



PAYER EXCHANGE SUMMIT VII

ONCOLOGY PAYMENT REFORM



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2018 COMMUNITY ONCOLOGY CONFERENCE



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ONCOLOGY PAYMENT REFORM

The Value Of Community Oncology

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Disclosures

- American Oncology Network (AON)
 - Executive Board
- Florida Cancer Specialists
 - Executive Board
- Community Oncology Alliance (COA)
 - Executive Board
- ION/IntrinsiQ (ABSG) consultant
- FLASCO
 - Executive Board
- Myriad Genetics consultant



Site of Care Cost Analysis 2017

The Value of Community Oncology

- Barriers to high-quality cancer care
 - Limited Oncology Workforce
 - Aging population; retiring physicians; rural settings
 - Access to Affordable Healthcare Coverage
 - Premium increases, disappearance of preferred provider organizations, unavailability of public health exchanges
 - Economic Strain:
 - Escalating costs, shifting payment models, practice consolidation, administrative and regulatory challenges



Site of Care Cost Analysis 2017

The Value of Community Oncology

- **2008-2016 (source: COA Milliman Study)**
 - 121% increase in community-based practice closures
 - 172% increased in **community-based** practice acquisition by **hospitals**
 - Significant increase in volume of chemotherapy claims (Vandervelde 2014)
 - Higher cost of care (Winfield 2017)
- **Mean per member per month cost of care 20-39% lower for those receiving chemotherapy in the community** (Hayes 2015)



Facts & Complexity of Cancer Care

- 2011-2016: 68 new molecules approved with 22 indications
 - 640+ drugs in the pipeline
 - 87% are targeted therapies (small molecules, mAbs, b-mAbs, genetic-based)
- 2004-2013:
 - Mortality rate compound annualized reduction by nearly 2% ((France, *USA*, Japan, Spain, Italy, Germany, UK)
 - *Prostate, lung*, colorectal, and breast cancer 2-3%

QuintilesIMS, ARK R&D Intelligence, Feb 2017; WHO Cancer Database, Mar 2017; QuintilesIMS Institutes, Mar 2017



Facts & Complexity of Cancer Care

- 2011-2016: Number of patients on continued therapy for melanoma has increased by 2.5 fold
- Duration of lines of therapy in lung cancer
 - 1st line: increased by 50%
 - 2nd line: increased by 15%
 - 3rd line: increased by 50%

Source: QuintilesIMS Institutes, Mar 2017



Facts & Complexity of Cancer Care

- Increased utilization of biomarkers
- Complexity of clinical trials
- COST
 - Cost of new drugs
 - Supportive care
 - Diagnostics
 - **Site of care**

Source: QuintilesIMS Institutes, Mar 2017



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October 23-24, 2017

Hyatt Regency Tysons Corner Center, Virginia



Site of Care Cost Analysis 2017

The Value of Community Oncology

- **White Paper: September 2017**

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- Acknowledgments



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The Value of Community Oncology

- Study Design:
 - Matched analysis of patients treated in the **community** or **hospital** setting for breast, lung and colorectal cancer
 - Evaluation of differences in cost, emergency department (ED), and inpatient care



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The Value of Community Oncology

- Matched Analysis of **community** versus **hospital**-based practice
 - 2:1
 - Cancer type (breast vs colon vs lung)
 - Specific chemotherapy regimen received
 - Receipt of radiation therapy during treatment
 - Presence of metastatic disease (Y/N)
 - Gender
 - Surgery
 - Geographical region: East/Midwest versus South/West



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The Value of Community Oncology

- Data Source:
 - 10% random sample of medical and pharmacy claims – IMS LifeLink database
 - Includes longitudinal, integrated, patient-level medical and pharmaceutical claims for > 80 million patients for 70 health plans
 - Paid and charged amounts
 - 80% commercial, 3% Medicaid, 1.7% Medicare risk, other



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The Value of Community Oncology

