



# AVALON HEALTHCARE SOLUTIONS APRIL WEBINAR

APRIL 20, 2021



# OVERVIEW & INTRODUCTIONS

**Barry Davis**, Chief Growth Officer, Avalon

# FOR YOUR INFORMATION:



## **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

# OUR LATEST UPDATES ARE ON THE AVALON WEBSITE

The screenshot shows the Avalon Healthcare Solutions website. At the top, there is a navigation menu with links for Payers, Providers, Patients, and Company. Below the navigation is a dark blue banner with the text "Get the Latest COVID-19 Testing Facts". The main content area is divided into two columns. The left column is titled "Laboratory and Specialty Rx Management" and contains three bullet points: "Laboratory Benefit Management" (Delivers 9% to 12% annual outpatient laboratory savings), "Medical Specialty Drug Benefit Management" (Delivering 4% to 6% annual savings with automated real-time policy and edit administration), and "Our independent Clinical Advisory Board (CAB) includes five nationally renowned laboratory experts that define our ~140 evidence-based laboratory policies." The right column features a white paper titled "SUCCESSFUL LABORATORY BENEFIT MANAGEMENT STRATEGIES" with a green background. Below the title is the text "from Avalon Healthcare Solutions". There is also an "ABSTRACT" section and a "CONTACT US" box with contact information for Barry S. Davis, Sara Rubin, and Angela Davis.



FOR COVID-19 UPDATES  
VISIT: [www.avalonhcs.com](http://www.avalonhcs.com)  
and click on the blue bar

If you would like to be added  
to our newsletter distribution,  
please contact:

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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 “**Q&A**” feature at the bottom of your screen (Please identify your full name and plan in the Chat when asking a question)

## **INTRODUCTIONS AND OVERVIEW**

**Barry Davis**, Chief Growth Officer, Avalon

## **PREVIEW INDUSTRY'S FIRST LAB TREND REPORT**

**Jason Bush, Ph.D.**, Chief Data Officer, Avalon

## **LAB UPDATE**

**Mike Snyder**, EVP Network Operations, Avalon

## **POLICY UPDATE**

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

## **CLOSING REMARKS**

**Bill Kerr, MD**, CEO, Avalon



# PREVIEW INDUSTRY'S FIRST LAB REPORT

**Jason Bush, Ph.D.,** Chief Data Officer, Avalon



# WHAT IS THE LAB TREND REPORT AND WHY NOW?

- COVID-19 thrust lab testing into the public view
- Science is exploding and testing is becoming more expensive
- Lab tests drive a significant fraction of treatment decisions
- Avalon sees millions of lab claims each year
- Leveraging our expertise to bring forward insights



