

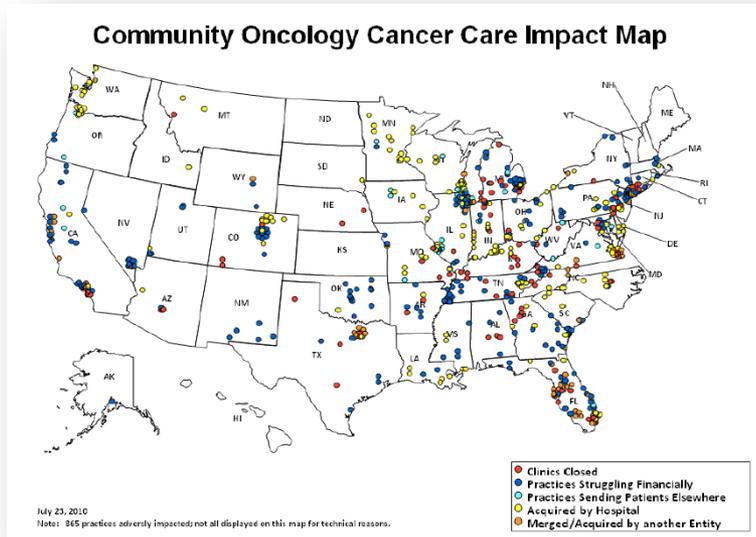
Future of Oncology

Barbara McAneny MD

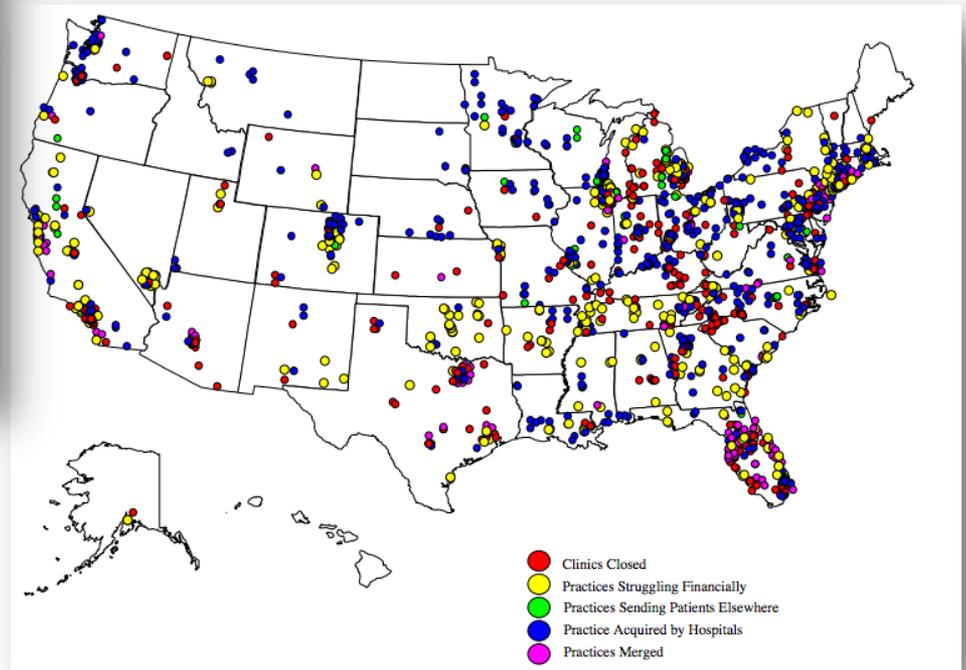
CEO NMCC

CEO IOBS

Consolidation of Cancer Care



2010



2016

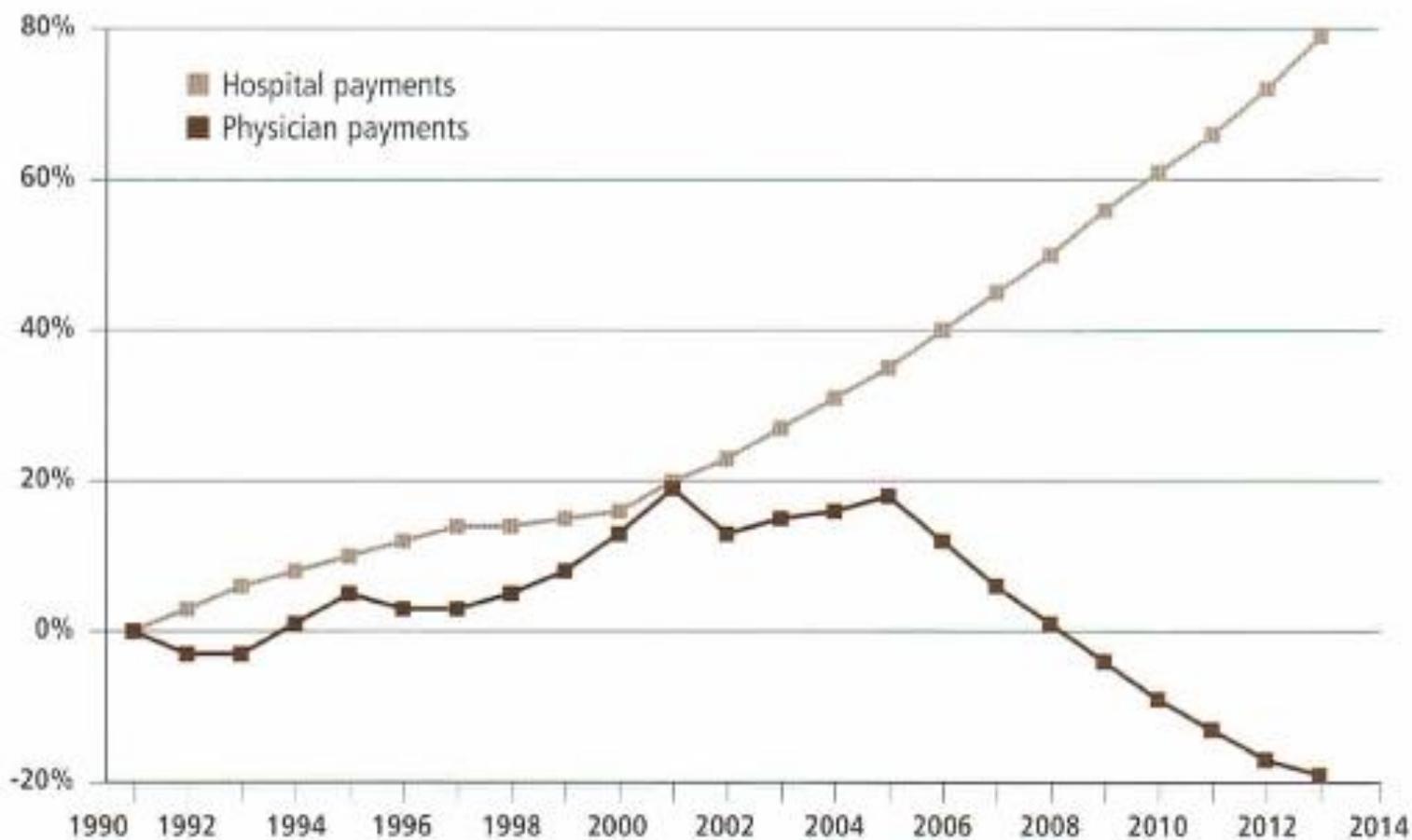
Source: COA Community Oncology Practice Impact Report, October 2014

Cost of Consolidation: Milliman 2013 Private Pay Study

Cancer Type		POV	HOP	HOP/POV Episode Cost - Percent Higher in HOP	P Value
Metastatic	NSCLC	\$82,849	\$122,909	48.4%	< 0.001
	CRC	\$122,300	\$186,541	52.5%	< 0.001
	Breast	\$115,308	\$158,727	37.7%	< 0.001
Adjuvant	NSCLC	\$44,769	\$60,994	36.2%	< 0.01
	CRC	\$79,058	\$101,060	27.8%	< 0.001
	Breast	\$57,809	\$86,857	50.2%	< 0.001

- Study found “significantly higher per-episode cost for chemotherapy drugs, radiation oncology, imaging (CT, MRI and PET scans) and laboratory services” in outpatient hospitals.