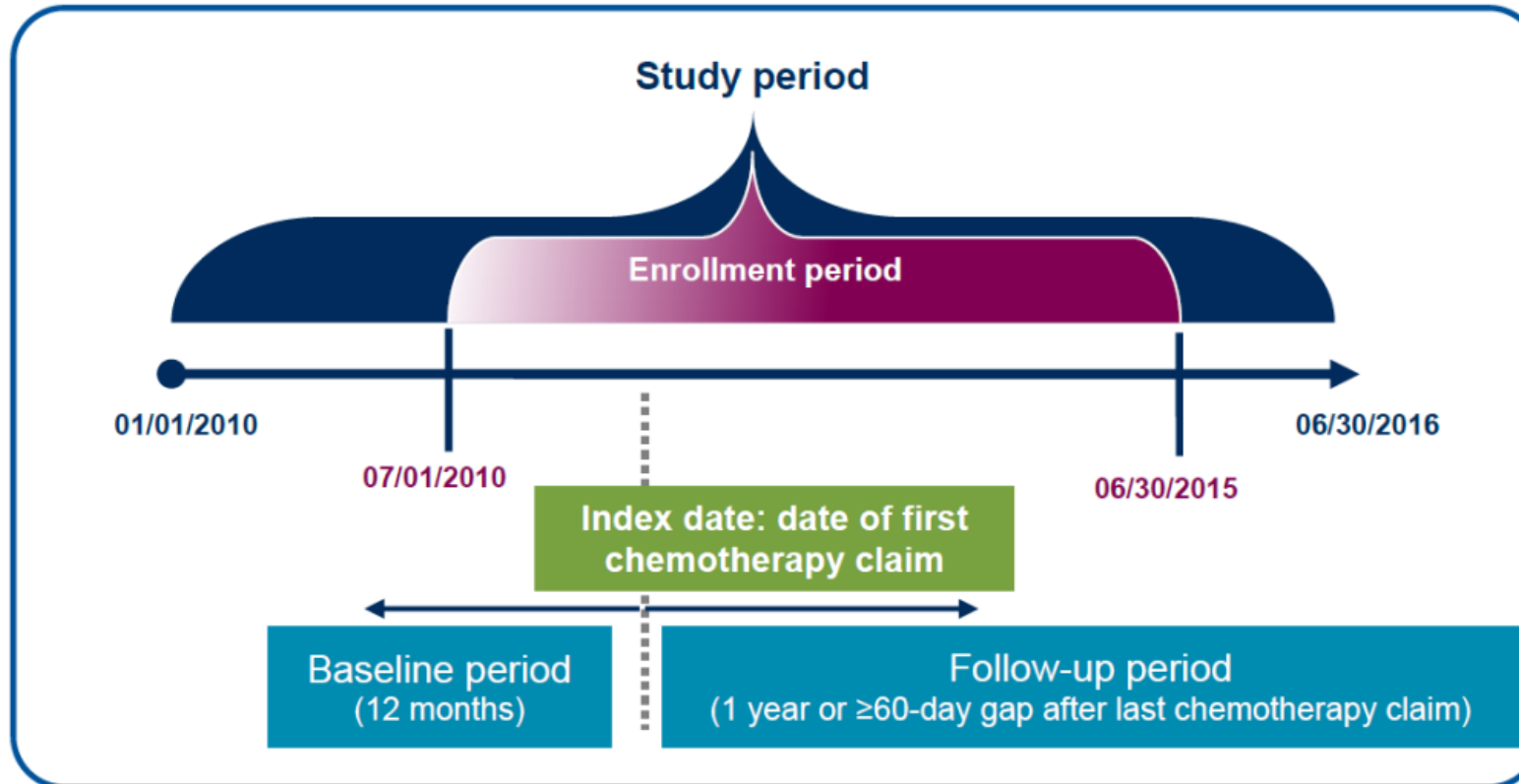
- Sample Selection:
 - Patients receiving chemotherapy, radiation, and/or surgery for breast, lung, or colorectal cancer between July 01, 2010 and June 30, 2015
 - First date of chemotherapy served as the index date for each patient
 - Required to have continuous eligibility for 6 months in the pre-index period through the end of follow-up
 - Chemotherapy all in the **community** or **hospital**
 - Patients were followed for up to 1 year post-index date or till discontinuation of first-line chemotherapy (60-day period with no record of chemotherapy administration)



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The Value of Community Oncology

Figure 1. Study Timeline



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The Value of Community Oncology

- Outcomes of Interest:
 - Cost differentials between patients treated in the community clinic vs hospital clinic setting
 - Quality of care outcomes differences
 - Rate of hospitalization within 10 days of chemotherapy visit and ED visits occurring within 72 hours after each chemotherapy visit and within 10 days after each chemotherapy visit.