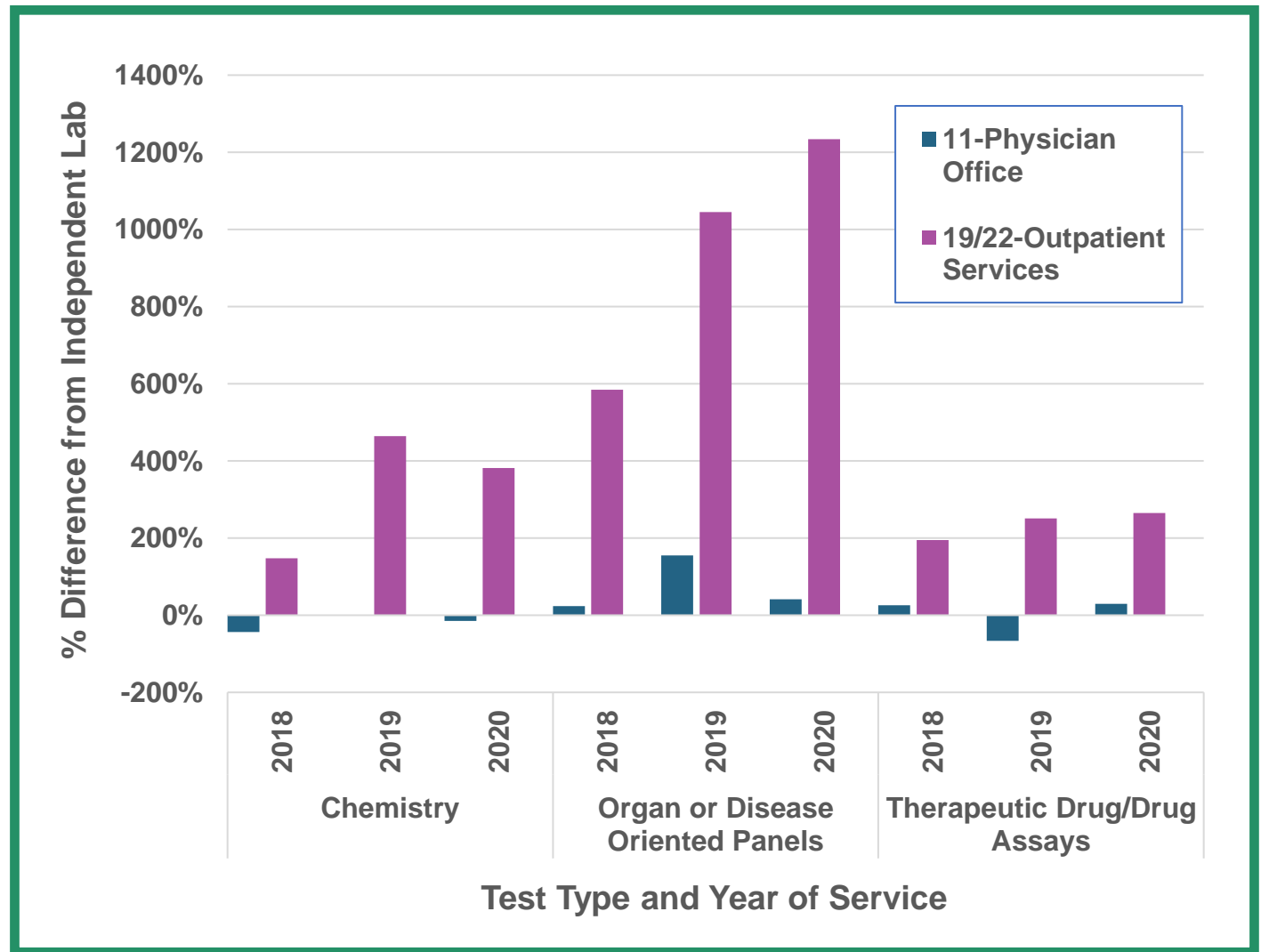
## WHICH TOPIC MOST CONCERNS YOUR ORGANIZATION IN THE YEARS AHEAD?

- Increasing patient/customer focus
- The Impact of government regulations
- Managing unit price trend
- Managing genetic testing
- Managing lab utilization

- Lessons learned from the COVID-19 Public Health Emergency
- Important market forces affecting the laboratory industry and health plans
- Avalon's LBM Services & Impact of Avalon's Program
- A forward-looking message from Avalon's Clinical Advisory Board Chair
- Avalon's value focused evolution

