

2016 99-Mo Topical Meeting

UPPI LEU Walk:

Implementing a Lean Business Canvas to Support Client
Transition to non-HEU Medical Isotopes

September 12, 2016

St. Louis, MO.



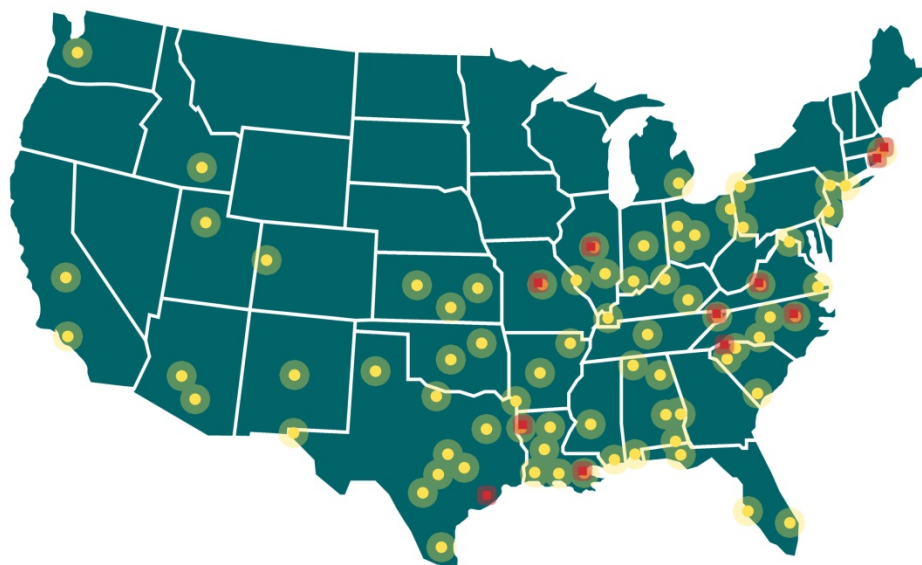
UPPI Business Model

- Cooperative of 77 low energy radiopharmacies and 11 high energy radiopharmacies
- Shareholders and affiliates
- All members contribute to the whole
- UPPI LLC (UPPI) delivers values to the members
 - Product development
 - Initiatives that brand UPPI