Table 1. Patient and Disease-related Characteristics of All Matched Patients (N=6,675)

Characteristic	Community Practice (CC Cohort) N=4,450	Hospital-based Clinic (HC Cohort) N=2,225
Female gender, n (%)	3,606 (81%)	1,803 (81%)
Mean age, years (SD)	56 (10)	54.9 (10)
Age group in years, n (%)		
<25	12 (0%)	3 (0%)
25–34	91 (2%)	54 (2%)
35–44	435 (10%)	303 (14%)
45–54	1,418 (32%)	662 (30%)
55–64	1,714 (39%)	885 (40%)
65–74	624 (14%)	261 (12%)
75–84	156 (4%)	57 (3%)
Geographic region, n (%)		
East	898 (20%)	627 (28%)
Midwest	1,716 (39%)	680 (31%)
South	1,584 (36%)	748 (34%)
West	252 (6%)	170 (8%)
Cancer type, n (%)		
Breast	2,996 (68%)	1,498 (68%)
Lung	952 (21%)	476 (21%)
Colorectal	502 (11%)	251 (11%)
Presence of metastatic condition, n (%)	2,468 (55%)	1,234 (55%)
Surgery during pre-index period, n (%)	2,378 (53%)	1,189 (53%)
Radiation treatment during pre-index period, n (%)	667 (15%)	323 (15%)
Surgery during post-index period, n (%)	34 (1%)	16 (1%)
Radiation treatment during post-index period, n (%)	504 (11%)	252 (11%)
Required inpatient service, n (%)	504 (11%)	252 (11%)
Required ED service, n (%)	449 (10%)	292 (13%)
Mean Charlson comorbidity index, n (SD)	4.7 (2.3)	4.8 (2.4)
Mean unique drugs prescribed at baseline, n (SD)	4.4 (3.8)	4.3 (3.7)
Mean chemotherapy agents filled at baseline, n (SD)	7.9 (5.5)	9.1 (6.1)
Mean eligible days at baseline, n (SD)	180 (0)	180 (0)
Mean paid medical cost at baseline, n (SD)	\$4,604.10 (\$4,406.00)	\$5,278.40 (\$4,868.80)
Mean allowed medical cost at baseline, n (SD)	\$5,434.00 (\$4,803.80)	\$6,038.30 (\$5,126.80)
Mean duration of therapy, days (SD)	99.6 (61.0)	95.7 (57.0)
Mean total cycles of treatment, n (SD)	5.2 (4.2)	4.8 (4.4)

Key: ED – emergency department; SD – standard deviation.



RESULTS

Table 2. PPPM Total Costs in Community Practice vs Hospital-based Practice

	Community Practice N=4,450		Hospital-based Practice N=2,225		P-value
	Mean	SD	Mean	SD	
Mean Total Costs	\$12,548	\$10,507	\$20,060	\$15,502	<0.0001
Total Medical Costs	\$12,103	\$10,504	\$19,471	\$14,559	<0.0001
Chemotherapy	\$4,933	\$4,983	\$8,443	\$10,391	<0.0001
Branded agents only	\$6,674	\$5,046	\$10,900	\$10,712	<0.0001
Generic agents only	\$2,936	\$2,585	\$5,134	\$6,306	<0.0001
Combination regimen ^a	\$11,080	\$5,889	\$19,412	\$13,869	<0.0001
Physician visits	\$765	\$1,607	\$3,316	\$4,399	<0.0001
Radiation	\$1,095	\$4,153	\$1,430	\$4,904	<0.0001
Inpatient	\$1,178	\$6,229	\$1,498	\$7,193	0.0095
ED visits	\$121	\$501	\$168	\$620	<0.0001
Outpatient	\$3,838	\$3,681	\$3,912	\$5,698	<0.0001
Other	\$174	\$2,405	\$704	\$3,353	<0.0001
Total Pharmacy Costs	\$445	\$1,239	\$589	\$1,934	0.2708

^aCombination = chemotherapy regimen contained both branded and generic drugs.

