductions

• Overview of Avalon Healthcare Solutions

• Scientific Laboratory Policy Development and Adherence
  • Avalon Prior Authorization Process
  • Avalon Claim Editor

• Provider Education

• Questions

• Quick Tips
Harvard Medical School Study; “30% of Laboratory Tests Are Probably Un-necessary”

Study was led by investigators at Harvard Medical School and Beth Israel Deaconess Medical Center and reported online in the journal *PLOS ONE*, the large-scale analysis of 1.6 million results from 46 of medicine’s 50 most commonly ordered lab tests found that, on average, 30 percent of all tests are probably unnecessary.

“It’s not ordering more tests or fewer tests that we should be aiming for, it’s ordering the right tests, however few or many that is,”

*Ramy Arnaout*, Harvard Medical School assistant professor of pathology

Harvard Medical School News, Nov 18, 2013 (Prescott); (http://hms.harvard.edu/news/unnecessary-testing-11-18-13)
Avalon Healthcare Solutions – Who we are

• Avalon is a clinical services and information technology company providing comprehensive diagnostic laboratory management services to health plans

• Avalon uses the latest evidence-based medicine to support robust laboratory-related scientific policies

• Avalon’s program is a compliant and reliable extension of BlueCross BlueShield of South Carolina’s medical management program

... and what we bring

• **Member Centric Focus** – Facilitation of access to high quality, appropriate and cost effective laboratory services

• **Scientific Policy** - Continuing evaluation of developments in clinical utility, resulting in creation of new or revision to existing scientific laboratory policies

• **Network** - Dedicated to ensuring that patients receive the right test at the right time in the right setting

• **Technology** - Complex claims editor for adherence to policies

• **Analytics** – Enabling data-driven decision making in all facets of operations
Evolution of Avalon Scientific Laboratory Policy

Identification
- Expert opinion
- Professional society guidelines
- Customer data and policies

Development
- Research issue
- Define medical necessity criteria
- Identify relevant procedure and diagnosis codes
- Determine need for prior-authorization
- Achieve congruence with client health plan

Specific Effort
- A standard policy template is utilized
- Literature supporting MNC is no greater than 5 years from publication, two years preferred
- Code overlap within policies is recognized and reconciled as appropriate

Peer Review
- Facilitate evaluation and discussion by Clinical Advisory Board ("CAB")
- Confirm coverage parameters, affirming explicit medical necessity criteria

Progression
- Formalize policy approval and distribution
- Facilitate transfer of knowledge re: policy intent to Algorithm team
- Conduct no less than annual review to assess need for revision

Geoffrey S Baird, MD, PhD – Chair
Professional Experience:
- Practicing Pathologist
- Director of Clinical Chemistry at Harborview Medical Center, Seattle
- Laboratory Medical Director at Northwest Hospital, Seattle
- Associate Professor of Laboratory Medicine and Adjunct Associate Professor of Pathology at the University of Washington
- Serves on the Medicare Advisory Panel on Clinical Diagnostic Laboratory Tests
Clinical Interests: Molecular Diagnostics, Clinical Analytics, and Rational utilization of lab testing

Victoria M Pratt, Ph.D
Professional Experience:
- Practicing Medical and Clinical Molecular Geneticist
- Professor and Director of the Pharmacogenomics Laboratory at Indiana University School of Medicine
Clinical Interests: Molecular Pathology, Molecular Genetics, Pharmacogenetics, and Molecular Oncology

Timothy R. Hamill, MD
Professional Experience:
- Professor emeritus and Ex-Vice Chair, Laboratory Medicine, University of California, San Francisco
- Prior Director, UCSF Clinical Laboratories
Clinical Interests: Clinical Pathology, Hematopathology, and Laboratory Management

Brian R. Smith, MD
Professional Experience:
- Professor and Chair of Laboratory Medicine, Professor of Biomedical Engineering, of Medicine (Hematology) and of Pediatrics at Yale School of Medicine
- Chief of Laboratories at Yale New Haven Hospital, New Haven, CT
Clinical Interests: Hematopathology, Optimal utilization of state-of-the-art laboratory diagnostics
Laboratory Benefit Management

