



How Value-Based Care Is Changing Cancer Treatment Decisions:

The View From Community Oncology Practices



Introduction

A new generation of oncology drugs is bringing with it the hope for sustained and meaningful improvements in the outcomes of patients with cancer. Leveraging years of research in immunology, genomics, and related areas, these so-called “novel therapies” – including two CAR T-cell therapies approved by the FDA in the past year – are demonstrating breakthrough clinical results.

However, novel therapies often come at a high cost. The NIH has noted that while the price of most cancer drugs launched between 2009 and 2014 grew to more than \$100,000 per patient per year of treatment, some of the most recent innovations cost more than \$400,000 per year.

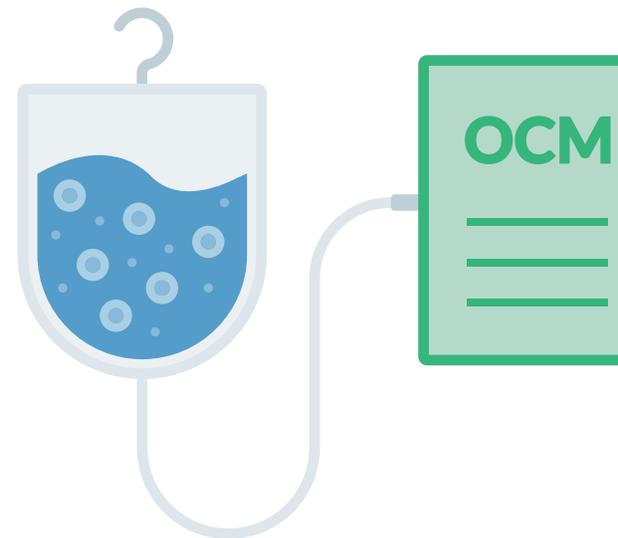
The rise of novel therapies is colliding with a rapidly-shifting reimbursement environment. As US healthcare transitions from fee-for-service to fee-for-value reimbursement models – with oncology being one of the specialties at the forefront – an increasing number of oncologists are becoming financially accountable for the cost of entire episodes of cancer care. For example, more than 3,000 oncologists are participating in the Oncology Care Model (OCM), an advanced alternative payment model (APM) from the Centers for Medicare & Medicaid Innovation (CMMI) that provides funds to invest in improved care coordination and outcomes – but with the expectation of achieving defined savings targets. Practices that perform poorly risk reimbursement cuts or being dropped from the program altogether.

Oncologists, therefore, are faced with an increasingly urgent question:

How do we ensure each patient has access to the most beneficial therapies, regardless of cost, while also sustaining the financial viability of our practices?

Leading oncology associations are stepping up to address this challenge, including the American Society of Clinical Oncology (ASCO), Community Oncology Alliance (COA) and Association of Community Cancer Centers (ACCC).

To shed further light on the topic, Integra Connect recently surveyed leaders and decision-makers in community oncology practices nationwide that represent approximately 530 practicing oncologists. A full 58% of respondents are CEOs, while 35% are other physician leaders and 8% hold different clinical roles in the practice.



Oncologists Believe the Future Will Be Value-Based

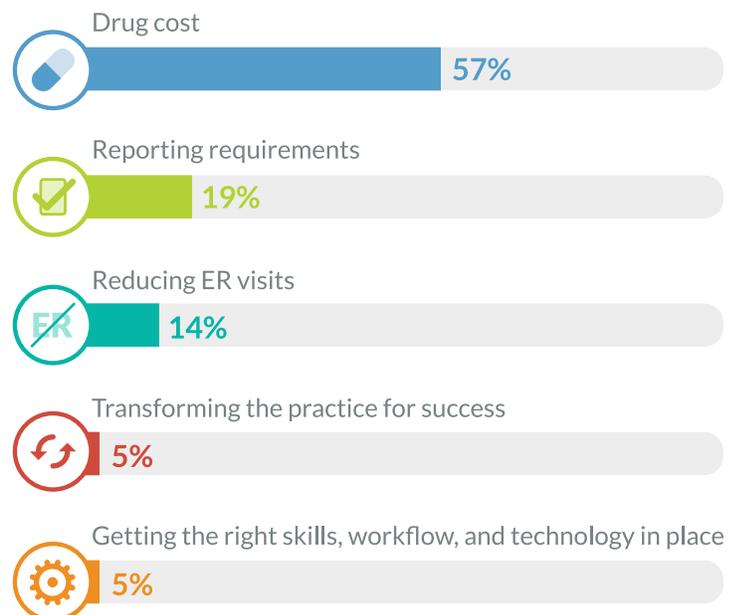
The oncologists that Integra Connect surveyed are all taking active part in the transition from fee-for-service to fee-for-value models. 100% of the practices are participating in some sort of value-based care program, led by the combination of the OCM and MIPS (54%). Another 38% are part of MIPS only, while 8% are pursuing a combination of MIPS and Chronic Care Management (CCM).

