

ICLIO National Conference

Alternative Payment Models and Methods Potential Impact of I-O Therapies

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National Reach

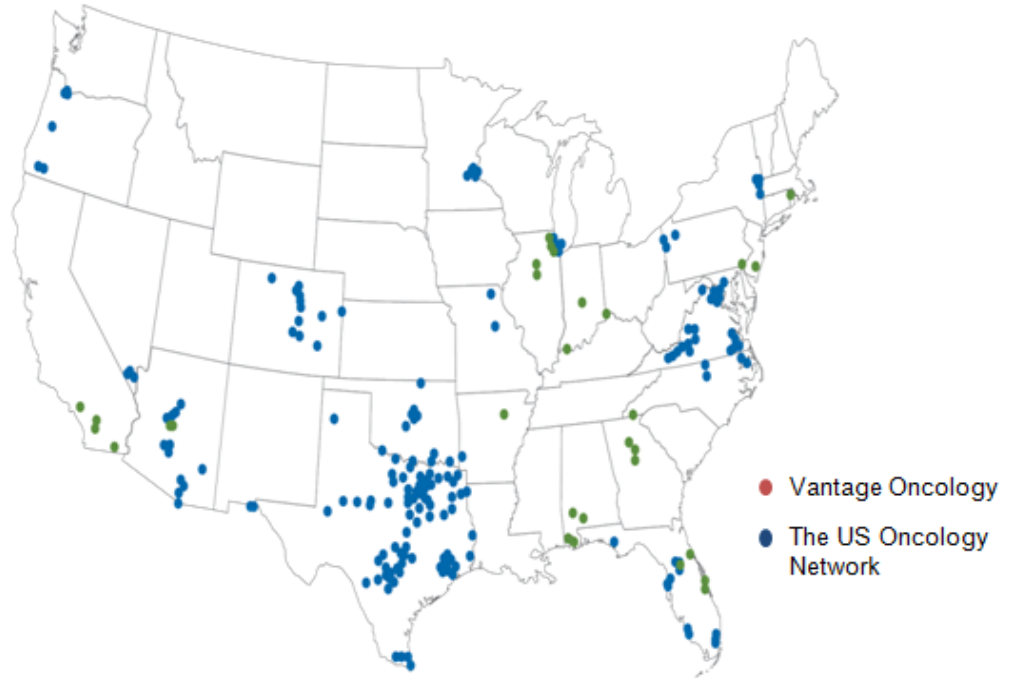
- >350 sites of care in 19 states
- >1,000 physicians
- >800K patients treated annually

Innovative Clinical Care

- ~63K patients enrolled in clinical trials
- Participated in development of nearly 60 FDA-approved cancer therapies

Leading Value-Based Care

- 13 practices accepted to the Oncology Care Model
- 85% of providers using ClearValue PlusSM
- 20 disease states in Value Pathways



The US Oncology Network

>45

Independent practices

Option to use McKesson's co-owned molecular lab



400

Sites of care in 29 states

Practices on single EHR



>250K

New cancer patients treated annually

>1,300

Affiliated physicians



60

Research Sites with 2500 patients enrolled in trials

A Market Shift Towards Redefining Value

VALUE

=

QUALITY

- Achieve better outcomes
- Improve patient satisfaction



COST

- Reduce avoidable medical spending
- Decrease total cost of care



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What do Value-based models look like in oncology?

Pathways / Care Mgmt

- Pre-defined, evidence-based recommendations for delivering care specific to patient presentations
- Reimbursement dependent on adherence to pathway

Examples:



Episodes

- Single upfront payment for each episode
- Drugs reimbursed at ASP+0%
- Episode payment can increase if outcomes improve or total cost of care decreases

Example:



Oncology Medical Home

- Comprehensive program of payment reform, care redesign, and measurement
- Reimbursement may include care management fee, drug costs, infrastructure payments, enhanced service fees, and shared savings

Example:



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Aetna Project

Neubauer et al. ASCO 2016

Aetna
Texas Oncology
Innovent

APM
PMPM Payment
Shared Savings

6/1/13-5/31/15*
Pts on IV Chemo
Pts with Aetna MA
NCCN Pathways
Patient Consent
415 patients

Savings
IV drugs, hospital days, ER
visits
Quality
Pathway compliance, hospice
enrollment, patient
satisfaction

Methods: Shared Savings

- Concurrent Control methodology compares Innovent patients to a benchmark cohort of Aetna MA oncology patients in Texas not treated at TXO during the study period
- Total IV chemotherapy and supportive care drug costs were obtained from Aetna's administrative claims data
- Rates of IP and ER visits were obtained from Aetna's administrative claims data
- The same average cost per inpatient and ER day was applied to each cohort
- Control cohort's costs were weighted to reflect the age and diagnosis distribution in the Innovent cohort.