Low Energy and Cyclotron Footprint

UPPI & UPPI PET Locations



77 Locations

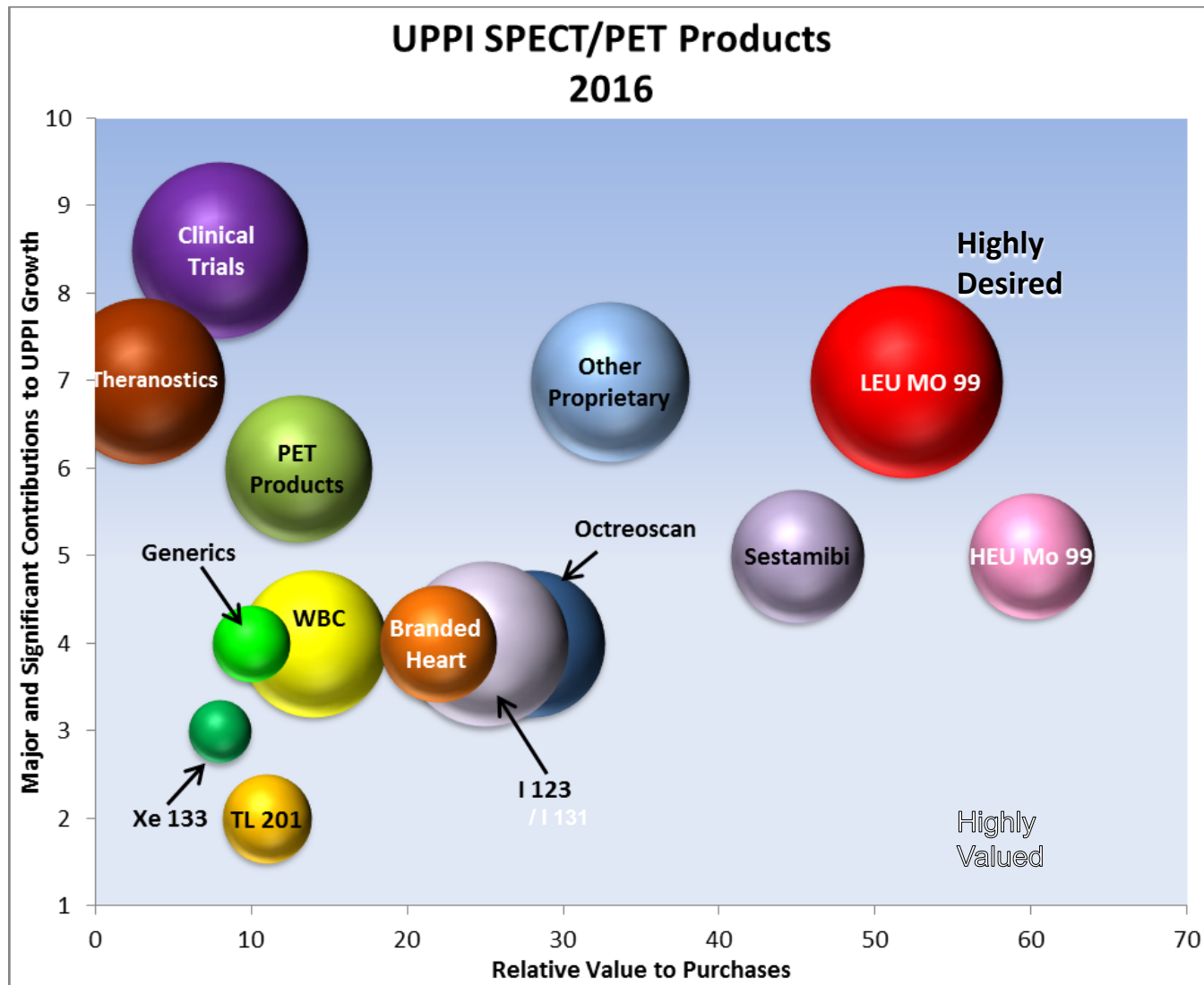


11 Cyclotrons

UPPI represents 8,000 of the approximately 50,000 unit doses dispensed every day in the U.S.



UPPI Product Portfolio Value Factors



UPPI LEU Walk –Initiative

- In 2013, why build a strategy around LEU Mo99 generator transition?
 - Start with the existing supply to build an experiential record (first-in strategy).
 - Discover issues and opportunities.
 - Create solutions to facilitate adoption by the molecular imaging community.
 - Continue to grow coverage.



Product/Service Differentiators

- Innovator and leader in the transition to non-HEU (LEU) medical isotopes:
 - 39 UPPI member pharmacies dispensing LEU Tc 99m doses.
 - To transition to other non-HEU product.
 - Develop early majority movement
 - Source private payer reimbursement for the Q9969 added on payment for covered lives receiving LEU Tc 99m doses.



