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 represents 8,000 of the approximately 50,000 unit doses dispensed every day in the U.S.
• 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
- Communicate Full Cost Recovery tsunami to hospital supply chain executives
- 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

Early Majority
White Paper

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UPPI LEU Walk
Lighthouse Customers with Vizient Early Majority

UPPI LEU WALK

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UPPI LEU Private Payer Policy Initiative

Strategy: Uncover Reimbursement Involve Payers

- Outreach and ask involvement
- Communicate value to be part of the solution
- Non-HEU Policy for all covered lives
- Non-proliferation of HEU in medical isotope production
Lean Business Case Model: non-HEU Medical Isotopes

LEU Tc-99m

Problems
- Product availability
- Price - Full Cost Recovery
- Transition timing
- Reimbursement Clarity

Solutions
- UPPI LEU Walk
- LEU Policy Program
- LMI educational video

Unique Value Proposition
- AMIPA
  - Transition now
  - UPPI First-in/innovator
  - Private Payer Non-Proliferation Project

Unfair Advantage
- UPPI LEU Walk Innovator
- Early Adopters
- Reimbursement expertise

Customer Segment
- Hospitals
- Imaging Centers
- VA Medical Centers
- Group Purchasing Organization
- Integrated Delivery Networks
- Insurance Payers

Channels
- Supply Chain
- Physicians
- Imaging Directors
- Radiology Administrators

Key metrics
- Early Adopter Map
- Early Majority Map

Cost Structure
- GPO contracts
- Manage price increases

Revenue Streams
- All insured lives covered by private payers

The Customer Universe: Transition to non-HEU Medical Isotopes

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Commercial Payers C-Suite Non-Proliferation Out-reach

UPPI uncovered private payers that provide the reimbursement for $\geq 95\%$ LEU $^{99m}\text{Tc}$ 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
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.
<table>
<thead>
<tr>
<th>Insurance Provider</th>
<th>Reimbursement Dollars per Submission</th>
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<tr>
<td>MVP Preferred Gold</td>
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<tr>
<td>Workers Comp</td>
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<td>Humana MCR</td>
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<td>Medico MCR</td>
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</tbody>
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Private Payers State Coverage

- Tricare
- Medicaid
- Medicare
- Blue Cross

Government

1. Asuris New England
2. Regence BCBS
3. Washington Medicaid
4. BS California
5. CalAdvantage
6. CalOptima
7. MediCal
8. Independence BC
9. BCBS Northern California
10. QuCare
11. MeritCare
12. Nevada Health Link
13. Blue Shield of Idaho
14. Blue Cross of Idaho
15. Great North quickest
16. New Hampshire Healthy Families
17. New Hampshire Medicaid
18. Celticare Health
19. Fallon Community Health Plan
20. AmeriHealth
21. Carillion Clinic Medicare Health Plan
22. Virginia Medicaid
23. BCBS Florida HMO/PPO
24. Humana Florida
25. Aetna Florida
26. AvMed Miami/Dade
27. Magnolia Health Plan
28. Mississippi Medicaid
29. BCBS Arkansas
30. Arkansas Medicaid
31. Home State Health Plan
32. Missouri
33. Buckeye Health Plan
34. Illinois Health Plan
35. Illinois
36. Minnesota Medicaid
37. New Mexico Medicaid
38. Utah Medicaid

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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