Prior Authorization Required
- 50 lab policies refer to 150 CPT codes that are subject to prior authorization
- Member eligibility & verification
- Follows health plan medical policy

No Prior Authorization Required
- Routine submission of claim to Avalon for all other laboratory tests not included on Prior Authorization listing

Claim Editor
- Evaluates claims for appropriateness based on health plan policy

Claim Adjudication

150 Total Policies

POS included in the program:
- 11 - Office
- 19 - Off Campus-Outpatient Hospital
- 22 - On Campus-Outpatient Hospital
- 81 - Independent Laboratory

Avalon’s services promote patients access to affordable, high-quality health care
# Laboratory Policies Subject to Prior Authorization, 2017

<table>
<thead>
<tr>
<th>Testing Category</th>
<th>Assay/Testing Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alpha Thalassemia</td>
<td>BCR-ABL 1 Testing for Chronic Myeloid Leukemia</td>
</tr>
<tr>
<td>Chromosomal Microarray</td>
<td>Cytochrome P450</td>
</tr>
<tr>
<td>Gene Expression Testing for Breast Cancer Prognosis</td>
<td>Gene Expression-based Assays for Cancers of Unknown Primary</td>
</tr>
<tr>
<td>Genetic Testing for Cardiac Ion Channelopathies</td>
<td>Genetic Testing for CHARGE Syndrome</td>
</tr>
<tr>
<td>Genetic Testing for Epilepsy</td>
<td>Genetic Testing for Fanconi Anemia</td>
</tr>
<tr>
<td>Genetic Testing for Hereditary Pancreatitis</td>
<td>Genetic Testing for Li-Fraumeni Syndrome</td>
</tr>
<tr>
<td>Genetic Testing for Rett Syndrome</td>
<td>Hereditary Hemochromatosis</td>
</tr>
<tr>
<td>Liquid Biopsy</td>
<td>Lynch Syndrome</td>
</tr>
<tr>
<td>Multianalyte Assays with Algorithmic Analysis...Liver Disease</td>
<td>Multigene Expression Assay for Predicting Colon CA Recurrence</td>
</tr>
<tr>
<td>Pharmacogenetic Testing for Pain Management</td>
<td>Pharmacogenomic and Metabolite Markers for Thiopurines</td>
</tr>
</tbody>
</table>

| BRCA                                                  | Familial Adenomatous Polyposis and MUTYH-Associated Polyposis                         |
| BRCA                                                  | Flow Cytometry                                                                       |
| FLT3 and NPM1 Mutation in Acute Myeloid Leukemia     |                                                                                      |
| Genetic Testing for Dilated Cardiomyopathy           |                                                                                      |
| Genetic Testing for Duchenne and Becker Muscular Dystrophy |                                                           |
| Genetic Testing for FMR1 Mutations                   |                                                                                      |
| Genetic Testing for Germline Mutations of the RET Proto-Oncogene in Medullary CA Thyroid | |
| Genetic Testing for Predisposition to Inherited Hypertrophic Cardiomyopathy | |
| Genetic Testing for Pre-Implantation Genetic Testing  |                                                                                      |
| Genetic Testing for PALB2 Mutation Testing           |                                                                                      |
| Molecular Analysis for Targeted Therapy for Non-small Cell Lung Cancer | |
| Molecular Markers in Fine Needle Aspirates of the Thyroid | |
| Molecular Panel Testing of Cancers to Identify Targeted Therapies | |
| Non-invasive Prenatal Screening for Aneuploidy        |                                                                                      |
| PALB2 Mutation Testing                               |                                                                                      |
| Serum Tumor Markers for Malignancies                 |                                                                                      |

**Code Listings:**  
[http://www.cam-policies.com](http://www.cam-policies.com)
Avalon’s Prior Authorization (PA) Program

• Avalon strives to ensure that health plan members promptly receive the correct test, at the appropriate time
• Avalon’s PA program is structured to operate consistently within the standards developed by CMS, URAC and NCQA:
  • Pre-certification Review Process
  • Decision Making and Notification Timeframes
  • Peer to Peer Reviews
  • Health plan support of member appeals
• Program operations are overseen by Avalon Medical Director
  • Coordination with Clinical Advisory Board as needed based on clinical area of expertise
• Staff are available from 8 a.m. to 8 p.m. Eastern Time, Monday–Friday
  • Relevant clinical information is needed
    • Template form is available
Avalon Prior Authorization Process

It is the responsibility of the ordering physician to obtain the authorization; however, a laboratory may do so if they have access to necessary clinical information.