LEU Walk Initiatives

Work with hospital GPOs management teams for LEU market penetration

Early Majority

Communicate Full Cost Recovery tsunami to hospital supply chain executives

White Paper

LEU Policy Project with Managed Care Organizations –Private Carriers

Interact on VA solicitations to regain non-HEU momentum

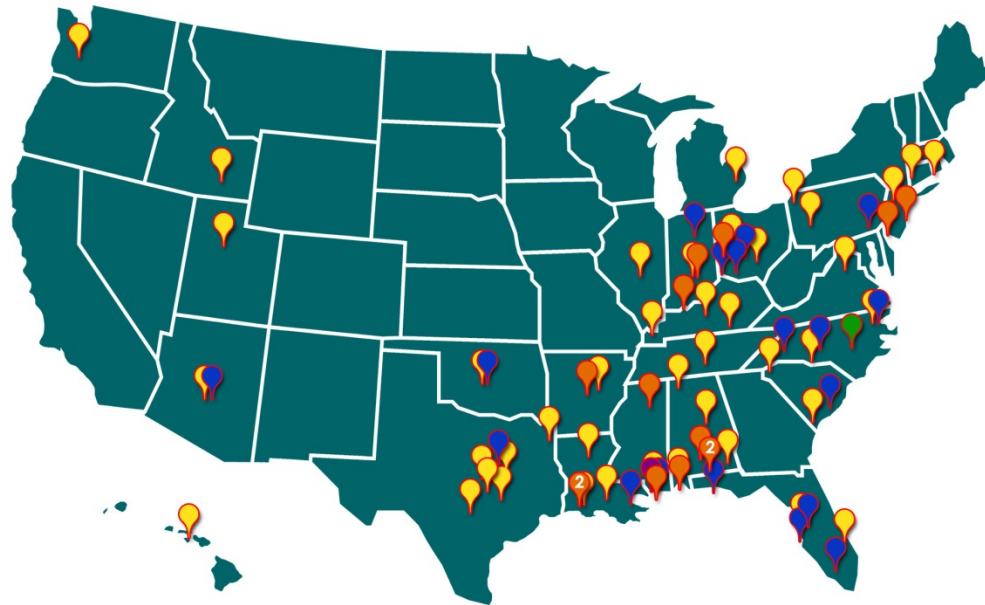
VA used feedback to re-emphasize non-HEU medical isotopes transition








UPPI LEU Walk

Lighthouse Customers with Vizient Early Majority

UPPI LEU WALK



-  UPPI LEU WALK MEMBER
-  UPPI MEMBER VA CONVERSION
-  UPPI MEMBER FBOP CONVERSION
-  UPPI MEMBER DOD CONVERSION
-  VIZIENT MEMBER