Source: *Comparing Episode of Cancer Care Costs in Different Settings: An Actuarial Analysis of Patients Receiving Chemotherapy*, Milliman, August 2013



Sources: Hospital data from MedPAC and the Centers for Medicare & Medicaid Services (CMS). Physician data from Physician Payment Review Commission (PPRC), the AMA and Medicare trustees. Chart by the AMA Division of Economic and Statistical Research.

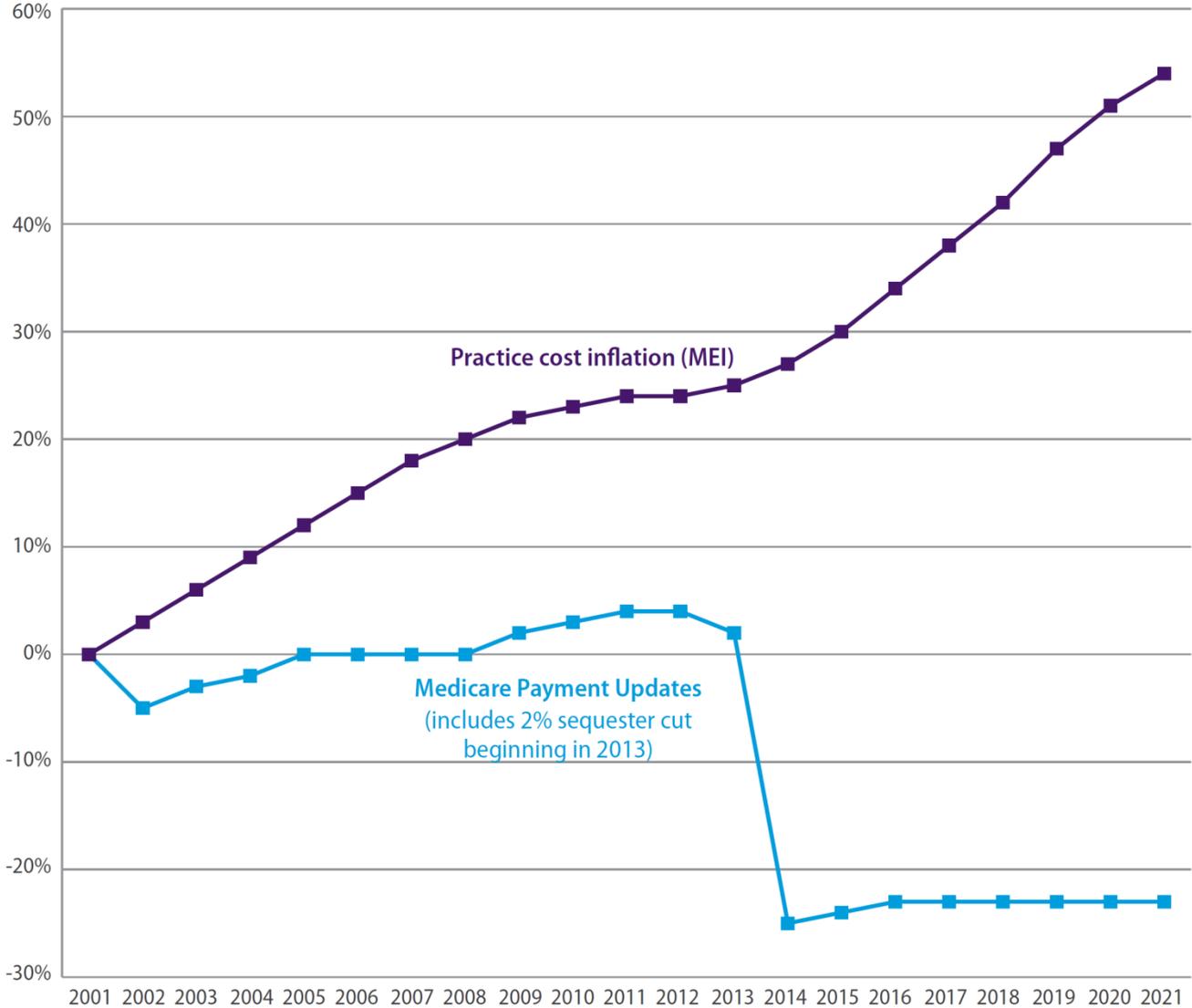
COME HOME Findings – External Evaluation

