

Avalon Laboratory Network Education

June 2016



BlueCross BlueShield of South Carolina and
BlueChoice® HealthPlan of South Carolina

Independent licensees of the Blue Cross and Blue Shield Association



Avalon is an independent company that provides benefit management services on behalf of BlueCross BlueShield of South Carolina and BlueChoice HealthPlan.

Proprietary and Confidential

Current State of the Laboratory Industry

- **More than 4,000 different lab tests exist** and the menu continues to increase in size, complexity and cost.
- **More than 9 billion lab tests are performed each year**, more than any other health care procedure.
- Lab tests are the basis **for at least 70 percent of clinical decisions.**
- **30 percent of this volume represents overused or medically unnecessary testing.** Not ordering a test when clinically appropriate may reach the same level.
- Nearly 3 in 4 physicians say unnecessary tests represent a serious problem.
- **In 15 percent of diagnostic encounters, primary care physicians are uncertain about the appropriate test;** they are also uncertain in 8 percent of cases about the interpretation of results.
- **54 percent of medical errors reported by primary care doctors are related to testing.**

Avalon Health Care 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 medical policies.*
- *Avalon's program is a compliant and reliable extension of BlueCross BlueShield of South Carolina's medical management program.*

... and what we bring

- ***Medical Policy** — Continuing evaluation of industry developments resulting in creation of new medical policies or revisions to existing policies.*
- ***Network** — Dedicated to ensuring that patients receive high-quality, cost-effective laboratory testing.*
- ***Analytics** — Supported by lab values that enhance member quality of care.*
- ***Member Focus** — Access to high-quality, cost-effective laboratory services.*