UPPI LEU Private Payer Policy Initiative

Strategy:
Uncover Reimbursement
Involve Payers

**Non-proliferation
of HEU in medical
isotope production**

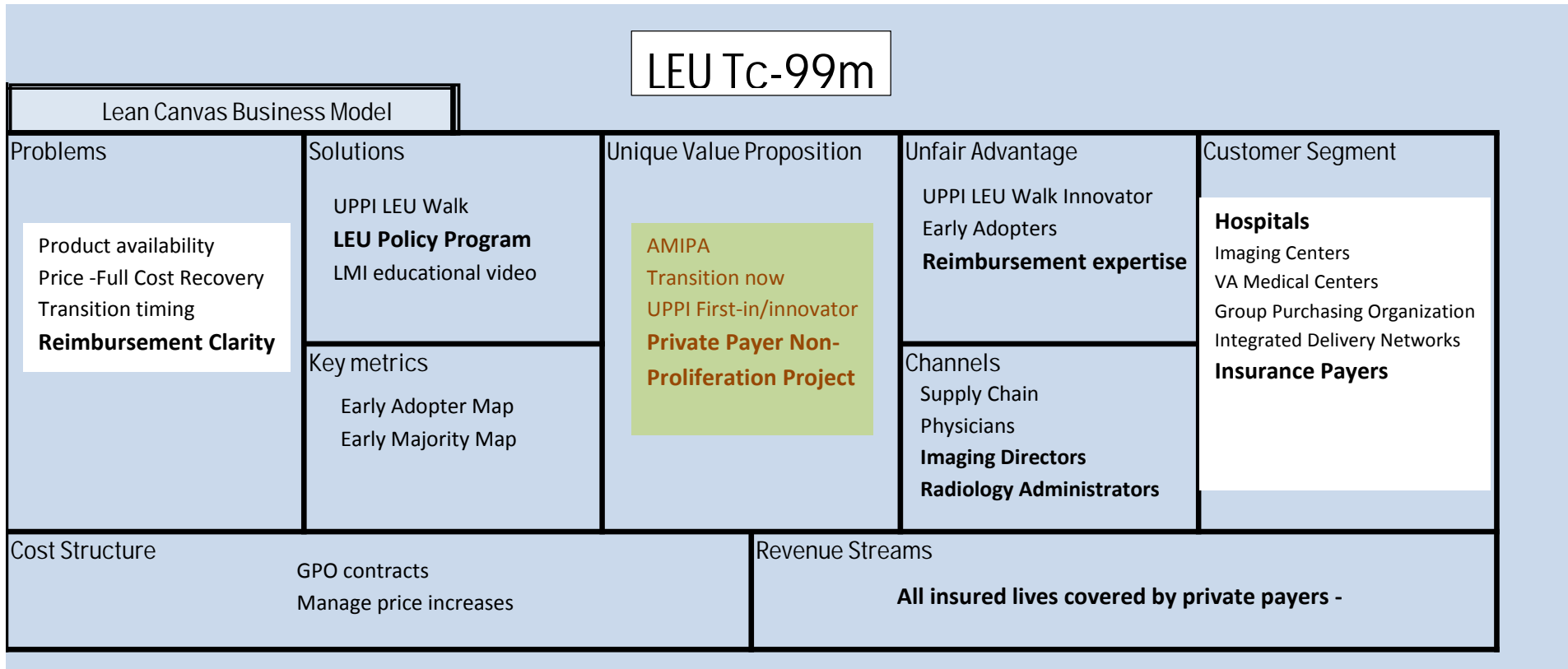
Outreach and ask involvement

**Communicate value to be part of the
solution**

Non-HEU Policy for all covered lives



Lean Business Case Model: non-HEU Medical Isotopes



The Customer Universe: Transition to non-HEU Medical Isotopes



Commercial Payers C-Suite Non-Proliferation Out-reach

UPPI uncovered private payers that provide the reimbursement for $\geq 95\%$ LEU ^{99m}Tc that included all covered lives, in addition to Medicare HOPPS patients.

Tricare was the first private government payer to recognize the Q9969 added-on reimbursement in all 50 states.

Commercial payers are the real drivers for reimbursement coverage of the added-on payment, designed to help hospitals transition and accept higher costs of non-HEU medical isotopes production.

UPPI has initiated a C-Suite Non-Proliferation out-reach and education program to the carriers' policy committees and medical directors.



Commercial Payers C-Suite Non-Proliferation Out-reach

All commercial payers from the largest, such as CIGNA, HUMANA, United Healthcare, to the narrow networks play a **significant, and unsung, role** to eliminate HEU from medical isotope production.

What role?

Help end HEU proliferation in medical isotope production

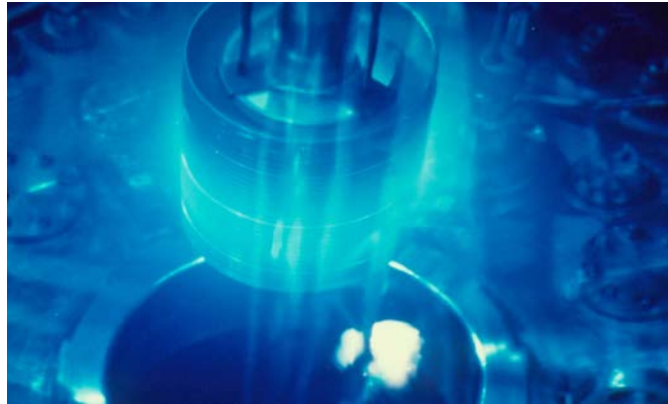
How?