Key: ED – emergency department; PPPM – per patient per month; SD – standard deviation.



RESULTS

Table 4. PPPM Total Costs in Community vs Hospital-based Practice Settings for Breast, Lung, and Colorectal Patients

	Community Practice N=4,450		Hospital-based Practice N=2,225		P-value
	Mean	SD	Mean	SD	
Breast Cancer Patients	N=2,996		N=1,498		
Mean Total Costs	\$11,599	\$8,129	\$19,279	\$14,358	<0.0001
Total Medical Costs	\$11,139	\$8,139	\$18,667	\$14,403	<0.0001
Chemotherapy	\$4,671	\$4,577	\$8,206	\$9,719	<0.0001
Branded agents only	\$5,608	\$4,273	\$9,279	\$7,805	<0.0001
Generic agents only	\$2,982	\$2,275	\$5,084	\$5,591	<0.0001
Combination regimen ^a	\$11,511	\$5,647	\$21,240	\$13,356	<0.0001
Physician visits	\$820	\$1,813	\$3,499	\$4,564	<0.0001
Radiation	\$378	\$1,305	\$440	\$1,493	0.0561



RESULTS

	Community Practice N=4,450		Hospital-based Practice N=2,225		P-value
	Mean	SD	Mean	SD	
Breast Cancer Patients	N=2,996		N=1,498		
Inpatient	\$735	\$4,230	\$874	\$3,804	0.0415
ED visits	\$120	\$516	\$162	\$638	0.0045
Outpatient	\$4,318	\$3,835	\$4,735	\$6,322	0.2696
Other	\$97	\$718	\$752	\$3,461	<0.0001
Total Pharmacy Costs	\$461	\$1,361	\$612	\$1,699	0.1084



RESULTS

Table 5. Rates of Hospitalizations and ED Visits Among Patients Treated in the Community vs Hospital-based Setting Within 72 Hours and 10 Days of Each Chemotherapy Visit

	Community Practice N=4,450	Hospital-based Practice N=2,225	P-value ^a
72 hours			
ED visits	2.6%	3.6%	0.0055
10 days			
Hospitalizations	7.0%	7.3%	0.6198
ED visits	7.9%	9.8%	0.0022

^aMcNemar's test was used for testing the difference in frequencies.

Key: ED – emergency department.



Site of Care Cost Analysis 2017

The Value of Community Oncology

- **CONCLUSIONS:**

- Validation of previous studies
 - Winfield 2017, Hayes 2015, Fitch 2013, COA study
- Cancer treatment for patients with breast, lung, colorectal cancer treated in **community oncology is:**
 - **\$8,000.00 less expensive PPM**
 - **Lower costs of chemotherapy and physician visits**
 - **28% less ED visits in 72h post chemotherapy**
 - **18% less ED visits at 10 days post chemotherapy**
 - **Less multiple ED encounters**



Site of Care Cost Analysis 2017

The Value of Community Oncology

- **Our study:**
 - **Large patient population, randomly selected**
 - **Matched analysis 2:1**
 - **Comorbidity scores were equal**
 - **Breakdown of extensive data by tumor type**
 - **Emergency room visits at 72h and 10 days**
 - **Hospitalization rates**



Site of Care Cost Analysis 2017

The Value of Community Oncology

- **Concerns:**
 - Rapid shift from community-based oncology to **hospital-acquired** practices = explosion of **cost**
 - 2014-2015
 - 75% of acquired **community-oncology** practices by hospitals with 340B drug discount pricing
 - Evidence shows that payers and patients are **paying more** and not **less** in these **hospital-based** settings
- **REAL world-data to payers and health systems, oncology workforce, US Congress, and tax payers**





Top Immediate Priorities

- Stop the sequester on Part B drugs
- Ensure 340B fixes go through
 - Tied to greater site payment parity in hospitals
- Fight the PBMs and stop meaningless DIR fees
- Aggressively advance oncology payment reform
 - Push past the insurers to the primary employers
- Keep community oncology practices moving together like never before
- Take patient advocacy to a whole new level
 - CPAN & *I Am Community Oncology*



I AM **COMMUNITY** ONCOLOGY



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