

# 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 fraud, waste, and abuse.

The first two chapters of this e-book describe why genetic testing is one of the most promising developments in the history of medicine, its explosive growth, and the difficulties associated with managing genetic test programs. The chapters detailed the features of an ideal genetic test management program that controls spending while ensuring the right test is ordered for the right member at the right time, as Avalon and Optum's Precision Genetic Test Management does. Chapter 3 will explain the benefits for all parties involved in genetic testing: patients, providers, health plans, and labs.

# Chapter 3

## The benefits of improved genetic testing management

### Introduction

Health plans, healthcare providers, labs, and patients all stand to benefit from improving the management of genetic tests.

Scientifically validating tests, ensuring that the right ones are ordered at the right time, making sure they're coded and reimbursed properly, and integrating the results into timely patient care are crucial to realizing the most significant possible benefit from this burgeoning technology. As all parties search for a better way, it's essential not to improve one operation at the expense of the others.

When they developed Precision Genetic Test Management (PGTM), Avalon and Optum kept everyone in mind. This program improves all processes associated with genetic testing to support better patient care. As Chapter 2 of this e-book explains, PGTM, using the Palmetto GBA® DEX® registry and Z-Codes®, provides structure, order, and quality control in a chaotic genetic testing environment.

### How improved genetic test management benefits health plans

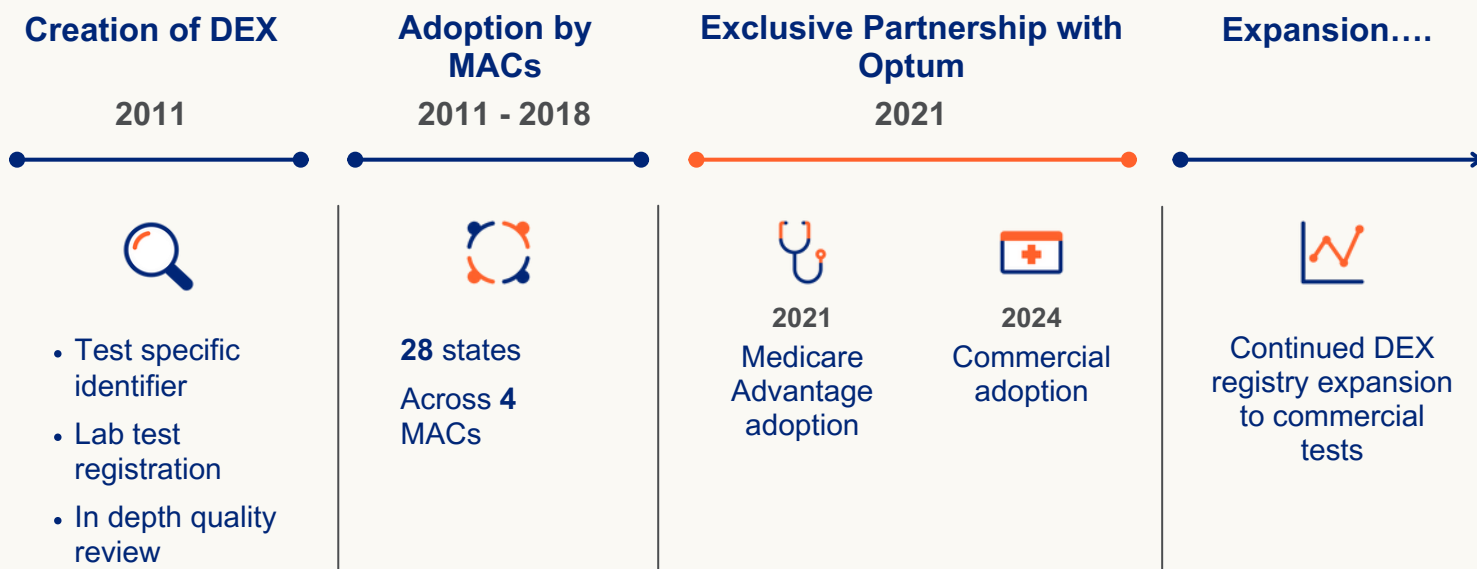
Health plans typically need more resources to scientifically validate the efficacy and utility of the genetic tests for which they're billed. The number of tests is growing so fast that plans cannot keep up with their intended use, applicability, or quality. To add to the difficulties, most tests do not require regulatory approval or oversight, and they have limited ability to validate quality and clinical validity as they quickly enter the market.