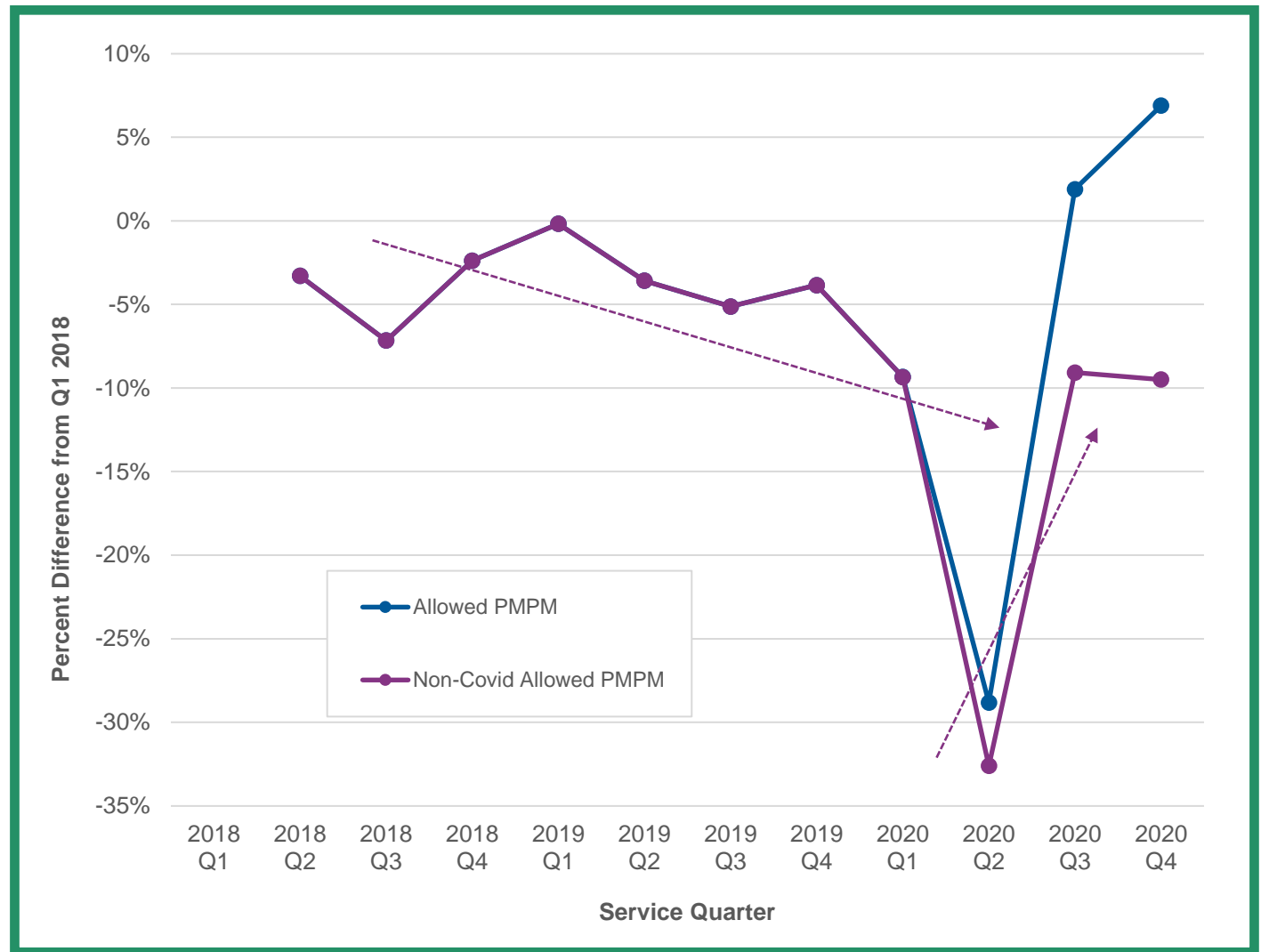
# OUTPATIENT LAB SPEND DEPENDS ON MIX, VOLUME & UNIT PRICE

- Changes in POS materially impact price of tests
- Many novel genetic tests are priced significantly above historical rates



# TRENDS IN ALLOWED PMPM

- From 2018 forward, Avalon's clients experienced a decrease in Allowed PMPM
- The late 2020 uptick can be attributed to COVID-19 testing and pent up demand from the Q2 reduction





# LAB UPDATE

**Mike Snyder**, EVP Network Operations, Avalon

# AVALON NETWORK COVID-19 CAPABLE LABS

Lab	RT-PCR Y/N	Multiple Platforms	Capacity (per day)	TAT
Quest	Y	Y	300,000	1-2 days
LabCorp	Y	Y	275,000	1-2 days
Aegis	Y	Y	110,000	1-2 days
BioReference	Y	Y	100,000	1 day
Premier Medical Lab	Y	Y	100,000	1-2 days
Eurofins-Diatherix	Y	N	60,000	1-3 days
Mako Medical Lab	Y	Y	50,000	1-2 days
GenetWorx	Y	Y	40,000	2 days
AIT (American Institute of Tox)	Y	Y	20,000	1-2 days
PathGroup	Y	Y	20,000	1-2 days
Sonic-CPL	Y	Y	20,000	1-3 days
Genesis DX	Y	Y	16,000	1-2 days
MDL (Medical Diagnostic Lab)	Y	N	12,000	1-3 days
AccuReference	Y	N	10,000	2 days
LabTech	Y	Y	10,000	2 days
Inform Diagnostics	Y	N	5,000	1-2 days
Luxor	Y	Y	5,000	1 day
Neogenomics	Y	Y	5,000	1-4 days
Transplant Genomics	Y	N	5,000	1-2 days
Precision Genetics	Y	N	4,000	1-2 days
BAKO	Y	N	2,500	1-2 days
Radeas	Y	Y	2,400	1-2 days
NephronPharm	Y	Y	2,000	2-3 days
Wake Medical Lab Consultants	Y	Y	1,500	1 day
Andor Labs	Y	N	500	1-2 days
SMA	Y	Y	500	1-2 days

