

Discovering the AvalonSelect Genetic Network & Lab Technology Evaluation (LTE) Service

June 25, 2024





WELCOME & INTRODUCTIONS

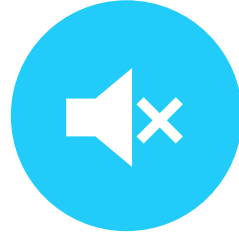
Michele Norton – Senior Vice President, Product Marketing, Avalon



Before We Start



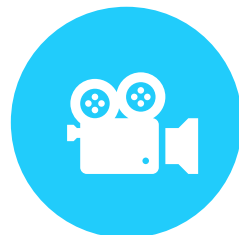
This meeting is being recorded.



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.



The recording and slides will be **available** on our website later during the week.

Agenda

Overview & Introductions

Michele Norton – SVP, Product Marketing, Avalon

AvalonSelect Genetic Network Overview

Mike Snyder – EVP, Network

Lab Technology Evaluation (LTE) Service Overview

Michael Lemieux, PhD – Manager Medical Policy, Avalon

Q&A

Sarah Bretz, Senior Product Manager, Avalon

Michele Norton, SVP, Product Marketing, Avalon



DISCOVERING AVALONSELECT GENETIC NETWORK

Mike Snyder – EVP Network, Avalon



Genetic Testing Management Is Becoming Increasingly Complex

UNPRECEDENTED GROWTH - MARKET EXPECTED TO INCREASE 150% AND REACH OVER \$10B BY 2027

>40k

different tests associated with CPT
81479

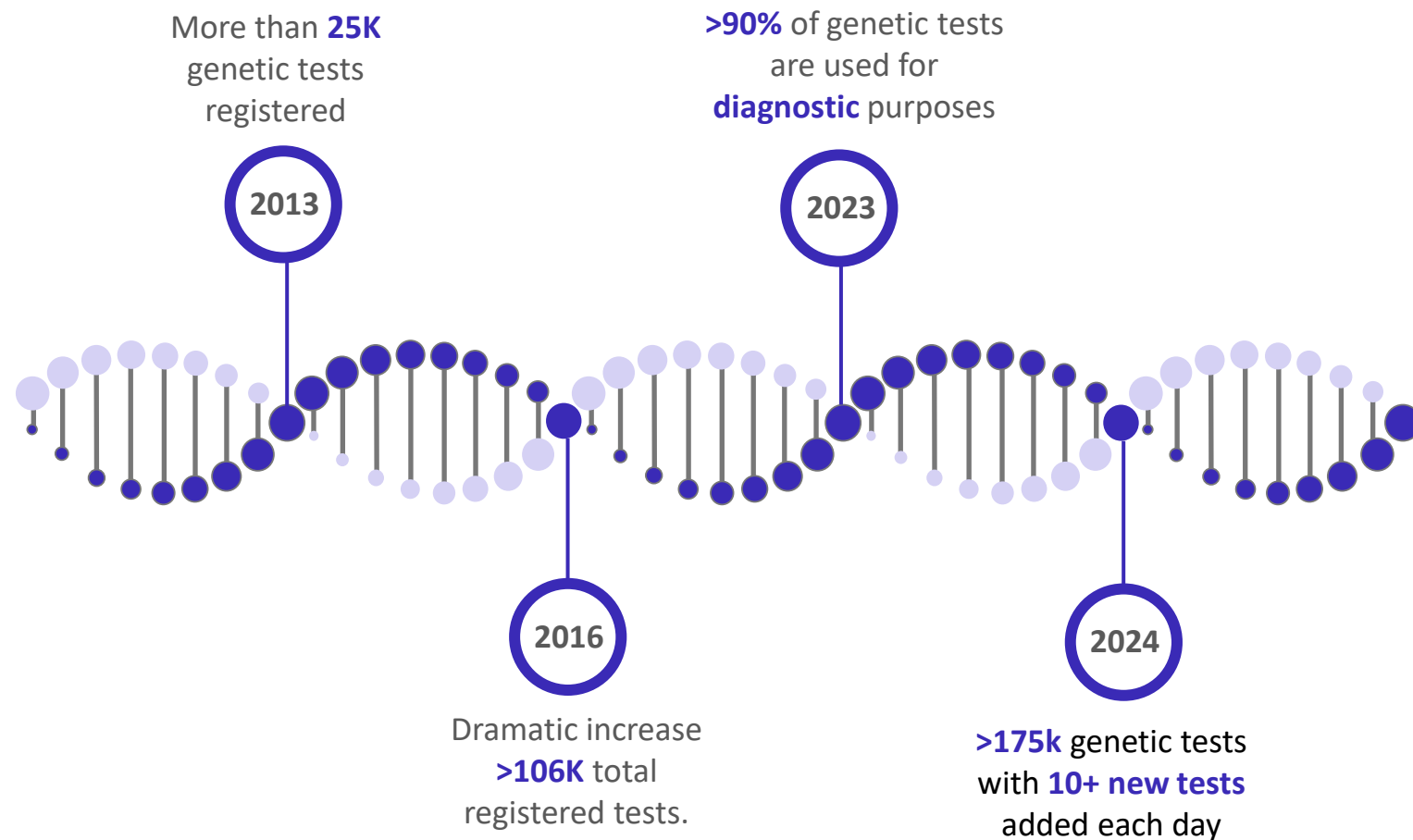
Biomarker legislation driving coverage

ePA regulation- need to streamline and decrease PA administrative burden

\$2B fraud

identified by US DOJ

Lack of test management & oversight-
FDA LDT Rule 5/6/24



AvalonSelect Genetic Network Overview

A curated network of genetic labs with robust consultative services that supplements a health plan's preexisting routine lab network while outsourcing the management of the genetic testing, pricing, compliance, and contracting to Avalon.



