



Laboratory benefit management

Align routine and genetic lab testing with clinical guidelines

Roughly 14 billion clinical lab tests are performed every year in the United States, making lab testing the most utilized medical benefit.¹ This volume results in health plans spending tens of billions of dollars annually – a particularly astonishing figure when you consider 30% of lab tests are unnecessary.² Tests that are not clinically indicated can pose safety risks for members due to unnecessary sample collection, increased chances for false-positive results, and potentially unnecessary interventions. The absence of industry standards and clinical efficacy data exacerbates problems of inappropriate utilization and misinterpretation of tests, which often lead to inappropriate interventions.

Reimagine laboratory benefit management

The laboratory benefit management solution from Optum and Avalon Healthcare Solutions helps health plans manage all lab testing spend and deliver a better experience for providers and members. It allows health plans to better align lab testing with clinical, evidence-based guidelines, which may result in higher quality of care and cost savings for health plans, ranging from \$0.50–\$2.60 per member per month (PMPM). Optum has an exclusive partnership with Palmetto GBA, the administrator of the Centers for Medicare & Medicaid Services (CMS) MoIDX® Program, which identifies and establishes coverage and reimbursement for molecular diagnostic tests. This collaboration combines deep clinical expertise with unique test identification to help guide clinicians to the test with the highest test quality.

Manage all lab testing spend using evidence-based guidelines

Helping health plans ensure that routine and genetic lab testing follows guidelines in an automated, scalable way, the laboratory benefit management solution from Optum and Avalon offers deep lab test knowledge and expertise, unique genetic test identification through the use of DEX® Diagnostic Exchange test identification codes (DEX Z-Codes), automated lab policy adherence technology and prior authorization services to health plans.



The advantage of the laboratory benefit management solution from Optum and Avalon



Rich clinical policy development



Automated policy enforcement



Unique genetic test identification



Simplified implementation



Increased outpatient lab savings



Improved provider and member experience

1. Centers for Disease Control, Division of Laboratory Systems. cdc.gov/csels/dls/strengthening-clinical-labs.html. Accessed July 16, 2024.

2. Zhi M, Ding EL, Theisen-Toupal J, Whelan J, Arnaout R. The landscape of inappropriate laboratory testing: a 15-year meta-analysis. PLOS ONE. 2013 Nov 15;8(11):e78962. doi: 10.1371/journal.pone.0078962. PMID: 24260139; PMCID: PMC3829815.

The laboratory benefit management solution from Optum and Avalon includes the following products:

Routine Test Management

The industry's only automated routine test management solution ensures lab testing follows clinical guidelines and evaluates laboratory claims post-service and pre-payment in near real time. This proprietary technology uses thousands of rules that compare CPT® and ICD-10 codes, age, lab test history and frequency to ensure that lab tests are appropriate for the clinical condition and consistent with the health plan policies. As Routine Test Management occurs post-service/pre-payment, there is no disruption or abrasion to the physician or patient.

\$1.00–\$2.60 PMPM

estimated plan savings*

Our approach

- + **Identifies and removes unnecessary units** from reimbursement
- + **Post-service/pre-payment** cloud-based technology
- + Real-time clinical **policy adherence enforcement**
- + **Consistent** enforcement of defined criteria
- + Maximizes the **provider experience**
- + **60** automated evidence-based lab policies
- + **Flexible** configuration

Precision Genetic Test Management

This solution brings specific genetic test policies and prior authorization services to health plans alongside unique genetic test identification and technical assessment process. Precision Genetic Test Management's prior authorization capability is a pre-service review that manages utilization in line with evidence-based guidelines to ensure appropriate care. Precision Genetic Test Management goes beyond cost containment strategies with a strong emphasis on test quality to ensure that health plans are equipped to make coverage determinations based on clinical evidence, that physicians have transparency on test quality and that patients receive the most appropriate genetic test.

\$0.50–\$0.80 PMPM

estimated plan savings*

Our approach

- + **An exclusive license to Z-Code®** unique test identifiers and the DEX® test registry through Palmetto GBA
- + **80** evidence-based lab policies
- + **NCQA accredited** for utilization management
- + **Automated** enforcement of policy
- + **Leverages DEX Z-Codes** to uniquely identify discrete genetic tests
- + Increased accuracy of tests enables a more **targeted model for prior authorization auto approval**, as well as claim coding, coverage and pricing strategies

* Potential savings shown is not a guarantee of actual savings.
CPT® is a registered trademark of the American Medical Association.



To learn more about how the laboratory benefit management solution from Optum and Avalon can help you better manage lab testing spend, visit optum.com

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