Authorization requests accepted via phone or fax:
- Authorizations are in effect for 15 calendar days.
- Authorizations can be accepted/modified 15 calendar days post lab draw, PRIOR TO CLAIMS SUBMISSION, allowing for cascade of testing.

Approval decisions are communicated by phone or fax to the requesting & rendering provider.

Inability to authorize is communicated:
- By phone to the requesting provider (if urgent).
- In writing to both the member and the requesting provider regardless of status within 1 business day.
- A peer-to-peer consult is offered within 5 days of notification to assist in sharing of additional and relevant information.
- The appeals process is communicated in the denial notification letter.

Lack of prior authorization results in:
- Rendering provider liability.

Telephone: 1-844-227-5769
Fax: 1-888-791-2181
Laboratory Benefit Management

150 Total Policies

Prior Authorization Required
- 50 lab policies refer to 150 CPT codes that are subject to prior authorization
- Member eligibility & verification
- Follows health plan medical policy

No Prior Authorization Required
- Routine submission of claim to Avalon for tests associated with remaining 100 laboratory policies

Claim Editor
- Evaluates claims for appropriateness based on health plan policy

Claim Adjudication

Avalon’s services promote patients access to affordable, high-quality health care
<table>
<thead>
<tr>
<th>laboratory policies not subject to prior authorization, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Allergen Testing</strong></td>
</tr>
<tr>
<td><strong>Autoimmune neuropathy panel</strong></td>
</tr>
<tr>
<td><strong>Cervical Cancer Screening</strong></td>
</tr>
<tr>
<td><strong>Diagnosis of Vaginitis including Multi-target PCR Testing</strong></td>
</tr>
<tr>
<td><strong>Erectile Dysfunction</strong></td>
</tr>
<tr>
<td><strong>Gene Expression Profiling for UVEAL Melanoma</strong></td>
</tr>
<tr>
<td><strong>Genetic Cancer Susceptibility Panels using Next Generation Sequencing</strong></td>
</tr>
<tr>
<td><strong>Genetic Testing for Heterozygous Familial Hypercholesterolemia</strong></td>
</tr>
<tr>
<td><strong>Hemoglobin A1c</strong></td>
</tr>
<tr>
<td><strong>Homocystinuria</strong></td>
</tr>
<tr>
<td><strong>InflammaDry</strong></td>
</tr>
<tr>
<td><strong>Lyme Disease</strong></td>
</tr>
<tr>
<td><strong>Measurement of Thromboxane Metabolites for ASA Resistance</strong></td>
</tr>
<tr>
<td><strong>Pathfinder TG Molecular Testing</strong></td>
</tr>
<tr>
<td><strong>Prostate Biopsies</strong></td>
</tr>
<tr>
<td><strong>Salivary Hormone Testing</strong></td>
</tr>
<tr>
<td><strong>Testosterone</strong></td>
</tr>
<tr>
<td><strong>Vectra DA Blood Tests for Rheumatoid Arthritis</strong></td>
</tr>
</tbody>
</table>
A subset of the criteria from the Cervical Cancer Screening policy

- Patient 21-29 years of age, cervical cancer screening using conventional or liquid based Papanicolaou (Pap) smears meets coverage criteria at a frequency of every 3 years.

- Patient 21-29 years of age, testing for high-risk strains of HPV meets coverage criteria when the cytology from a Pap smear is positive for atypical squamous cells of undetermined significance (ASCUS).
Avalon Claim Editor: Edit Types Defined

- Claim Editor rules correspond to the criteria as defined in the health plan’s policy.

