



## Fallon Health Makes MDx Authorization Decisions 75% Faster with the DEX™ Diagnostics Exchange



### Customer

Fallon Health  
Worcester, MA

### Challenge

Struggling to understand test appropriateness and excessive time authorizing each MDx test requested

### Products

DEX™ Diagnostics Exchange  
DEX Z-Code™ Identifiers  
InterQual® MDx Criteria

### Results

Over the first six months:

Decreased PMPM spend by 10%, representing a potential ROI of 4X over 5-year contract

Realized a 75% decrease in the time spent on prior authorizations, amounting to \$100,000 in administrative savings

Achieved \$46,000 in estimated medical cost savings by identifying unnecessary tests

Improved collaboration with physicians and labs as they are now able to uniquely identify and differentiate specific MDx tests

Enjoyed rapid implementation that required no IT resources or software development

**“Our molecular diagnostic test volume continues to climb each month, and we know the 75%-plus decrease in time spent managing MDx prior authorizations that we’ve already seen with the DEX Diagnostics Exchange is just the beginning.”**

Pamela Cardaci  
Senior Director of Utilization  
Management and Prior Authorization  
Fallon Health

### **The Customer:**

Fallon Health has consistently ranked among the nation’s top health plans and is accredited by the National Committee for Quality Assurance for its HMO, Medicare Advantage, and Medicaid products. Fallon is the only health plan in Massachusetts that is both an insurer and provider of care. The plan represents nearly 213,000 members in Massachusetts and Southern New Hampshire.<sup>1</sup>

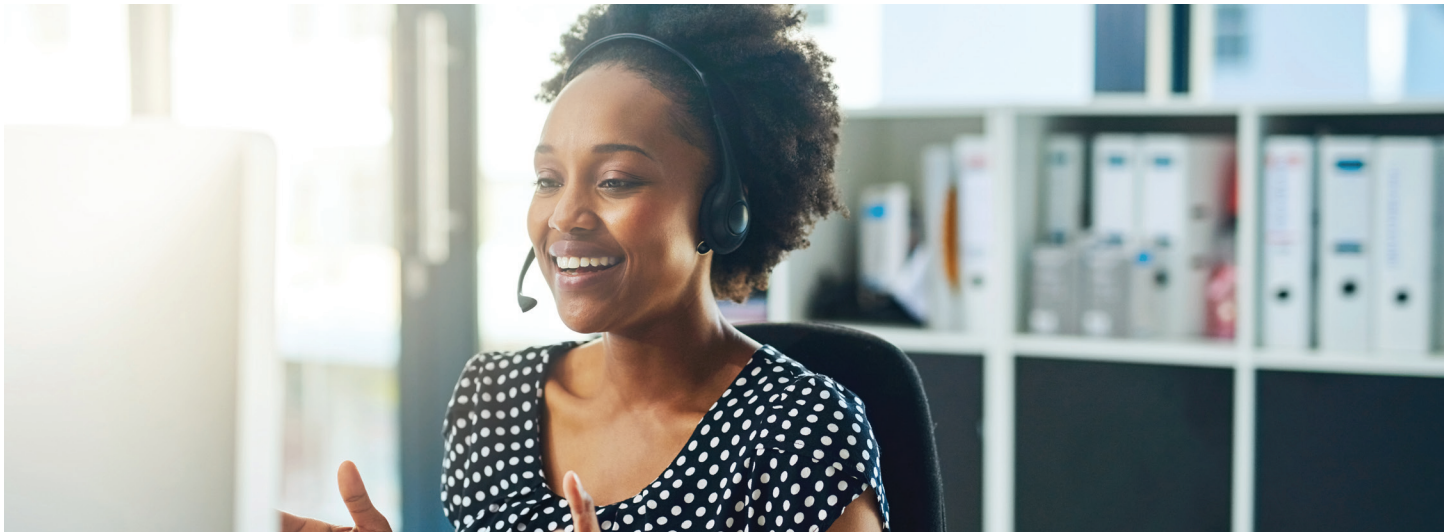
### **The Challenge: Understanding MDx Test Appropriateness**

As the advanced diagnostics industry experienced rapid growth in recent years, Fallon Health saw its volume of genetic test requests increase threefold in just one year. Given that each request requires authorization, significant administrative challenges quickly became apparent. A team of nurses, physicians, and non-clinicians had



to conduct extensive online research and manually sift through whitepapers to try to determine the right MDx test, what criteria applied, and ultimately if the request should be approved. Requests for panels and multiple tests were frequently sent with no valid clinical reason, and Fallon struggled to understand test appropriateness.