Write a policy for all covered lives



Commercial Payers C-Suite Non-Proliferation Cause Letter

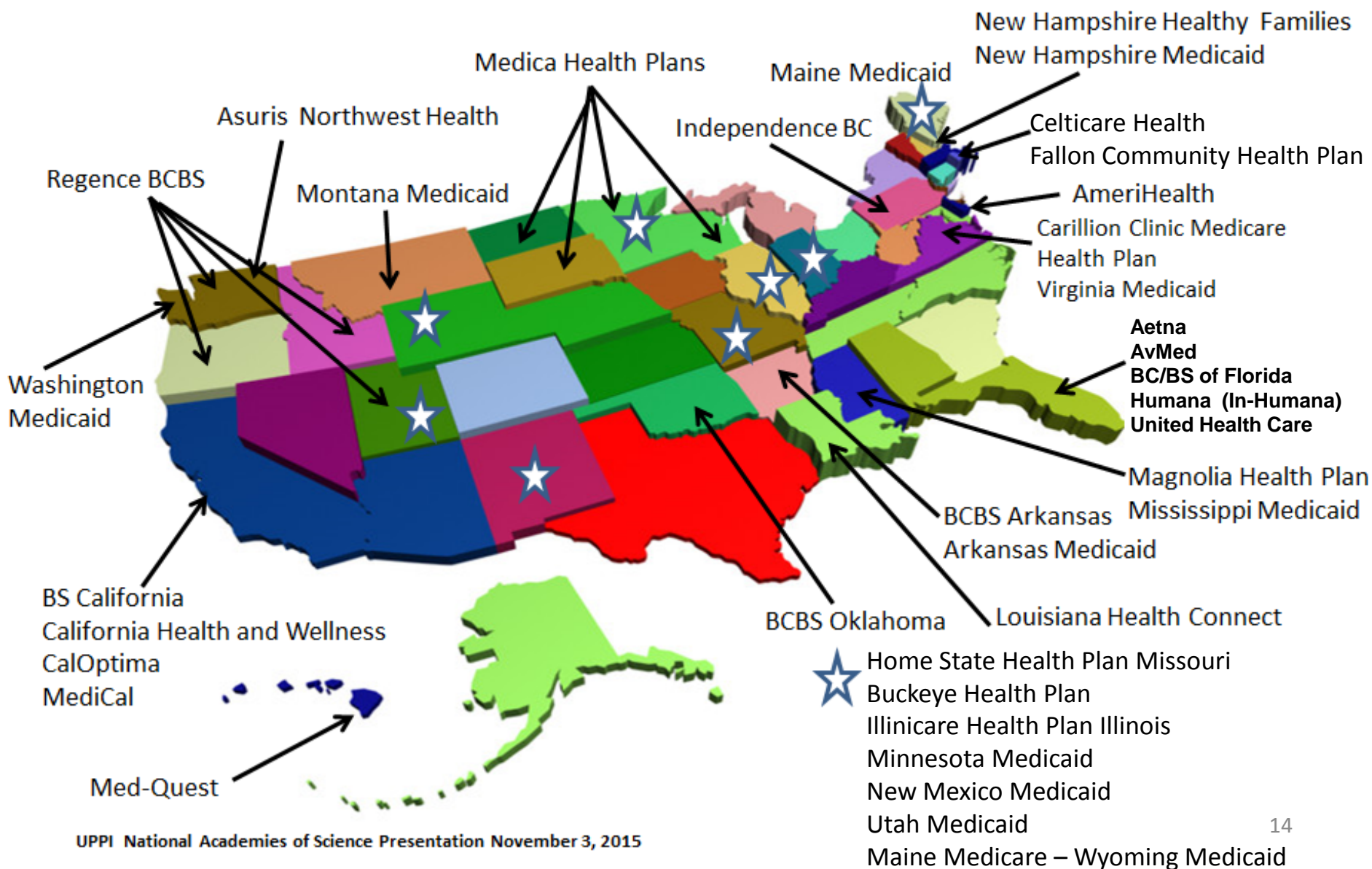
Helping the Transition of Medical
Imaging Isotopes to
non-Highly Enriched Uranium Use



