On the Road to Reform: ACA Impact on Oncology Access
Increasing Importance of Outcomes Measurement and Evidence Requirements

Kara Suter, MS
Director, Health Policy, Xcenda
Measuring quality incentivizes improvements in reporting and organizational systems.

Projected savings are driving focus toward value.

Measuring Outcomes Essential:
To achieving the “Triple Aim” of the ACA

• Better care for individuals
  - Reward improvements in patient care
  - Reward efficiencies and reduction of waste in patient care
  - Reward focus on preventing avoidable morbidity and mortality
  - Reward reduction in costs that do not sacrifice quality of care
  - Reward necessary infrastructure or organizational changes

• Better health for populations
• Reducing per-capita costs

ACA incentivizes the move toward value-based purchasing

Reforms move providers towards value-based purchasing.
One Example
Accountable Care Organizations

- Medicare Shared Savings Program (MSSP)
- Pioneer Accountable Care Organization (ACO) Model
-Advance Payment ACO Model
- Physician Group Practice (PGP) Transition Demonstration
- Commercial Programs

Which of the following outcomes do you expect will result from the emergence of the ACO movement?

Choose all that apply
1. Improved coordination with PCPs
2. Decreased autonomy in decision making for oncology specialists
3. Improved oncology outcomes for individual patients
4. Decreased oncology outcomes for individual patients
5. Improved cost efficiencies for oncology care
6. Increased overall cost of oncology care
7. An increase in uncompensated administrative burden in my practice
8. A decrease in uncompensated administrative burden in my practice
9. Improved access to health technology solutions
10. At this point, I do not know enough to choose among the options offered

Payers are more positive

<table>
<thead>
<tr>
<th>BENEFITS</th>
<th>% of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alignment of incentives with plans, providers, and facilities for cost-effective care</td>
<td>59.7%</td>
</tr>
<tr>
<td>Improved quality of care</td>
<td>54.1%</td>
</tr>
<tr>
<td>Reduced administrative burden due to single payment</td>
<td>46.0%</td>
</tr>
<tr>
<td>Reduced cost</td>
<td>55.7%</td>
</tr>
<tr>
<td>Reduced liability</td>
<td>12.1%</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td>5.2%</td>
</tr>
</tbody>
</table>

* MCN is a payer strategy and market research program coordinated by Xcenda that includes nearly 100 healthcare executives, medical directors, pharmacy directors, and other managed care experts from across the country who represent approximately 150 million covered lives.
What's the future for Oncology?

There is still a lot of geographic variation in reform efforts

November 2011 MCN Survey Results

Regional Distribution of Payer Contracts With ACOs

Current ACO Contracts
Planning ACO Contracts

North 10%
West 5%
Midwest 30%
South 40%
Mountain 20%
MidAtlantic 10%

• MCN is a payer strategy and market research panel co-directed by Xcenda that includes nearly 100 healthcare executives, medical directors, pharmacy directors, and other managed care experts from across the country who represent approximately 130 million covered lives.

• Xcenda. MCN November 2011 Survey Results.

ACO participation likely to jump in the next 1-2 years

Q: Is your organization part of an ACO now?

65% No
35% Yes
N= 367

Q: Does your organization plan to implement or join an ACO structure in the future?

81% No
19% Yes
N= 325

Despite uncertainty, some relevant trends emerging

Q: Which of the following do you plan to implement as part of your ACO?

- Case coordination or care navigation: 71%
- Medical homes: 51%
- Clinical pathways: 46%
- Risk performance: 46%
- Disease registries: 45%
Thank you!

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Maximizing Oncology Access:
Trends and Evolving Evidence Requirements

Peter J. Neumann
Tufts Medical Center, Boston, MA

HTA and “Cancer’s Exceptionalism”

The Growing Role of HTA

• 253 HTA organizations worldwide
Is Cancer Different?

- Pan-Canadian Oncology Drug Review (2010-)

Separate Pathways for Cancer

End-of-life and Disease Severity Exceptions

- National Institute for Health and Clinical Excellence (NICE):
  - End-of-Life Rules
  - Patient Access Schemes
- Pharmaceutical Benefits Advisory Committee (PBAC)
  - “Rule of Rescue”

The United States and MEDICARE

- Results from analysis of 152 NCDs, 1999-2010:
  - Heavier reliance on independent committee review (MEDCAC) and external HTA (AHRQ) for cancer vs. non-cancer interventions
  - Yet, cancer interventions covered at the same rate as non-cancer interventions
Disclaimer

- The following statements and presentation are my own personal opinions and do NOT represent official position of Abbott Laboratories.