Avalon Health are Solutions

Industry Problems

Rapid escalation of lab test innovation

Market experiencing increased utilization and costs

Lab management not primary area of resource and technology deployment

Industry facing increasing medical and administrative cost challenges



Leading-edge proactive and expert driven lab scientific policy development

Improve access and affordability

Enhance clinical outcomes and quality

Complex claims editor to optimize lab test utilization

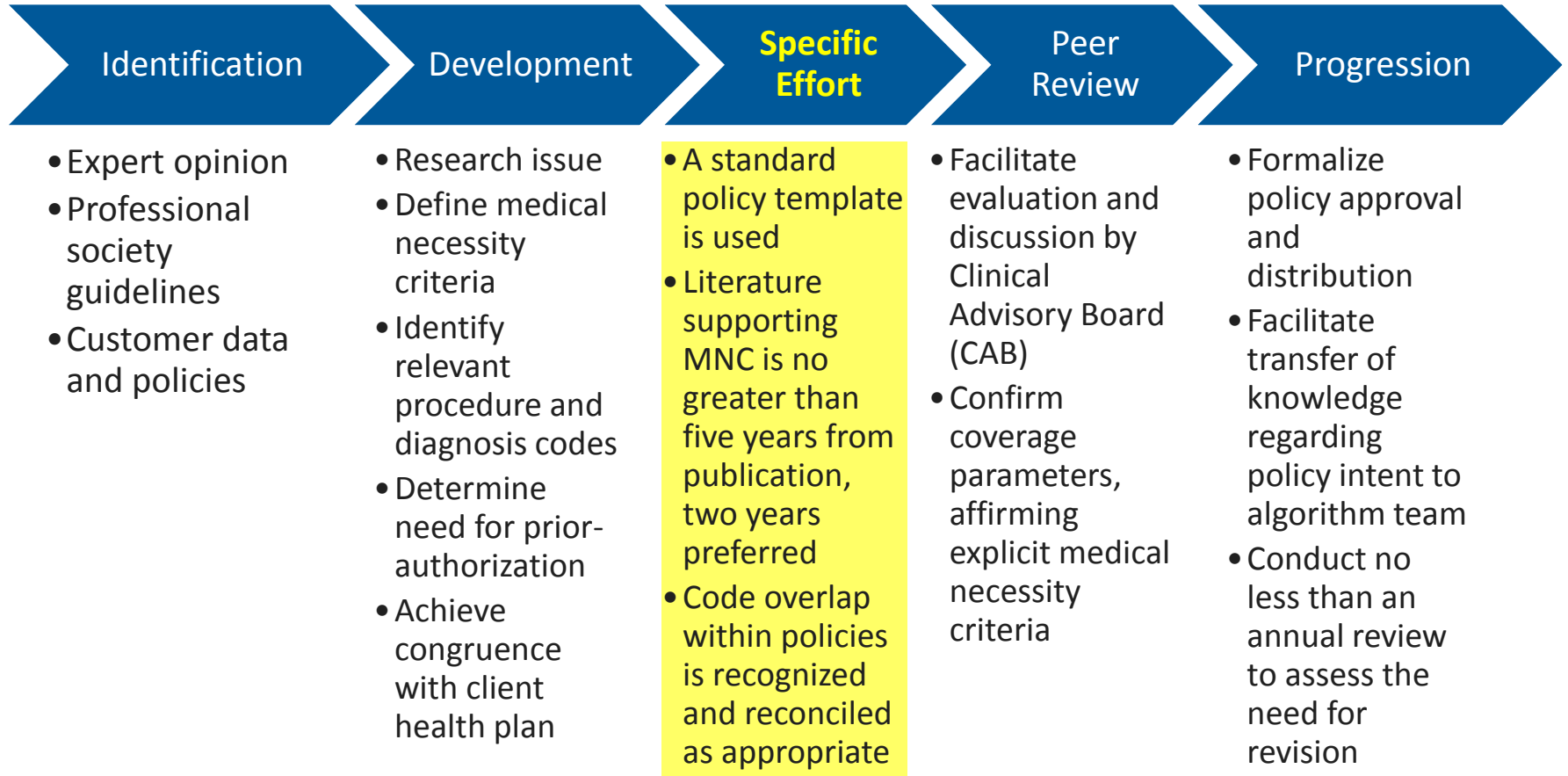
Avalon Solution

Avalon Approach

Avalon helps ensure delivery of the right test, at the right time and in the right setting. We focus on promoting the most effective patient treatments, improving clinical outcomes and optimizing cost and affordability.

Avalon's program helps reduce unnecessary testing through pre-service and post-service policies and protocols. By combining the best in clinical research with scalable, reliable technology solutions, our clients are able to realize significant medical cost savings through automated enforcement of medical policy.