- Capacity at over 1.2M tests per day
- Turnaround time remains at 2 days or less

## OTHER LAB INDUSTRY INTEL

- U.S. testing is trending downward:
  - 30% decrease in daily tests
  - Currently just over 1M tests/day vs. 2.3M tests/day in mid-Jan
- Quest Diagnostics reports that their daily volume is up:
  - Two-week daily average is 79K/day vs, previous average of 64K/day
- LabCorp is piloting a program in NCDHHS to reach 35,000 residents that are disabled or receiving food assistance



# POLICY UPDATE

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



- **NEW CMS ADMINISTRATOR COMING SOON**
- **PRICE TRANSPARENCY**
  - Hospitals
  - Health Plans



## THURSDAY, APRIL 15, 2021 U.S. SENATE CONFIRMATION HEARING – NO OPPOSITION



### **CMS Administrator Nominee Chiquita LaSure-Brooks**

- Managing Director, Manatt Health since 2016
- 2010-2014 Deputy Director of Policy and Regulation, HHS Center for Consumer Information and Insurance Oversight (CCIIO), HHS Office of Health Reform
- 2007-2010 U.S. House Ways and Committee staff
- 2003-2007 Avalere consulting firm
- 1999-2003 White House Office of Management and Budget



### **HHS Deputy Secretary Nominee Andrea Palm**

- Secretary-Designee of Wisconsin Dept. of Health Services
- Oversight of pandemic response
- Obama Administration HHS Acting Assistant Secretary for Legislation and Chief of Staff and Senior Counselor to the Secretary

## AT WHAT LEVEL WOULD YOU SAY YOUR ORGANIZATION IS PREPARED TO COMPLY WITH THE PRICE TRANSPARENCY RULES?

- Totally prepared -- we are done.
- We have hired an external firm and are getting ready.
- We have just started to explore the rules.
- I haven't heard anyone talk about this yet.

# HOSPITAL PRICE TRANSPARENCY



- **November 2019: CMS finalized hospital price transparency rule**
- **January 1, 2021: Hospitals must publish two sets of prices:**
  - A comprehensive, “machine-readable” list of various charges for all items and services (inc. lab tests).
  - A consumer-friendly list of prices for 300 “shoppable” services, 70 are CMS-chosen including routine lab tests
    - Includes payer-negotiated rates
- **Multiple reports of failure to comply by news media**
- **Congress urged HHS Secretary Becerra to enforce rule**
- **CMS issued subregulatory guidance for health plans**

CARES Act: COVID-19 diagnostic test providers must publish cash price on the public website.

# HEALTH PLAN PRICE TRANSPARENCY



- **October 2020: CMS Finalized Transparency in Coverage rule**
- **January 1, 2022: Health plans must disclose prices, including negotiated rates, and cost-sharing information to enrollees and the general public.**
  - Publish prices for 500 shoppable services via self-service tool for plan years that begin on or after January 1, 2023.
  - Remainder of all items and services will be required for these self-service tools for plan years that begin on or after January 1, 2024.
- **December 2020: No Surprises Act – regs coming soon – plans must offer price comparison tools and advance explanation of benefits beginning in January 2022**

# QUESTIONS?

Contact:

**Julie Barnes**

[julie.barnes@maverickhealthpolicy.com](mailto:julie.barnes@maverickhealthpolicy.com)

703-304-1756

@JBarnesHealth



**Maverick Health Policy**



# CLOSING REMARKS

**Bill Kerr, MD, CEO, Avalon**

Look out for an invitation to our next webinar on  
**MAY 25 @ 2:00 PM EASTERN**



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