Cancer’s ‘exceptional-ism’ – recent cases suggest a reversal of this position

- FDA’s withdrawal of Avastin approval in metastatic breast cancer
  - “If data submitted to the agency demonstrated any of these benefits – an improvement in overall survival, health-related quality of life or a substantial improvement in PFS – we would not be here today.” Office of Oncology Drug Products Director Richard Pazdur said in his opening statement at the June 28–29 2011 hearing on the indication.
  - FDA raised issues with the QOL data collected by Genentech in both studies (AVADO, RIBBON1) and the potential for bias resulting from the E2100 study’s open-label design.

- Despite an OS benefit of 2.7 months, eribulin was rejected by NICE for reimbursement for 2L metastatic breast cancer.
  - Median OS: 13.2 months for eribulin group vs 10.5 months for control group.
  - The Committee noted that no health-related quality of life data were collected during the EMBRACE trial and that data were presented from two phase II trials in which there was no comparator arms.
  - The Committee considered quality of life to be an important outcome measure in advanced cancer and that this was an important omission from the phase III trial.

Healthcare Reform and Oncology

Opportunities & Challenges from an HEOR Perspective

Trent McLaughlin, PhD
Senior Director, Global HEOR Oncology & Cardiometabolic Disease, Abbott
ACO Quality Measures

- 33 Quality measures
  - 12 directly related to diabetes and cardiovascular disease

<table>
<thead>
<tr>
<th>Category</th>
<th>Number of Measures</th>
<th>Metric</th>
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<tbody>
<tr>
<td>Experience of care surveys for patients/caregivers</td>
<td>7</td>
<td>Patient rating of doctor</td>
</tr>
<tr>
<td>Patient care coordination/safety</td>
<td>6</td>
<td>Risk-adjusted percentage of patients hospitalized and who were readmitted to a hospital within 30 days</td>
</tr>
<tr>
<td>Preventive care</td>
<td>8</td>
<td>Percentage of patients who received appropriate colorectal cancer screening</td>
</tr>
<tr>
<td>At-risk population/frail elderly health</td>
<td>12</td>
<td>Percentage of patients aged with diabetes mellitus and ischemic vascular disease with documented daily aspirin use</td>
</tr>
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Opportunities for Pharma

- Focus on quality of care rather than volume of care so...
  - Compelling clinical and health outcomes become even more important

- Formulary Influence
  - Goals may reduce the potential for a “siloed mentality”
  - Reduction of comorbidities, hospitalizations, length of stay, side effects likely to be prime drivers of choice
  - Align products with quality metrics, such as goals for % of heart failure patients treated with beta blockers

Opportunities for Pharma

- Patient programs
  - Product-specific patient education or disease management and adherence programs

- Electronic Health Records (EHRs)
  - Increased/more rapid adoption of evidence based care based on EHR data analyses with other ACOs/providers
  - Partnering to track outcomes and evidence of quality of care
    - Advice on system and care initiatives that have the greatest potential to increase quality and decrease costs
    - Education of physicians/providers

Challenges for Pharma

- Incentives are not comparable across types of care so...
  - Some manufacturers could be positively impacted, others negatively

- Exclusion of Medicare Part D from cost calculation
  - Drugs that can be substituted for procedures may gain usage
  - Mandated discounts for brand name drugs may offset gain in volume
Challenges for Pharma

- Increased use of generic drugs for inpatients
  - Brand names may need to identify patient subsets where cost-effectiveness is superior to get sales

- Growing role for primary care physicians (PCPs)
  - Gatekeeping, EHR and pt education will increase time per visit
  - Likely to lead to more difficulty scheduling time with PCPs
  - ACO policies may limit access
  - Concern about time demands
  - Lack of control over training and education
  - Cost-effective drugs, comply with formularies, guidelines

Summary – Health Care Reform & Pharma

- Changes in view of oncology products, healthcare delivery, may provide both opportunities & challenges to pharmaceutical manufacturers
- It remains to be seen how these changes will impact evidence requirements
- HEOR evidence will likely take on larger role, but exactly what format has yet to be determined

Panel Discussion

Question and Answers

Thank you!

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