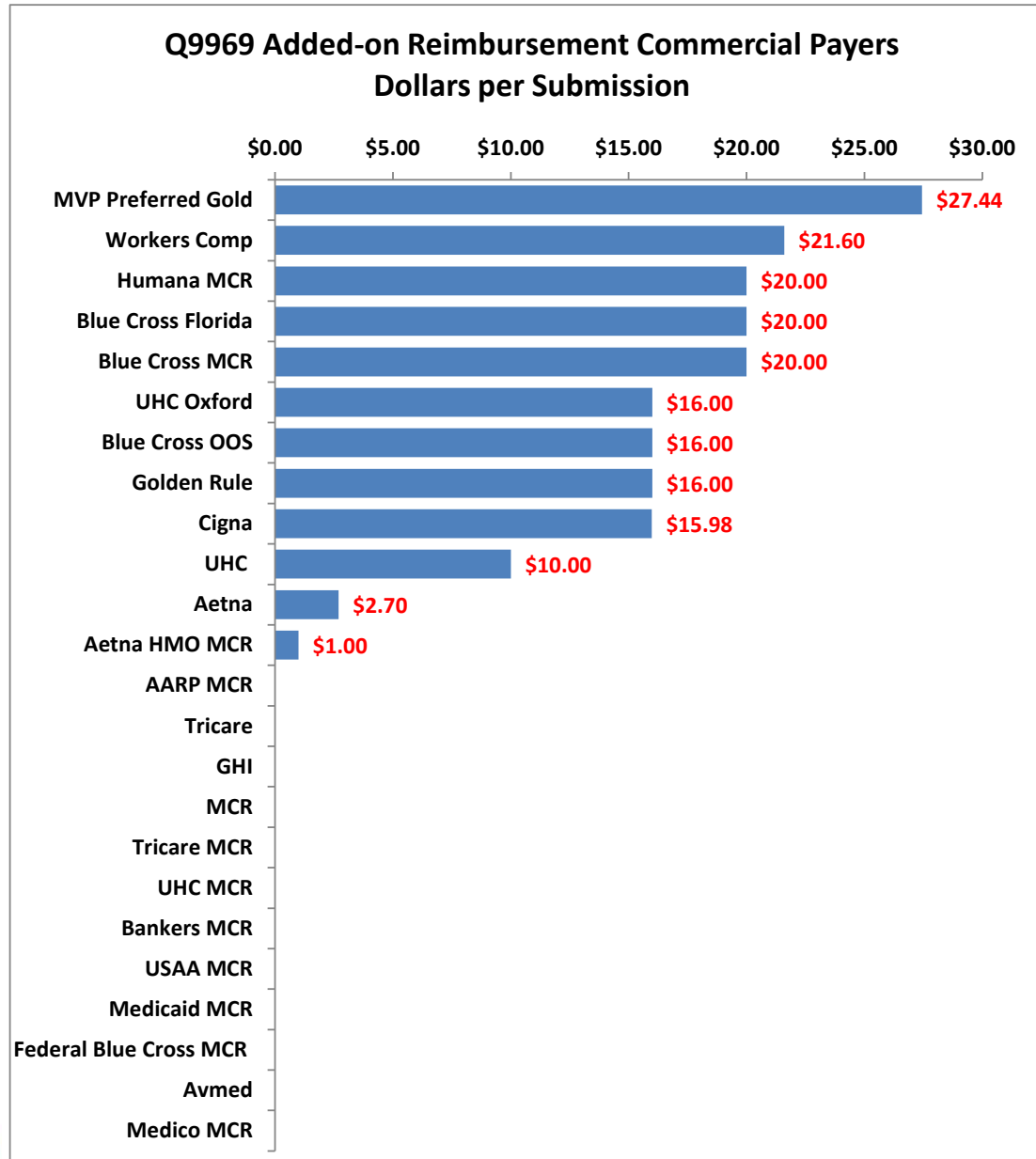
Since 2004, the U. S. government through the Department of Energy (DOE) and Material Management and Minimization (M3) has forwarded the elimination of Highly Enriched Uranium (HEU) fuel from nuclear reactors worldwide used in the production of medical isotopes destined to hospital and out-patient nuclear imaging. The transition goal to protect against the potential terrorist threat to this supply was further enforced by the American Isotope Reduction Act of 2011*. Today, efforts have progressed to include the introduction of medical isotopes produced with Low Enriched Uranium (LEU), a nuclear threat reduction form of non-HEU. This transition involves Technetium-99m (Tc-99m) radiopharmaceuticals which represents 90% of the more than 30,000 nuclear imaging prescription doses ordered per day in the U. S. molecular imaging setting.