<table>
<thead>
<tr>
<th>Rule</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experimental &amp; Investigational</td>
<td>Procedure is not covered under the member’s benefit due to the experimental and investigational exclusion</td>
</tr>
<tr>
<td>Demographics</td>
<td>Limitations based on patient age or gender</td>
</tr>
<tr>
<td>Procedure Units</td>
<td>Within and across claim for a Date of Service</td>
</tr>
<tr>
<td>Units/Period of Time</td>
<td>Maximum allowable units within a defined period of time</td>
</tr>
<tr>
<td>Time between Procedures</td>
<td>Minimum time required before a second procedure is medically necessary</td>
</tr>
<tr>
<td>Rendering Provider Limitations</td>
<td>Providers/procedures not permitted in combination</td>
</tr>
<tr>
<td>Diagnosis Constraints and Allowances</td>
<td>Procedure and Diagnosis required or prohibited combinations</td>
</tr>
<tr>
<td>Diagnosis Does Not Support Test</td>
<td>Procedure was not appropriate for the clinical situation</td>
</tr>
</tbody>
</table>
Provider Education

Avalon has provided many avenues for ordering provider education:

- Conducting network webinars
- On-demand Educational Policy Videos available via the BlueCross My Insurance Manager℠ website
- Requiring Avalon contracted laboratory network providers to educate ordering physicians, as per existing referral practice patterns
- BlueCross has issued email blasts, website notification, and newsletter communication addressing program requirements and scope
- Upcoming Clinical Webinars: 2/7, 2/9 & 2/23
Avalon Claim Editor: Trial Claim Advice Tool

The Trial Claim Advice Tool allows the user to simulate the Claim Editor processing of specific procedure codes and diagnoses.

NOTE: Results may not be the final adjudication advice due to the application of member benefits and business rules.
Provider Education Videos

BCBSSC 2017 Prior Authorization List is now available!

NEW - Policy Education Video Library

Avalon’s Clinical Advisory Board Chair, Dr. Geoffrey Baird, provides an understanding of the rationale for policies. The “Introduction to Laboratory Testing Policy” video provides the fundamentals of our policy development. The following policies are also included in our education video library:

- Allergens
- Cardiovascular and Lipid
- Cervical Cancer Screening
- Hemoglobin A1c
- Rapid Influenza
- Vitamin B12
- Vitamin D

Please follow the Link: Policy Education Video Library
### Avalon Claim Editor Example Decisions

<table>
<thead>
<tr>
<th>Procedure Code</th>
<th>Description</th>
<th>Diagnoses</th>
<th>Reasons</th>
</tr>
</thead>
<tbody>
<tr>
<td>83036 Glycosylated hemoglobin test</td>
<td>CAM133 - Hemoglobin A1c</td>
<td>Insufficient time between procedures</td>
<td>Procedure was not appropriate for the clinical situation</td>
</tr>
<tr>
<td>86003 Allergen specific ige</td>
<td>CAM051 - Allergen Testing</td>
<td>Procedure was not appropriate for the clinical situation</td>
<td>Maximum allowable units was exceeded</td>
</tr>
<tr>
<td>82306 Vitamin d 25 hydroxy</td>
<td>CAM126 - Vitamin D</td>
<td>Procedure was not appropriate for the clinical situation</td>
<td>Too many procedures within the required period of time</td>
</tr>
<tr>
<td>82607 Vitamin b-12</td>
<td>CAM130 - Vitamin B12 and Methylmalonic Acid</td>
<td>Procedure was not appropriate for the clinical situation</td>
<td>Insufficient time between procedures</td>
</tr>
</tbody>
</table>
Avalon Healthcare Solutions: Quick Tips

• Remember to send patients to in-network laboratories. Refer to provider directories or link below:

• Review the Lab Prior Authorization Matrix to determine codes that require prior authorization:

• Utilize the Avalon Trial Claim Advice Tool in My Insurance Manager to see how the Claim Editor will review codes and what medical policies may apply

• Refer to BlueCross and BlueChoice® HealthPlan websites for bulletins, guides, presentations and other resources
  – web.southcarolinabluess.com/providers/educationcenter.aspx

• For additional questions please contact:
  – Avalon Provider Services at 1-855-895-1676
  – BlueCross Provider Education at:
    • provider.eduction@bcbsc.com or by calling 803-264-4730