Laboratory Policy Evolution

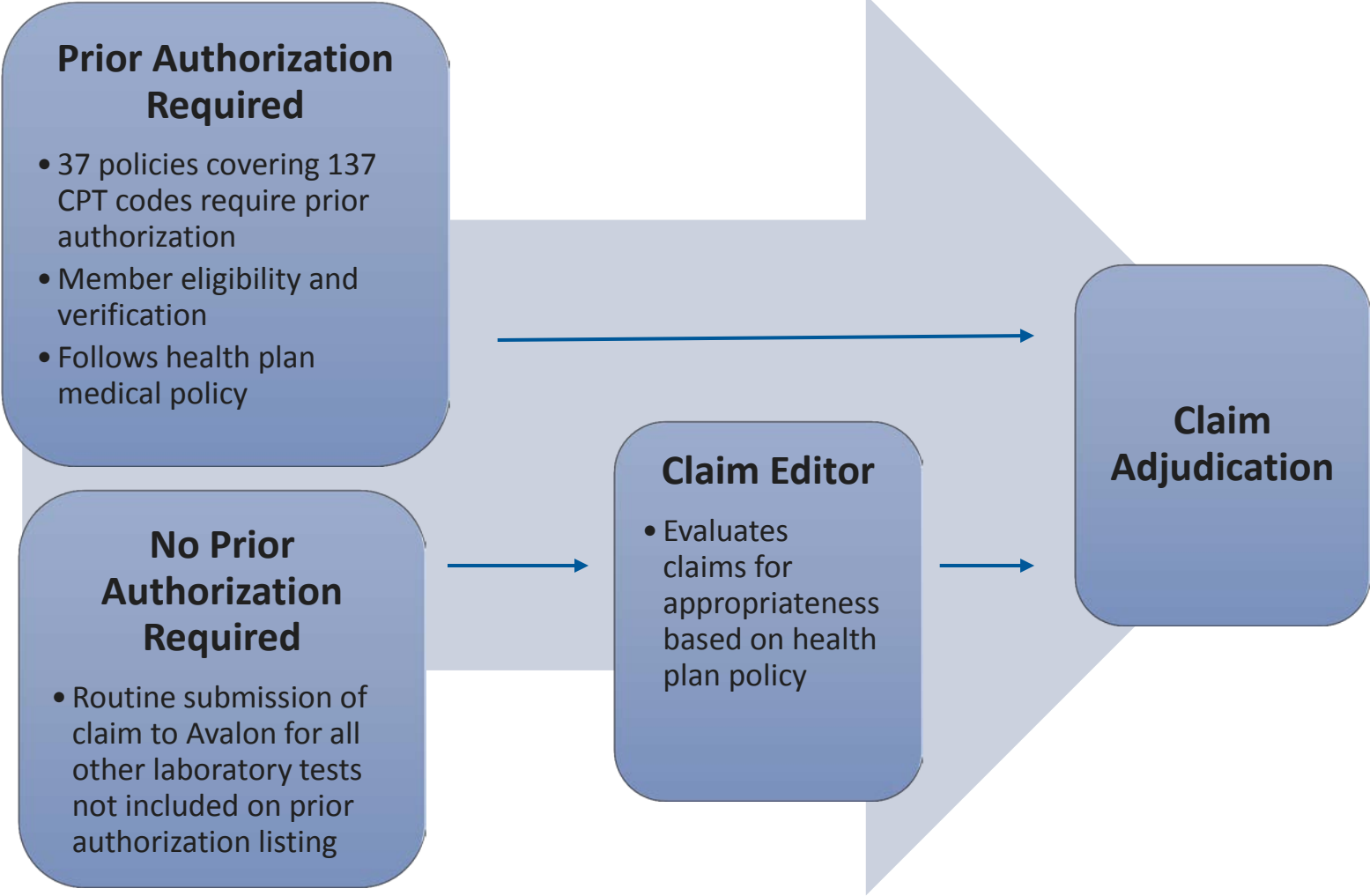


Clinical Leadership of Avalon Laboratory Policy

- Lab medical policy development is housed within the Avalon quality improvement structure, with specific responsibility assigned to the Clinical Advisory Board (CAB).
- The CAB incorporates input of nationally-recognized leaders in the laboratory testing field.
- Medical Policy development process ensures laboratory policies are based on up-to-date medical evidence.
- CAB leadership includes preeminent pathologists, medical and clinical molecular geneticists and laboratory medicine from leading academic medical centers.



Laboratory Benefit Management



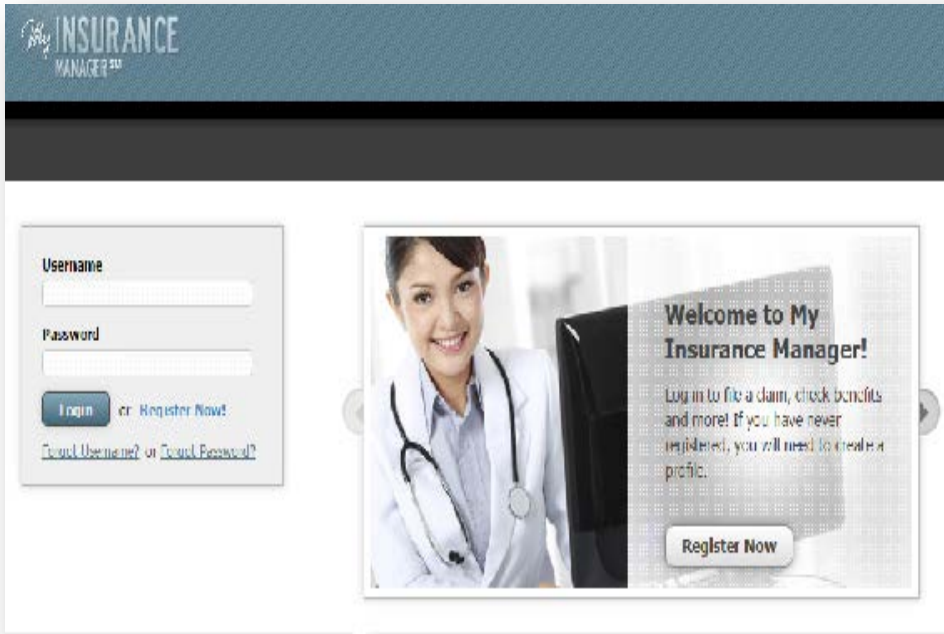
Avalon's services promote patients access to affordable, high-quality health care

Avalon Healthcare Solutions Implementation

Implementation:

- **November 1, 2015:** A new group of providers was added to the laboratory network to increase access to specialized testing.
 - All new and currently contracted laboratory providers, including LabCorp and Quest, are listed in the BlueCross directory.
- **January 1, 2016:** Prior authorization requirements were initiated for a select number of CPT and HCPCS codes, based on the need for clinical information as detailed in current BlueCross laboratory policy.
- **May 1, 2016:** Phased-in implementation of claim editor; health plan policy administration, including post-service claims edits.
- **Remember to use an in-network laboratory to limit your patients' out-of-pocket costs and to preserve the continuity of member benefits.**

Prior Authorization



- You may submit prior authorization requests via phone or fax.
- Avalon will promptly review your request for medical necessity and provide you with a timely, written decision.
- It is the responsibility of the referring physician to obtain the authorization; however, the lab may do so if they have the necessary clinical information.