Q9969 non-HEU 99mTc -Private Payer/Medicaid

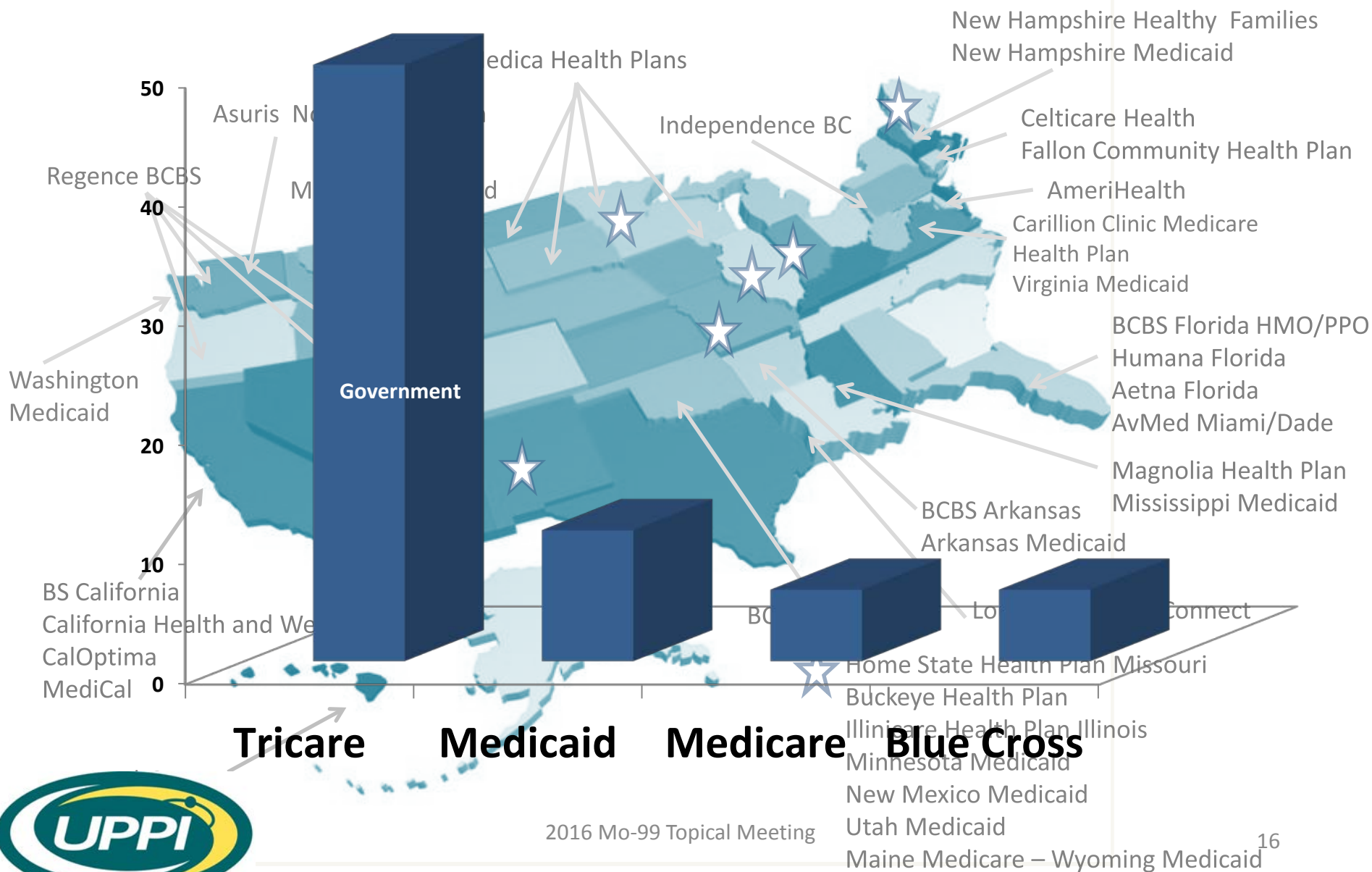


Florida Commercial Payers Q9969 Reimbursement



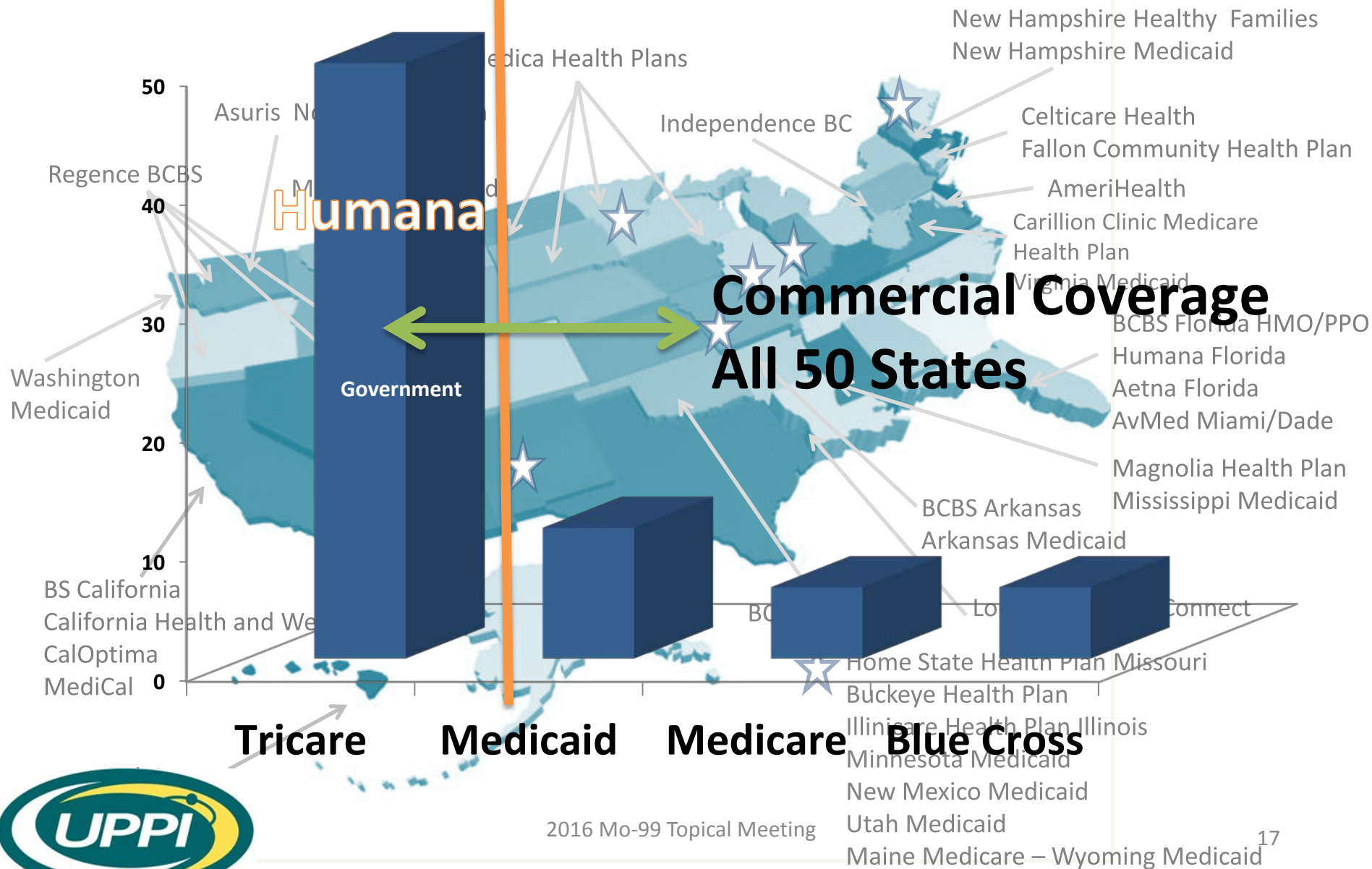
Q9969 non-HEU 99mTc -Private Payer/Medicaid

Private Payers State Coverage



Q9969 non-HEU 99mTc -Private Payer/Medicaid

Private Payers State Coverage



LEU Walk Initiatives

Conclusion

- Impact of Full Cost Recovery, Outage Reserve Capacity and Uranium Lease and Take Back costs to the per mCi acquisition cost of LEU/non-HEU Tc99m.
- July 2016: Proposed CMS changes for 2017 –Qcode coverage still needed for the non-HEU medical isotopes transition.
- Private payer role to write coverage policy for Qcode to help the non-proliferation of HEU in medical isotopes.





**KEEP
CALM WITH LEU
AND
CARRY
ON**

