
Press Release

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American Medical Association and McKesson Team Up to Bring Transparency and Clarity to Molecular Diagnostic Testing

New Initiative Will Support Robust Decision-making and Innovation as Advanced Diagnostic Testing Rapidly Grows

CHICAGO, Ill., and NEWTON, Mass., February 26, 2013 — The [American Medical Association](#) (AMA) and [McKesson](#) have entered into a licensing relationship to offer the healthcare system a consistent and transparent way to identify and track molecular diagnostic (MDx) tests. Under the agreement, [McKesson Z-Code™ Identifiers](#) will be grouped and indexed with corresponding molecular pathology codes in the AMA's [Current Procedural Terminology \(CPT®\)](#) code set. With identifiers and codes working in tandem to create a comprehensive reference for identifying and tracking MDx tests, the healthcare industry can better understand the growth in this area to support advanced diagnostics innovation.

Today, over 3,000 molecular and genetic diagnostics are marketed for clinical use. According to [Frost & Sullivan](#), MDx is the fastest growing sector of clinical pathology lab testing, with revenues expected to reach \$6.2 billion by 2014 and a projected compound annual growth rate (CAGR) of more than 11 percent. Although these diagnostics hold great promise to influence the cost and quality of care by informing care decisions, their impact has not been clearly articulated and quantified. With the introduction of next-generation and whole genome sequencing, the scale of this challenge grows exponentially.

“CPT is a foundational component of healthcare, a shared terminology that physicians, hospitals and payers use to report and reimburse for services delivered to patients. With MDx tests growing so quickly, understanding their clinical and financial impact across the healthcare system is challenging. Identifying new tests as they evolve is critical to support smarter and more informed care decisions to address the quality and cost of care,” said [Matthew Zubiller](#), vice president of decision management at McKesson Health Solutions.

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“We are pleased to be working with the AMA to help improve test identification, which will enhance transparency for physicians, hospitals, laboratories and payers when it comes to diagnostics, treatment selection and prognosis. Greater clarity will bring healthcare stakeholders one step closer to the collaboration needed to assess these tests and make the most informed test selection, coverage and payment decisions, resulting in better business for providers and payers and better care for patients,” said Emad Rizk, M.D., president of McKesson Health Solutions.

In 2011, McKesson created the [McKesson Diagnostics Exchange™](#), a software-as-a-service catalog and shared workflow solution that laboratories and diagnostics manufacturers can use to submit information about their specific MDx tests, and providers and payers can use to understand and evaluate them. The McKesson Diagnostics Exchange issues a unique Z-Code Identifier to each test and catalogs it for reference and understanding by other stakeholders in the healthcare system.

The relationship between the AMA and McKesson will result in the creation of a new reference product that maps Z-Code Identifiers to CPT codes. The AMA will use the information that labs and manufacturers submit and then share in the McKesson Diagnostics Exchange to assign CPT code mappings where appropriate. Not all Z-Code Identifiers will immediately map to a CPT code, and, in many cases, multiple Z-Code Identifiers will map to a single CPT code. The new product will be available for licensing from the AMA early in 2014.

“The McKesson Diagnostics Exchange provides an infrastructure that will support the AMA’s efforts to advance personalized medicine, promote access to innovative diagnostic capabilities and improve patient outcomes,” said [James L. Madara, M.D.](#), AMA chief executive officer and executive vice president. “The added capabilities will complement the AMA’s ongoing development and maintenance of a CPT code set for molecular diagnostic services and provide a valuable tool for physicians, hospitals, payers and the diagnostics industry that will help organize vital information about MDx tests.”

The AMA has been involved with coding solutions for molecular pathology services since 1998. New, more detailed CPT codes for molecular pathology services became effective in 2012 to capture and describe the latest scientific advances in this rapidly expanding field of medicine. The ongoing process has so far created more than 100 codes for reporting innovative diagnostic services. This collaboration complements the recent efforts that the AMA and McKesson have undertaken to work closely to share terminology with the National Institutes of Health’s [Genetic Testing Registry](#).

Connecting Z-Code Identifiers with CPT codes is expected to yield many benefits:

- Laboratories will have an opportunity for their tests to be mapped to CPT codes where appropriate, which will give them the ability to more precisely identify which test was performed and then reported with the appropriate CPT code, potentially improving efficiencies in the reimbursement process.
- Clinicians will be able to access a tool to help them accurately identify and select tests.
- Payers will have additional detailed test information to help identify the tests being performed, thus providing the industry with the ability to track outcomes on specific tests and analyze the value of these tests.

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- Patients will benefit from this collaboration as it supports medicine’s overarching goals of reducing disease burdens and improving health outcomes.

For more information on McKesson Health Solutions, please visit our [Web site](#), hear from our experts at [MHSdialogue](#), and follow us on Twitter at [@McKesson_MHS](#).

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About the American Medical Association

The American Medical Association helps doctors help patients by uniting physicians nationwide to work on the most important professional, public health and health policy issues. The nation’s largest physician organization plays a leading role in shaping the future of medicine. For more information on the AMA, please visit www.ama-assn.org.

About McKesson Corporation

McKesson Corporation, currently ranked 14th on the FORTUNE 500, is a healthcare services and information technology company dedicated to making the business of healthcare run better. We partner with payers, hospitals, physician offices, pharmacies, pharmaceutical companies and others across the spectrum of care to build healthier organizations that deliver better care to patients in every setting. McKesson helps its customers improve their financial, operational, and clinical performance with solutions that include pharmaceutical and medical-surgical supply management, healthcare information technology, and business and clinical services. For more information, visit us at www.mckesson.com.

Tags: AMA, American Medical Association, McKesson, McKesson Health Solutions, CPT codes, Z-Code Identifiers, MDx, molecular diagnostics, evidence-based medicine, EBM, molecular pathology, personalized medicine

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