AvalonSelect Genetic Network Coverage

- AvalonSelect labs cover **95%+ of total** genetic test menu
- Network manages **70% of allowable dollars** spent
- Approximately **99% of the Plan savings** is associated with non-proprietary testing

AvalonSelect Genetic Lab Criteria



Non-proprietary, high-volume testing prioritized



20+% of total provider testing volume must be genetic



Nationally recognized accreditation (e.g., ACMG)



Adherence to terms, conditions including performance criteria

Case Study: Molecular Pathology Codes

AVALON'S NETWORK PROVIDES BETTER CONTROL THAN CMS

MoPath CPT Codes	Health Plan Allowed Spend	CMS Allowed Spend	Avalon Allowed Spend	Plan Average % Savings
Total for MoPath CPT codes (81400-81408)	\$17.8M 90% of CMS	\$19.6M 100%	\$12.0M 61% of CMS	27% average savings for MoPath

**Based on Avalon's assessment of 12 Health Plans genetic test spend/utilization data in 2023*

U.S. Department of Health and Human Services
Office of Inspector General

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Copies can also be obtained by contacting the [Office of Public Affairs](#).

CMS's Oversight of Medicare Payments for the Highest Paid Molecular Pathology Genetic Test Was Not Adequate To Reduce the Risk of up to \$888 Million in Improper Payments

AvalonSelect Genetic Network: Provider Perspective

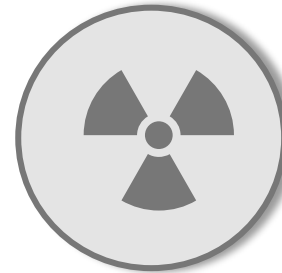
SIMPLIFY THE PROCESS AND EXPEDITE REIMBURSEMENT



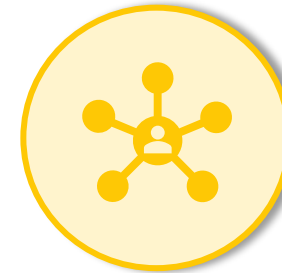
Reduced prior auth
burden with Gold
Carding