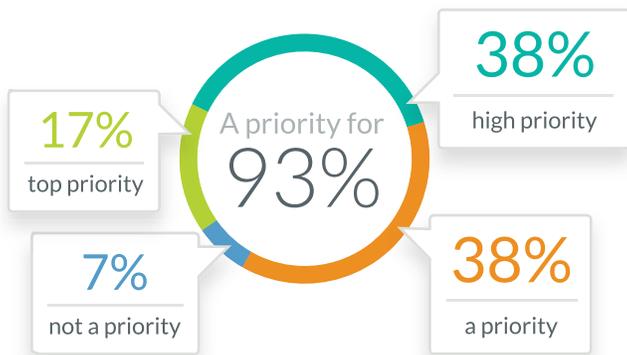


When asked about their future value-based care intentions, approximately 90% of oncologists are open to exploring APM participation beyond the OCM model. Of that number, about half are already actively seeking participation in APM programs other than the OCM (48%), such as through commercial payers. Another 38% are not ready to expand their value-based efforts immediately, but they intend to discuss this possibility with their colleagues moving forward.

The Top Challenge for Value-Based Cancer Care: Rising Drug Cost

Amid the overall optimism about the future of value-based care, community oncology practices harbor concerns. When asked about the number one challenge for making value-based care succeed in oncology, the majority – a full 57% – cites managing the rising cost of drugs, including promising but expensive novel therapies. This concern outranks challenges including: understanding and complying with reporting requirements (19%); reducing unnecessary ER visits and inpatient stays within their patient populations (14%); transforming their practice for success with emerging reimbursement models (5%); and getting the right supporting skills, workflow, and technology in place (5%).





Drug costs are a key concern for oncology practices, even beyond the context of value-based care. 93% of oncologists describe increasing drug costs as a priority among all issues that impact the well-being of their practices. 55% of those respondents say it is either their top priority or a high one.

Oncologists Are Changing Their Approach to Treatment Design

With oncologists increasingly accountable for the cost of entire episodes of care, a full 87% of survey respondents said that value-based care is causing them to think differently about drug choices, compared to their approaches during the fee-for-service era. **Specifically:**

30%

Nearly one-third (30%) are accelerating efforts to incorporate precision medicine into their practices, for example through the use of genomic data and biomarkers in informing treatment decisions;

26%

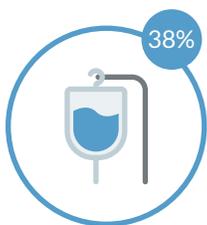
are considering the impact of each therapy's cost;

17%

are increasing use of care pathways;

13%

are increasing efforts to anticipate quality.



When it comes to the choice of drug for an individual patient's treatment regimen, oncologists assert that they remain as committed as ever to delivering the best clinical outcomes, regardless of impact on episode cost. Nonetheless, more than three-quarters of oncologists cite changes to how they and their practices choose treatment regimens under value-based care programs. A sizeable group – 38% -- says it may change drug choices and opt for lower-cost therapies, assuming efficacy and toxicity remain the same.



However, an equal cohort (38%) expresses a desire to develop a deeper understanding of drug value that ensures that novel therapies are going to exactly the right patients at the right times – so incremental cost translates into improved quality of life throughout the patient journey.