Results: Metrics

- Deceased patients during study: n=94

	Year 1	Year 2
Pathway Adherence (goals: Y1, 78%; Y2, 81%)	81%	84%
Patient Satisfaction (goals: Y1, 80%; Y2, 85%)	94%	93%
Hospice Enrollment* (goals: Y1, 50%; Y2 55%)	55%	57%

** As a % of deceased patients*

Results: Savings

- Cost savings: control vs. Innovent cohort

	Chemotherapy and Supportive Care	Inpatient	ER	Total
Benchmark Cost	\$11,926,588	\$4,150,803	\$330,724	\$16,408,115
Actual Cost	\$9,507,239	\$3,550,114	\$308,907	\$13,366,260
Savings Percent	20.29%	14.47%	6.60%	18.54%

Conclusions

- Quality improvement and savings can go hand-in-hand
- Practice-wide programs like clinical pathways drive value
- Care management through a practice-sponsored call center enhances program outcomes.
- Performance around quality measures involves attention and QA by dedicated personnel. This takes practice resources and payer support
- Relevance to the upcoming Oncology Care Model

Presented by:

Oncology Care Model (OCM)



The US Oncology Network

12 Network practices
~800 physicians
30,000+ Medicare patients/yr.
Onmark: 30+ practices to participate

Integrated One McKesson Technology:

- iKnowMed
- Clear Value Plus
- Practice Insights
- RelayHealth



Adoption of Value Base Care:

- Patient Navigation*
- Access to Care 24/7*
- IOM Care Plan*
- Advance Care Planning
- Pathways*
- Self & Claims Based Measures*
- Eligibility & Enrollment



* Adoption required by Oct. 1st

- ✓ Agreements accepted June 16th
- ✓ July 1, 2016 OCM start
- ✓ 5 yr. OCM pilot



Financial Benefits:

- +\$160 MEOS/mo. for 6 mo.
- +Share saving vs. utilization
- +5% MIPS, if two-sided risk



OCM Concepts of Change



Eligibility & Enrollment



Clinical



Navigation



Access to Care 24/7



Documentation



Billing

How might the Use of IO agents Impact Performance on the OCM?

Drug Buy US Oncology

Aug 2015 vs Aug 2016

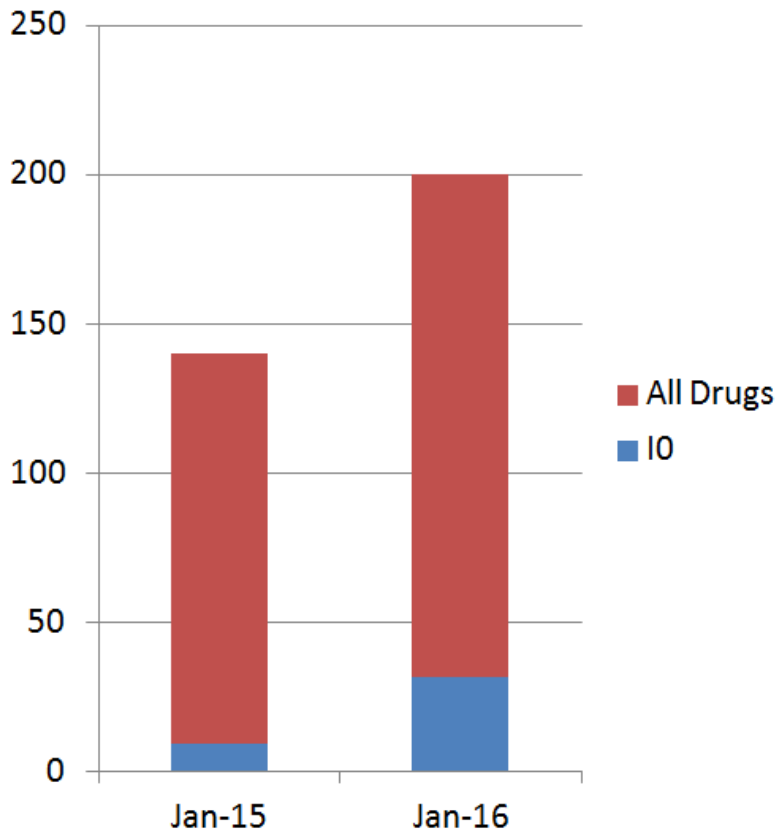
Change YOY

All Drugs +44%

Non IO Drugs+ 29%

IO Drugs +342%

Four IO drugs now represent 18% of drug spend



Conclusions

- Alternative payment models can provide modest but when scaled likely significant financial savings
- Require significant practice transformation
- If IO therapy does not replace alternative resource utilization (ER's, hospitals, equally expensive drugs) this will challenge the ability to generate cost savings