Fast-tracked
reimbursement



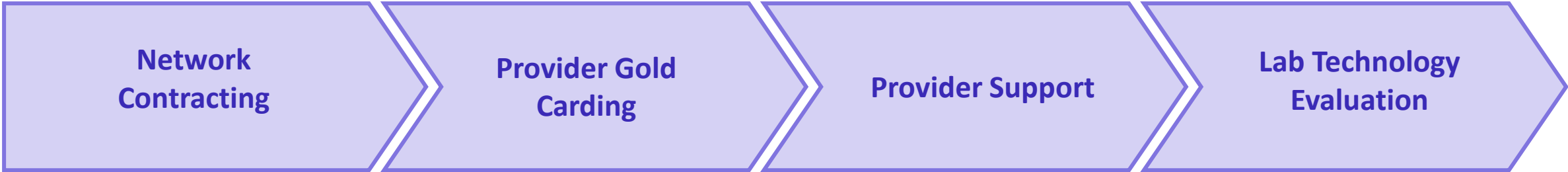
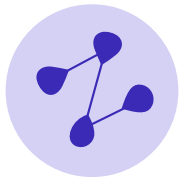
Increased volume as
an in-network
preferred lab provider



Assured
reimbursement price,
timing & transparency

Comprehensive Approach Removes Admin Burden & Provides End to End Value

Avalon's extensive lab contracting experience and evidence-based lab technology evaluation (LTE) service, coupled with our preferred genetic network, drives access to quality genetic tests while simplifying the complexity and costs



Comprehensive Approach Removes Admin Burden & Provides End to End Value



Network Contracting



Provider Gold Carding

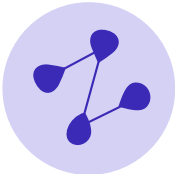


Provider Support



Lab Technology Evaluation

Comprehensive Approach Removes Admin Burden & Provides End to End Value



Network Contracting



Provider Gold Carding



Provider Support



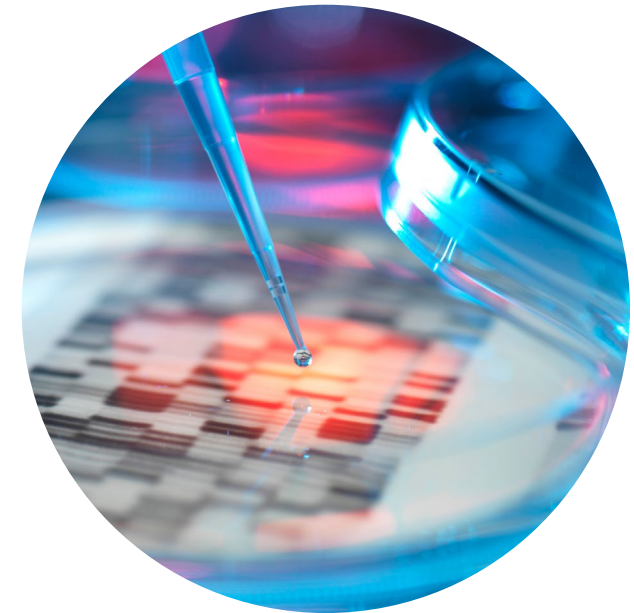
Lab Technology Evaluation

AvalonSelect Genetic Network

GOLD CARD CRITERIA

PA requirements are removed for Gold Carded providers for select qualifying tests. Gold Card Benefit applies to Lab providers meeting the following criteria.

- + Lab submits test(s) to Avalon for Lab Technology Evaluation process
- + Provider has submitted threshold of PA requests for eligible procedures within most recent 10 months
- + Approval rate of 90% or greater required for eligible procedures within most recent 10 months (based on Avalon historical & Health Plan data)
- + Agrees to supporting documentation for ongoing audit checks



AvalonSelect Genetic Network

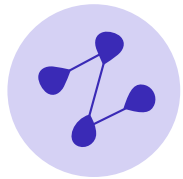
GOLD CARD QUALITY AUDIT PROCESS

AvalonSelect Gold Card Quality Audit process assesses network lab providers and procedures based on performance criteria and established pre-go live baseline leveraging NCQA methodology.