Precision Medicine Promises to Accelerate Novel Therapy Adoption

Regardless of the near-term impact of value-based care, oncologists are nearly unanimous in their belief that the advance of precision medicine will ultimately “solve” the growing tension between drug cost and value. When asked “to what extent do you agree that personalized/precision medicine is the key to appropriate use of novel therapies for cancer in the future?”, a full 94% of oncologists express agreement – two-thirds of them strongly.



Pharma’s New Opportunity: As A Value-Based Care Partner to Oncologists

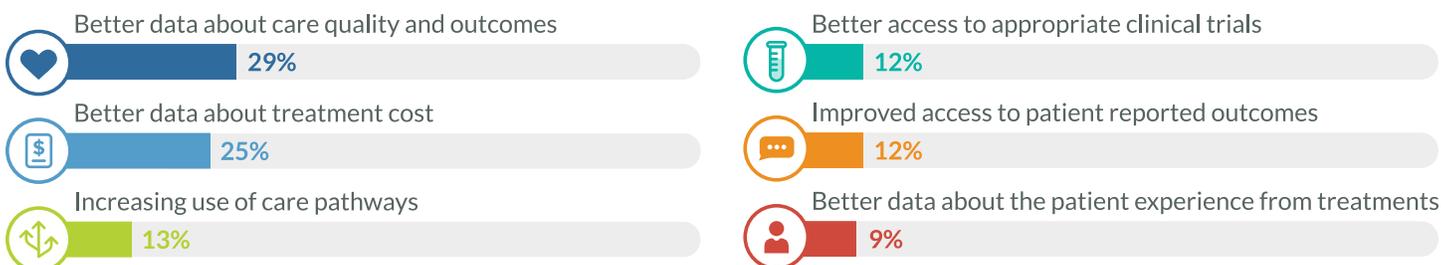
In the meantime, how will oncologists inform the changes they will make to treatment patterns?

At a systemic level, ensuring cancer patients receive the drugs that will most benefit them requires the cooperation of diverse healthcare industry stakeholders – specifically, providers, pharma and payers. However, since the advent of value-based care, oncologists say they are largely on their own in figuring out how to optimize treatment decisions for the new landscape.

When asked how helpful pharma companies have been in understanding the holistic value, and not just the cost, of their therapies, oncologists reply: not very ... not yet. Almost two-thirds (64%) say that pharma has “not been helpful at all” while one-quarter describe pharma as “somewhat helpful”, but only providing data when requested. A small minority of oncologists describe pharma companies as “very helpful, proactively providing us with relevant data” (7%) or “acting as collaborative partners” (4%).

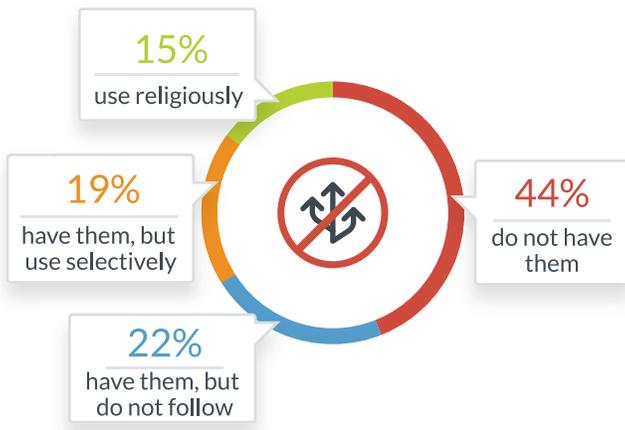
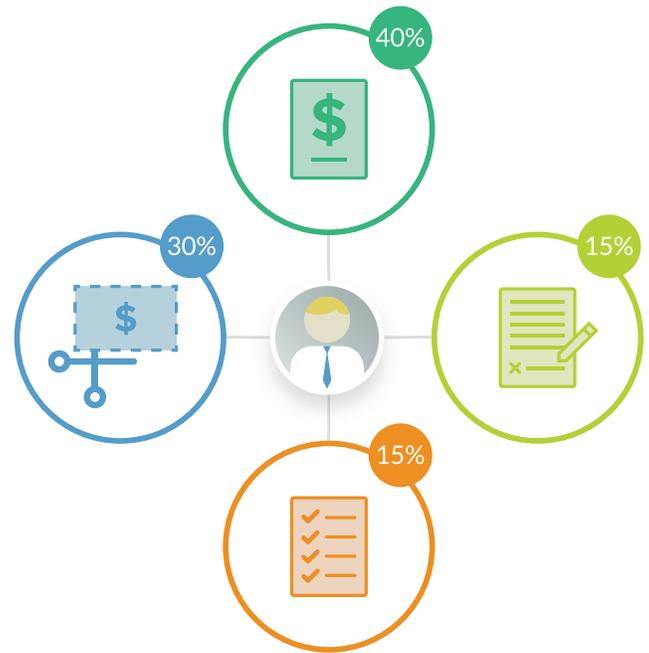