PGTM uses evidence-based genetic policies validated by an independent clinical advisory board, NCQA-accredited utilization management prior authorization (PA), and automated provider decisions and clinical reviews based on health plan policies to evaluate genetic tests. Its automated claim coding rules enforce policy development and validate authorization decisions during claim adjudication to ensure payment accuracy. At the same time, the DEX Diagnostics Exchange provides access to a network of the highest-quality tests. The result is that plans can be assured that the tests for which they are paying are valid and valuable. Health plans control the adoption of guidelines as they adopt genetic policies. They will benefit from harmonizing these policies and automated claims editing, which traditionally have been separate operations.



Over seventy-five percent of commercial genetic tests have already been registered through DEX, requiring them to meet evidence-based technical performance thresholds.

## Expansion of Z-Codes into the commercial market



75% of commercial test registrations complete in DEX as of Q2 2024

PGTM's unique identification process creates a one-to-one relationship between the Z-Code, CPT code, test, and lab. This allows for automated policy enforcement and payment decisions at the single test level while restricting bundling. Validating tests and carefully tracking their use limits vulnerabilities to fraud, waste, and abuse.

Plans report seeing fewer PA requests from providers. Coverage guidelines linked to Z-Codes increase auto-approvals in real-time, which improves the quality of care and increases patient and clinician satisfaction. PGTM's NCQA-accredited utilization management includes:

- Full-service PA review
- Outreach by Avalon's clinical team before the denial decision
- Low utilization management appeal rate

All the items listed above are combined to control plan costs by reducing administrative burden and increasing savings while improving care quality.

## Benefits for providers and members

Like health plans, providers generally need more resources to stay abreast of the rapidly expanding number of genetic tests available or requested by patients. This can lead to a reluctance on the part of providers to order testing, overordering, and uncertainty about how to integrate results into a diagnosis or treatment plan.

Avalon offers peer-to-peer provider education through its physicians to support providers and increase efficiency. By validating the quality and utility of genetic tests, providers are better informed on which tests to order and when. With this knowledge, clinicians can proceed more confidently when treating patients.

On the administrative side, precise coding and unique identifiers for each test will result in fewer claims denials and easier adjudications, which saves providers time and reduces frustration. Using Z-Codes will help automate PA, which lessens the burden on staff and clinicians.

Patients are the ultimate beneficiaries of PGTM. They can be confident that their tests have been validated for quality and utility and that the results will be used appropriately to inform their care. And treatment will be expedited because there will be fewer PA requests. As a result, more patients will benefit from genetic testing.

## Benefits for labs

Labs are at the center of genetic testing. Providers, patients, and health plans rely on them to perform efficiently and follow best practices. However, like everyone else dealing with genetic testing, labs need help to cope with the exploding number of tests, their quality and utility, inadequate coding, reimbursement, and more.



**Avalon offers peer-to-peer provider education through its physicians to support providers and increase efficiency.**





## Conclusion

Genetic testing is currently chaotic in a way that is characteristic of the advent of many new technologies. Everyone involved – health plans, providers, labs, and patients – is eager to see it put to the best possible use, but that will require improving the current system for managing genetic tests.

PGTM brings much-needed structure and predictability to the management of genetic testing. It builds upon the familiar existing system but adds precision tracking, greater enforcement, and science-based policies. It saves money while allowing the technology to reach its full potential for better patient care.



**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](http://www.avalonhcs.com) or contact us at [avalon-info@avalonhcs.com](mailto:avalon-info@avalonhcs.com).**

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