In fact, Fallon was spending an average of about 10 hours over three to four days on the prior authorization process for each MDx test. “The molecular diagnostic authorization process was not only very time consuming, we struggled to find information about the tests,” said Pamela Cardaci, senior director of Utilization Management and Prior Authorization at Fallon Health. “Without a way to identify a specific test, it wasn’t clear what test was being requested by the physicians and if the physicians actually understood what they were asking for.



## A Solution to Managing Molecular Diagnostics is Found

After learning about DEX™ Diagnostics Exchange at a trade show, Cardaci realized the solution could help Fallon get the information it needed to understand what is being ordered and approved, and how the criteria and policy applies. After bringing information about DEX's test identification and policy management capabilities to her executive team, Fallon agreed it was the right solution to help them get control of molecular diagnostics by establishing a management program to update policy development and drive appropriate coverage and payment.

Fallon staff began accessing DEX by simply logging on to the solution via a web browser after receiving their user ID and password credentials. To ensure that Fallon staff was comfortable using DEX, training resources and live training sessions were provided.

Fallon rolled out its new MDx management strategy, powered by DEX, with a focus on incorporating DEX into their prior authorization process. They launched DEX to their independent lab network initially and, a few months later, expanded access to their hospital lab network. Communications, trainings and other support resources were used with the labs to ensure adoption and compliance.

The rollout included communicating the requirement for the inclusion of DEX Z-Code™ identifiers on all MDx test claims for a lab to receive payment.

## The Result: Speeding Through Prior Authorization Requests

Fallon's prior authorization workflow was streamlined dramatically soon after going live with DEX. It plummeted from approximately 10 hours per request over three to four days to a little over one hour each. Cardaci reported a 75% or more decrease in time spent reviewing each MDx prior authorization request, amounting to a work time savings of more than \$100,000 within the first six months. This time savings impacted the entire team, including the medical director.

Now when a prior authorization request is received, nurses simply open DEX and the InterQual MDx Criteria to get instant access to the information they need to determine medical appropriateness or escalate to the medical director for a determination.

In addition to the \$100,000 in administrative savings, Fallon saw \$46,000 in estimated medical cost savings by identifying and avoiding unnecessary tests. Taken together, Fallon has reduced PMPM spend on MDx testing by 10%.

"These early results suggest that we will realize a minimum 4x ROI over the five-year contract," Cardaci reports.

With DEX and its Z-Code identifiers, Fallon can now access a unique code for each specific test. This test differentiation, along with access to the detailed DEX test catalog, lets Fallon understand exactly which

test is being requested, and confirm the appropriate genes and CPT® codes in a panel. Claims for the unlisted miscellaneous code (81479) have dropped dramatically compared to 2015 with billings and payments down from \$29,000 to \$350. Of the miscellaneous lines being billed, 95% are now denied.

“The clarity DEX provides has also appeared to influence the behavior of our providers,” said Cardaci, “Utilization declined with claim lines billed per member down 19% and denied lines down 11%, suggesting that providers are reducing potentially inappropriate tests.”

Fallon also reports improved collaboration with physicians who appreciate and value the guidance provided by DEX to ensure the right test is identified for their patient. They use DEX to guide physicians to order more appropriate tests after reviewing what’s requested and understanding what’s really needed for a patient.

These gains have extended to Fallon’s lab network, which is now able to uniquely identify and differentiate their specific MDx tests, communicate the specific test performed, and have visibility into Fallon’s MDx policy and coverage decisions.

Thanks to a rapid implementation that required no IT resources or software development, Fallon quickly and successfully integrated DEX into its prior authorization process to reap immediate and significant time savings.

## Looking Ahead

Fallon will see additional operational efficiencies as their integration of DEX progresses. For example, insights from using DEX will help them refine medical policy and improve lab contracting processes. Indeed, soon after integrating DEX into their prior authorization process, Fallon found some gaps in their medical and payment policies. As a result, they are actively working to refine their policies to be more specific and efficient.

DEX now serves as a critical resource for key stakeholders to engage in productive communication about MDx tests, to ensure the health plan, physicians, and labs all have transparency and visibility into MDx test definitions, coding, and coverage.

1. Source: <http://www.fchp.org/>

### About Change Healthcare

Change Healthcare is inspiring a better healthcare system. Working alongside our customers and partners, we leverage our software and analytics, network solutions and technology-enabled services to help them improve efficiency, reduce costs, increase cash flow, and more effectively manage complex workflows. Together, we are accelerating the journey toward improved lives and healthier communities.