Medical Specialty Management

Industry Challenge: Increasing Medical Specialty Drug Complexity



Specialty Drug Costs Are Growing

The pace of growth at a rate of 10%-15% per year is unsustainable.



Prior Authorization (PA) is **Complex and Costly**

Administrative burden, satisfaction impact, and inconsistent manual application of complex coverage criteria.



Medical Review is Insufficient

All rules cannot be enforced based on information in medical records or authorization request.

How Avalon Can Support Health Plan's Medical SpecialtyRx

Reduce nonadherence to policies and streamline administration, improving provider and member experience.

Increase utilization of preferred medications, leverage automation to complement existing utilization management, and reduce PA volume.

Identify and address gaps in policies, education, and the PA process.

Leverage existing APEA connectivity to minimize implementation resources and realize savings sooner.

Avalon Medical SpecialtyRx Solution Overview

Avalon enables real-time automated evaluation of medical drug claims against health plan policies.

Policy and Business Process

Policy alignment, development support, translation, and UM



Real Time Claim Editing/Evaluation

Automated Policy Enforcement Application (APEA)

coordination



Provider Education

General education and/or targeted education



Analytics and Reporting

Opportunity identification and performance monitoring



Management Approaches: Analytics on All Non-Adherence Plus Targeted Interventions

For medications subject to prior authorization

For medications not on or to be taken off PA list

01

02

Investigation Mode

- Real-time claim evaluation returns investigation flags.
- Patterns of non-adherence are identified and investigated to determine drivers of non-adherence.
- Enforcement gaps are closed – policy, provider education, PA process improvement.

Pend for review of authorization

- Provider may not have billed consistently with auth, or loose matching logic may recognize auth where there isn't one.
- APEA response instructs reviewer where to look and what to look for.

Pend for post-service review

- Conducting targeted medical review only on the ~5% of claims found to be non-adherent significantly reduces volume of reviews.
- Useful approach for goldcarded providers.

Fully automate edits

 PA requirement can be removed where criteria can largely be automated.

04

 Useful approach when medical review not costeffective, or when plan wants to steer volume to lower cost drug or setting.

The Value of Avalon's Medical SpecialtyRx Solution

As a collaborative partner, we help our clients configure and translate medical drug policies into rules that address non-adherent utilization and drive medical cost savings. Leveraging Avalon's expertise in policy development and editing coupled with our proprietary automated policy enforcement technology maximizes time to value and ROI for our health plan clients.

\$1.00 - \$1.50 PMPM Savings Opportunity

Reduce Medical Spend on Inappropriate
Utilization & Billing

Reduce the Number of Medications Subject to PA

Encourage Utilization
of Preferred
Medications

Leveraging Avalon's Lab Benefit Management Expertise for Medical SpecialtyRx

30+

39M

10-20%

HITRUST CSE Certified

Health plan clients

Managed members across all lines of business

Savings on outpatient lab spend

NCQA accredited
Utilization
Management

HITRUST CSF certified