Oncologists have specific ideas about what they need from pharma partners to make more informed decisions about treatments and novel therapies under value-based care. **Our respondents are looking for the following new support:**



A Prescription for Payers

Oncologists believe that payers, too, hold essential keys to fulfilling the promise of value-based care when it comes to treatment decisions. They want payers at the table with them and pharma, ensuring that a focus on drug value, not cost, is enshrined in reimbursement models. In fact, the existence of a value-based reimbursement schedule is the number one driver that would incentivize oncologists to prescribe a novel therapy (40%), exceeding the importance of: the size of rebates offered by a manufacturer (30%); the existence of a value-based contract with a manufacturer (15%); and a decision on formulary placement (15%).



Another opportunity for payers centers on the use of care pathways. Today, a majority of oncologists – two-thirds – either don’t have them (44%) or say they have them but don’t follow them (22%). Another 19% has care pathways but only uses them selectively. A small minority of oncologists (15%) use care pathways “religiously” (15%).

However, oncologists predict an increasing importance of care pathways as value-based reimbursement models proliferate, helping practices to deliver the best outcomes cost-efficiently. A full 86% of respondents see a role for care pathways in their practice in some form by 2020. The key to getting them off the shelf and into active use in the practice: integration within value-based reimbursement models themselves. Half of oncologists predict that within two years they are likely to develop or purchase care pathways and use them within paid payer initiatives.



Conclusion

More than two years after the introduction of the OCM, value-based reimbursement models have already made a deep imprint on the delivery of US cancer care. Initially, this influence was felt in the awareness of a new role for oncologists – at the center of patient care, bearing responsibility for entire episode cost and quality – as well as the need to transform practices to support this shift to value-based care successfully.

Now that OCM practices are two performance periods into the program, value-based care is no longer a theory: it is a financial reality. Community oncologists have therefore begun digging deeply into cost and quality data and identifying specific interventions that will deliver progress for their patients and practices. Rising drug spend is front and center on their agenda.

However, with clinical outcomes rightly considered non-negotiable, data shows that community oncology is seeking new frameworks for understanding the comprehensive value of novel therapies and other high-cost treatments. It is not an effort they believe that they can – or want to – undertake alone. While oncologists say pharma is not at the table today, they seek new data and insights that only manufacturers can provide. In turn, they foresee the need for closer payer cooperation to enshrine the resulting insights into future generations of value-based reimbursement models.





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Integra Connect delivers a comprehensive, integrated suite of cloud-based technologies and services that enable specialty groups to optimize clinical and financial performance as reimbursement shifts to value-based models. Connected by the IntegraCloud platform, the company's core applications span population health including data exchange; advanced analytics; care management; registry and regulatory reporting; specialty-specific EHR; practice management; and value-based revenue cycle management. All are designed to help specialty practices transform operationally in adherence with complex regulations, including MACRA program requirements. Integra Connect partners with large groups in the U.S. focused on oncology and urology, as well as with other key healthcare constituents, including emergency medical services firms, hospitalist groups and life sciences companies.