Telephone: **844-227-5769**

Fax: **888-791-2181**

Lab Procedure Authorization Matrix

Lab Precertification

Effective January 1, 2016, BlueCross BlueShield of South Carolina and BlueChoice® HealthPlan of South Carolina will require Avalon Healthcare Solutions to precertify certain lab procedures when performed in an office, outpatient or independent lab location. Avalon is an independent company that provides benefit management services on behalf of BlueCross and BlueChoice®. Please check this page frequently for new information.

What Physicians Need to Know About Avalon

Beginning January 1, 2016, we will introduce a program that will improve the quality and reduce the cost of laboratory services our members receive. Note that with this new program, certain lab procedures when performed in an office, outpatient or independent lab location will require precertification.

Why Did BlueCross Make This Change?

The cost of health care is rising for everyone and we have an obligation to ensure that our members receive the highest quality of care at the most affordable cost. Laboratory medicine is continuing to become increasingly complex. As technology improves, the cost and utilization of these services increase. This program will assist us in ensuring appropriate testing for our members at the lowest out-of-pocket cost.

How Does This Program Affect You?

We are dedicated to ensuring your patients receive the highest quality laboratory services. We can only accomplish this if we effectively manage the network of laboratories that have been accredited for participation in the health plan.

- Sometimes patients may need a specialized test. BlueCross has considered specialty labs and centers of excellence within the network of laboratory services. Centers of excellence are staffed by qualified clinical pathologists and genetic counselors. We encourage inquiries both before and after you perform testing.
- We do not qualify all laboratories. If an out-of-network laboratory service is testing performed by a hospital, your patients' out-of-pocket cost may be higher than the cost to your patients, please send BlueCross and BlueChoice members' information to us.
- Avalon has developed a Lab Procedure Authorization matrix in an effort to help you understand the requirements for lab procedures.

- Forms
- Prescription Drug Information
- Education Center
 - Precertification
 - Radiology Precertification
 - Submit a Precertification Online
 - Radiation Oncology
 - ▶ Lab Precertification
 - Musculoskeletal Care Management
 - Specialty Medical Drugs
- Medicare Advantage
- HIPAA Critical Center

Code	Description
81161	Dmd (dystrophin) (eg, duchenne/becker muscular dystrophy) deletion analysis, and duplication analysis
81200	ASPA (aspartoacylase) (eg, Canavan disease) gene analysis, common variants (eg, E285A, Y231X)
81201	APC (adenomatous polyposis coli) (eg, familial adenomatous polyposis [FAP], attenuated FAP) gene analysis; full gene sequence
81202	APC (adenomatous polyposis coli) (eg, familial adenomatous polyposis [FAP], attenuated FAP) gene analysis; known familial variants
81203	APC (adenomatous polyposis coli) (eg, familial adenomatous polyposis [FAP], attenuated FAP) gene analysis; duplication/deletion variants
81205	BCKDHB (branched-chain keto acid dehydrogenase E1, beta polypeptide) (eg, Maple syrup urine disease) gene analysis, common variants (eg, R183P, G278S, E422X)
81206	BCR/ABL1 (t(9;22)) (eg, chronic myelogenous leukemia) translocation analysis; major breakpoint, qualitative or quantitative
81207	minor breakpoint, qualitative or quantitative
81208	other breakpoint, qualitative or quantitative
81209	BLM (Bloom Syndrome, RecQ helicase-like) (eg, Bloom Syndrome) gene analysis, 2281delGins7 variant
81210	BRAF (v-raf murine sarcoma viral oncogene homolog b1) (eg, colon cancer), gene analysis, v600e variant
81211	BRCA1, BRCA2 (breast cancer 1 and 2) (eg, hereditary breast and ovarian cancer) gene analysis; full sequence analysis and common duplication/deletion variants in BRCA1 (ie, exon 13 del 3.835kb, exon 13 dup 6kb, exon 14-20 del 26kb, exon 22 del 510bp, exon 8-9 del 7.1 kb)
81212	185delAG, 538SinsC, 6174delT variants
81213	Uncommon duplication/deletion variants (BRCA1, BRCA2)
81214	BRCA1 (breast cancer 1 eg: hereditary breast and ovarian cancer) gene analysis; full sequence analysis and common duplication/deletion variants (ie: exon 13 del 3.835kb, exon 13 dup 6kb, exon 14-20 del 26kb, exon 22 del 510bp, exon 8-9 del 7.1kb) *Note:when performing BRCA1 full sequence analysis with BRCA2 full sequence analysis, use procedure code 81211
81215	known familial variant
81216	BRCA2 (breast cancer 2) (eg, hereditary breast and ovarian cancer) gene analysis, full sequence analysis **Note: when performing BRCA2 full sequence analysis with BRCA1 full sequence analysis, use procedure code 81211
81217	known familial variant