- + Monthly quality reporting and monitoring
- + Quarterly audits performed on all Gold Card providers using NCQA methodology
- + Utilization variance triggers additional off cycle audit using NCQA methodology
- + Gold card provider who fails audit will be placed on a Corrective Action Plan to include monthly audit for 3 consecutive months



Comprehensive Approach Removes Admin Burden & Provides End to End Value



Network Contracting



Provider Gold Carding



Provider Support



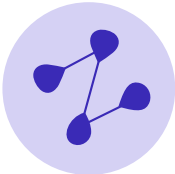
Lab Technology Evaluation



LAB TECHNOLOGY EVALUATION SERVICE OVERVIEW

Michael Lemieux, PhD – Manager Medical Policy, Avalon

Comprehensive Approach Removes Admin Burden & Provides End to End Value



Network Contracting



Provider Gold Carding



Provider Support



Lab Technology Evaluation

The Challenge: Traditional LDT Evaluation is Limited in Scope, Visibility, and Throughput



Siloed: reviews that are limited to single organizations are narrow in scope

Invisible: the “black box” and lack of communication leaves labs in the dark about review status and outcome

Slow: unnecessarily long TATs prevent incorporation of clinically valid and useful tests into policy in a timely manner

AvalonSelect Genetic Network Lab Technology Evaluation (LTE)

COMPREHENSIVE & EVIDENCE BASED REVIEW OF LABORATORY DEVELOPED TESTS

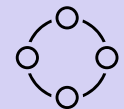
Leverage Avalon's scientific and clinical expertise to ensure accuracy and completeness of the new test evaluation review.



Avalon's **dedicated full-time scientists** support expert review of LDTs



All LDT evaluations are overseen by **Ph.D. and M.D. subject matter experts**



An emphasis on **analytical validity, clinical validity, and clinical utility** guides downstream coverage decisions



Final coverage decisions are made by **Avalon's independent Clinical Advisory Board (CAB)**



The applicable **Avalon laboratory policy will be updated**, ensuring that rigorously-validated and useful tests are made available to our covered members

Avalon Clinical Advisory Board

PROVIDING SCIENTIFIC EXPERTISE, CONSULTATION, AND A “VIEW INSIDE THE LAB”



Geoffrey Baird, MD, PhD

- **Practicing Pathologist, Board Certified**
- **Professor and Chair of Laboratory Medicine and Pathology, Dept of Laboratory Medicine and Pathology, University of Washington, Seattle**
- **Director of Clinical Chemistry, Harborview Medical Center, Seattle**



Timothy Hamill, MD

- **Professor Emeritus and Ex-Vice Chair, Laboratory Medicine, University of California, San Francisco**
- **Prior Director, UCSF Clinical Laboratories**



Jane Gibson, PhD

- **Professor of Pathology and Chair, Department of Clinical Sciences and the Associate Dean for Faculty Affairs at the University of Central Florida College of Medicine**
- **Founding Fellow of the American College of Medical Genetics (ACMG)**



Brian Rubin, MD, PhD

- **Practicing Pathologist with subspecialty expertise in bone and soft tissue tumors**
- **Professor and Vice Chair of Pathology; Director, Soft Tissue Pathology; Director, Bone & Soft Tissue Pathology, Fellowship Program, Cleveland Clinic**

