

## Care Providers and Payers

Advanced Diagnostics Solutions

# McKesson Diagnostics Exchange

## Understanding the Value of Advanced Diagnostics: Aligning Labs, Clinicians and Payers to Make Better Decisions

Advanced diagnostics are evolving so rapidly the industry can barely keep pace. There were 11,667 tests for 3,463 conditions in 239 labs in the Genetic Test Registry as of September 2013<sup>1</sup>, and new diagnostics are regularly emerging at a rate of several per month<sup>2</sup>. According to a 2013 G2 report, the molecular diagnostics (MDx) market is set to reach \$7.8 billion in 2013<sup>3</sup> with Frost and Sullivan projecting a compound annual growth rate (CAGR) of more than 11%<sup>4</sup>. However, these MDx tests are difficult to differentiate because 1 — today there is no system of unique identification and 2 — few tests today have been evaluated with enough clinical evidence to determine their clinical utility. Many are developed and marketed as lab-developed tests (LDTs), and the protocols and processes can differ significantly. The many variations available for a single test can create confusion, collaboration challenges and inefficiencies across the healthcare system. The ability of providers, payers, manufacturers and laboratories to make the best clinical and financial decisions is hampered by the

difficulty of effectively collecting, tracking and analyzing data on the impact of each test. Additionally, payers need to have each MDx test specifically identified to help more transparently provide efficient reimbursement and coverage decisions, improve utilization management processes and more fully support new models of care.

To address these identification and policy determination issues, the McKesson Diagnostics Exchange™ was created to provide a shared workflow solution that laboratories and manufacturers can use to submit information about their specific MDx tests, and providers and payers can use it to understand and evaluate those tests.

The McKesson Diagnostics Exchange is an open, online test registry and workflow solution for information and evidence about MDx tests. Organizations that register with the McKesson Diagnostics Exchange are assigned a unique, five-digit alphanumeric McKesson Z-Code™ Identifier for each advanced diagnostics test so that each test can be accurately

tracked, measured and reimbursed. The McKesson Diagnostics Exchange includes:

- Reference information about tests and how they are performed
- InterQual® Molecular Diagnostics clinical evidence summaries about test families

When combined into the McKesson Diagnostics Exchange workflow, this information enables payers, laboratories and providers to transparently identify and evaluate tests and to determine coverage policies.

The McKesson Diagnostics Exchange helps reduce costs, increase efficiency and improve quality of care.

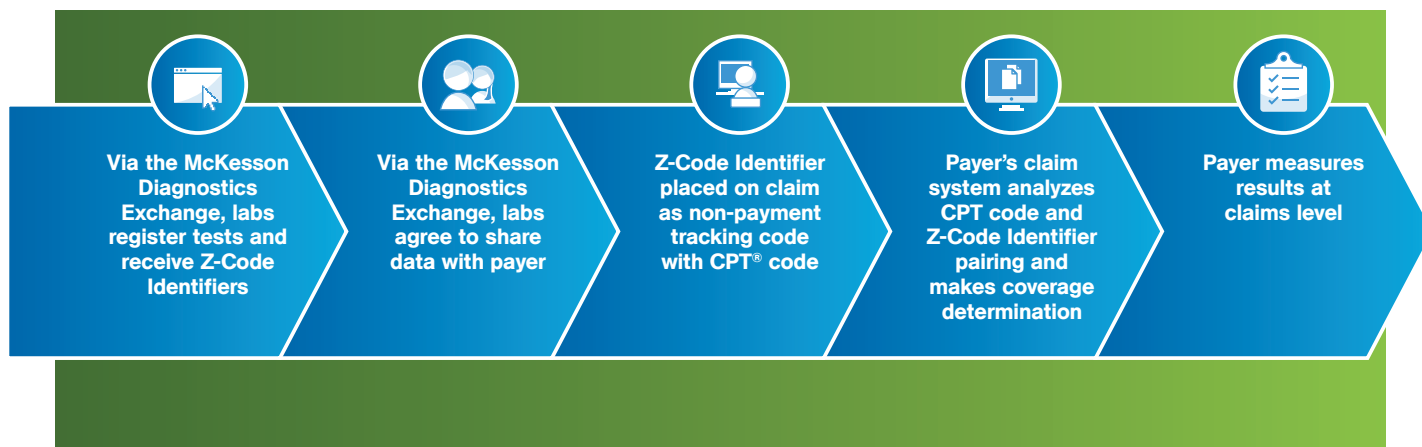
### The two modules of the McKesson Diagnostics Exchange offer:

#### Registry module:

- A catalog of Z-Code Identifiers for new and existing molecular diagnostic tests



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**figure 1**  
The McKesson Diagnostics Exchange test identification and coverage determination workflow

- Detailed information about these tests and who performs them
- A way for payers to understand what tests were performed and what policies to enforce by leveraging Z-Code Identifiers in conjunction with CPT® codes at the claims level

#### Test Assessment module:

- A streamlined workflow to evaluate diagnostic tests and review clinical evidence and laboratory-provided information

#### McKesson Health Solutions

##### McKesson Corporation

275 Grove Street  
Newton, MA 02466

[www.mckesson.com](http://www.mckesson.com)  
**1.800.782.1334**

#### Connect with us:

✉ [mhs@mckesson.com](mailto:mhs@mckesson.com)  
 🌐 [www.mhsdialogue.com](http://www.mhsdialogue.com)  
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- Configurable support for different levels of evidence including clinical and analytic validity, precision and clinical utility, etc.
- The ability to evaluate and establish coverage determination policies

#### The McKesson Diagnostics Exchange helps:

##### Payers:

- Clearly adjudicate claims and more easily enforce coverage policies by eliminating variances in coding
- Reduce medical costs for unnecessary or miscoded tests by:
  - Enabling precise matching of reimbursement to the exact test performed
  - Identifying and managing over-utilized tests and encouraging under-utilized tests, which may determine more appropriate treatments
- Develop a well-informed Utilization Management program by:

- Enabling improved measurement and management of advanced diagnostics
- Evaluating only the tests that have passed their evidence threshold
- Reviewing all information in a standard dossier
- Completing collaborative reviews by multiple plan members within a predefined workflow
- Utilizing online technology assessments to achieve coverage determinations

##### Labs:

- More precisely identify and report on tests performed within clinical and financial systems
- Distinguish the efficacy of similar tests from other labs

##### Physicians:

- Precisely order tests
- Accurately report on appropriate services

1. National Center for Biotechnology Information, U.S. National Library of Medicine, Genetic Test Registry, September 3, 2013
2. UnitedHealth, Working Paper 7, "Personalized Medicine: Trends and prospects for the new science of genetic testing and molecular diagnostics," March 2012. [http://www.unitedhealthgroup.com/hrm/UNH\\_WorkingPaper7.pdf](http://www.unitedhealthgroup.com/hrm/UNH_WorkingPaper7.pdf).
3. G2 Reports: U.S. Molecular Diagnostic and Genomic Testing 2013–2015: Laboratory Industry Analysis, Trends, and Forecasts; July 9, 2013, [http://www.streetinsider.com/Press+Releases/\\$7.8+Billion+Molecular+Diagnostics+Market+Positioned+for+Significant+Growth/8484422.html](http://www.streetinsider.com/Press+Releases/$7.8+Billion+Molecular+Diagnostics+Market+Positioned+for+Significant+Growth/8484422.html).
4. Frost and Sullivan, March 19, 2012, <http://www.darkdaily.com/frost-sullivan-report-identifies-molecular-diagnostics-as-fastest-growing-sector-of-clinical-pathology-laboratory-testing-03192012#axzz2aX2XrpDr>