<http://web.southcarolinablues.com/providers/educationcenter/precertification/labprecertification.aspx>

Avalon Claim Editor

- Automates claim adjudication based on sound scientific, clinically-based policies for laboratory tests.
- Evaluates laboratory procedures on the claim for appropriateness:
 - Patient medical conditions
 - Patient demographics
 - Frequency between laboratory procedures
 - Threshold of allowable units
 - Experimental and investigational procedures
- Claim editor activation began July 1, 2016 with policies phased-in over 120 days including provider education and pay and educate alerts on your remits.

Avalon Claim Editor: Edit Types Defined

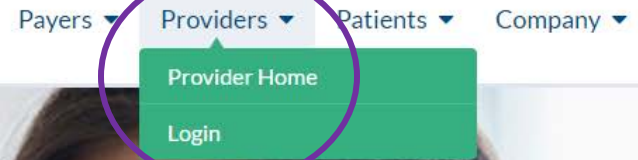
Claim Editor rules correspond to the criteria as defined in the health plan's policy.

Rule	Definition
Experimental and Investigational	Procedure is not covered under the member's benefit due to the experimental and investigational exclusion
Demographics	Limitations based on patient age or gender
Procedure Units	Within and across claim for a date of service
Units/Period of Time	Maximum allowable units within a defined period of time
Time Between Procedures	Minimum time required before a second procedure is medically necessary
Rendering Provider Limitations	Providers/procedures not permitted in combination
Diagnosis Constraints and Allowances	Procedure and diagnosis required or prohibited combinations

Avalon Claim Editor: Trial Claim Tool

- The Trial Claim Advice Tool allows the user to simulate the Claim Editor processing of specific procedure codes and diagnoses.
 - *Results may not be the final adjudication advice due to the application of member benefits and business rules.*
- The tool can be accessed by Avalon providers on the Avalon portal and can also be accessed from the BlueCross provider website:

www.avalonhcs.com



Avalon Enables
Optimal Lab Care

Avalon Claim Editor: Trial Claim Advice Tool

The screenshot shows the 'My Insurance Manager' website interface. The top navigation bar includes 'Home', 'Patient Care', 'Office Management', 'Resources', 'Modify Profile', 'Profile Administration', and 'Staff Directory'. A purple circle highlights the 'Resources' menu, which has opened a 'Tools' dropdown. The 'Tools' menu lists various options, with 'Avalon Lab Benefit Management Trial Claim Tool' highlighted in grey. Other tools include 'Lab/Biometric Data Upload', 'Medical Policies', 'My Remit Manager', 'Reviews', 'State Dental Plan Fee Schedule', 'State Health Plan Fee Schedule', 'C29899 - MRM Test', and 'Washington Publishing Company Claim Adjustment Reason Codes'. A purple arrow points from the top right towards the 'Resources' menu.

Welcome,

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At BlueCross BlueShield of Missouri, we are committed to providing you with the best system. For the choices. One their exper

We recognize moderation at

[Go to Message Center](#)

M!

power of information to transform the health care tools that help them weigh the value of their health care My Health Toolkit®. It lets members give feedback on

ave tried to strike a balance between responsible ey expect online. Our goal is to ensure responsible use of

[See if you have feedback from Health Plan members.](#)

If you need help using My Insurance Manager, please call our Provider Relations and Education team at (803) 264-4730. Outside Columbia, call 800-288-2227, extension 44730.

Thank you for using My Insurance Manager!

Helpful Resources:

- BlueCross Provider Education Center website:
web.southcarolinablues.com/providers/educationcenter.aspx
- Lab Prior Authorization Matrix:
<http://web.southcarolinablues.com/UserFiles/scblues/Documents/Providers/AvalonMatrix01112016rev.pdf>
- Avalon Participating Laboratories:
http://web.southcarolinablues.com/providers/providernews/2016providernews.aspx?article_id=877
- BlueCross News Bulletins
- Avalon Portal
 - Avalon Provider Quick Reference Guide
 - Avalon Provider Manual
 - Prior Authorization Forms
 - Claim Editor Trial Claim Tool

Questions and Answers