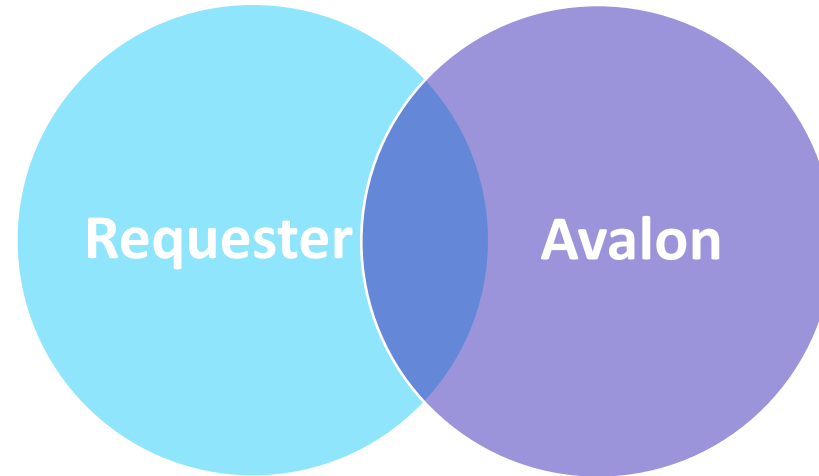


Brian R. Smith, MD

- **Professor and Chair of Laboratory Medicine, Professor of Biomedical Engineering, Medicine (Hematology) and of Pediatrics, Yale School of Medicine**

Customer-Focused and Collaborative Process

Avalon welcomes collaboration with the requester throughout the technology evaluation process, elevating the current industry standard through transparency and trust



A non-invasive precision genomics lab leveraged Avalon’s Lab Technology Evaluation (LTE) and evidence-based process for coverage determination to evaluate the Lab’s US scientific study demonstrating real world clinical utility to rule out melanoma. “Avalon knew all along through their independent clinical review of the study what other medical associations are now realizing”.

The LTE Value: What Our Customers Are Saying

“Thank you for your time and insights with the recent exploration of [our test]...We appreciate your collaboration and expertise.”

“I commend Avalon for being so progressive and ahead of the curve with your medical policy updates months/years before all.”

“It continues to prove what Avalon knew all along through their independent review” – following NCCN endorsement of a test for cutaneous melanoma

“I do really appreciate your willingness to collaborate and glad this was useful information.”

“Thank you for your ongoing commitment to trust and transparency.”

AvalonSelect Genetic Network Value

AVALON'S FOCUS ON THE SCIENCE DRIVES NETWORK QUALITY



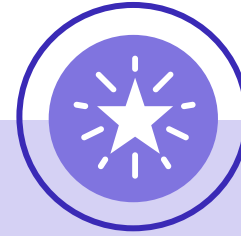
Drives quality enforcement - Labs must meet strict compliance criteria



Manages genetic testing **spend & network complexity**



Reduces/eliminates Prior Auth for gold-carded providers



Drives **innovation & pace** with science **without administrative burden**



Increases savings with national fee schedule

The AvalonSelect Genetic Network can help health plans simplify genetic test management, decrease costs and administrative burden while improving the quality of tests provided to members



Q&A

Sarah Bretz – Senior Product Manager, Avalon

Michael Lemieux, PhD – Manager Medical Policy, Avalon

Mike Snyder – EVP Network, Avalon



2024 Lab Trend Report Available Now

AVALON'S 2024 LAB TREND REPORT

**THE INDUSTRY'S
LEADING ANALYSIS OF
LAB TESTING TRENDS**

ACCESS NOW



The image shows the cover of the 'LAB TREND REPORT 2024' by Avalon Healthcare Solutions. The cover features a blue and white color scheme with a globe graphic and the Avalon logo. A smaller inset image shows a page from the report with a bar chart and text.



<https://www.avalonhcs.com/>

Within the report, you will learn more about:

- Market trends affecting laboratory diagnostics and health plans
- An exploration of the growing reliance on genetic testing for disease prediction and its impact on the industry
- Insights into pricing discrepancies and the importance of lab testing location
- An exploration of the recent and significant increase in the utilization of biomarkers as a tool for predicting disease risk
- How Avalon programs can address waste, price concerns, and spend

Thank you



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SAVE THE DATE

Avalon Webinar – September 17, 2024

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