- Quantitative
 - 10 ED Visits avoided per 1,000 patients**
 - 3 ambulatory care sensitive hospitalizations avoided per 1,000 patients*
 - 4 readmissions avoided per 1,000 admissions*
 - \$673 per patient reduction in total cost of care (\$224 PMPM)**
- Qualitative
 - “Findings in this report validate the [triage] pathways as a means to improved outcomes for patients”
 - Key facilitators of positive findings:
 - Patient symptom management through triage pathways
 - Enhanced access to program providers

*p<0.1

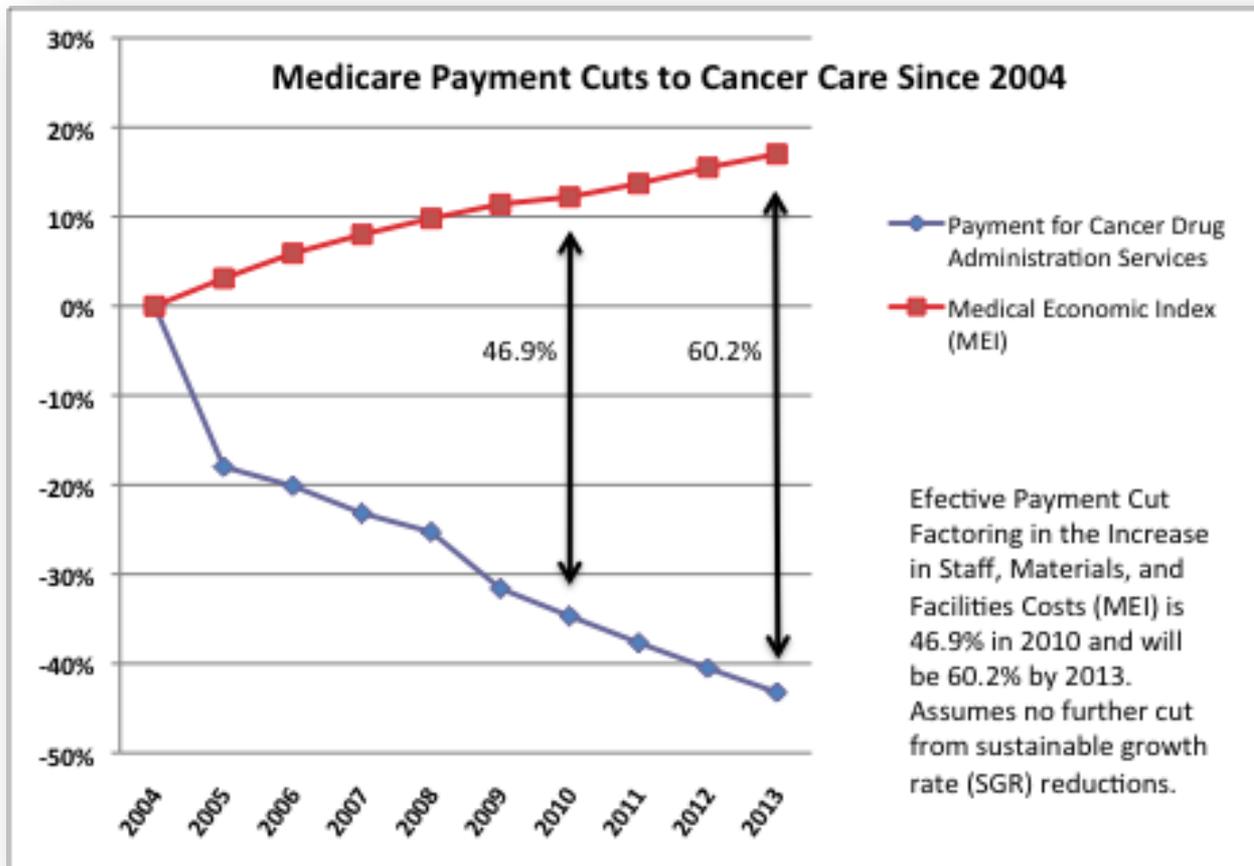
**p<0.05

Medicare payment vs. practice cost inflation



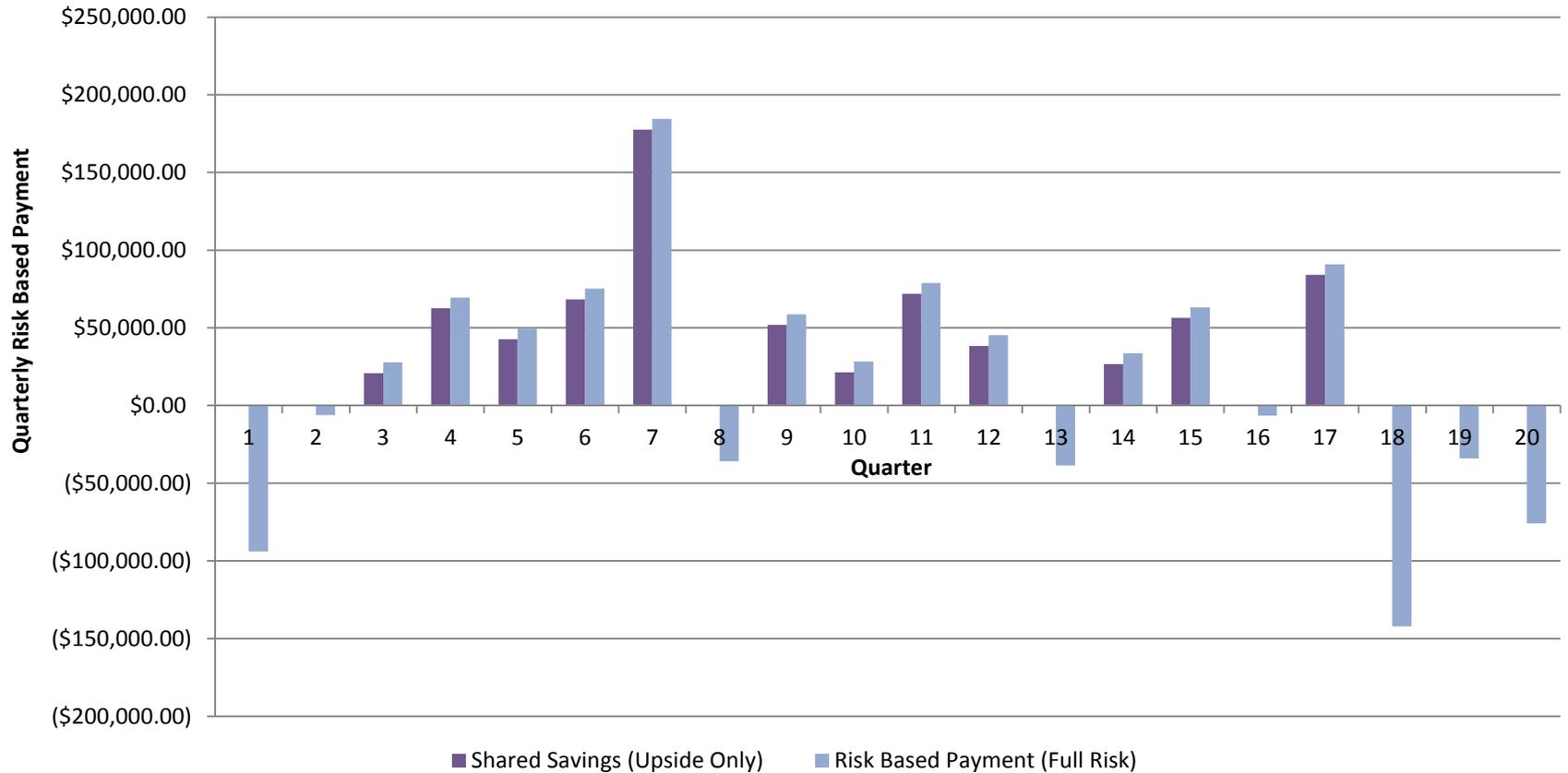
J-Code	Product Name	MBU	Q4 2015 Units	Underwater/ MBU	Loss on Underwater Drugs in Q4 2015
J9025	Azacitidine inj / Vidaza	1 mg	8800	(\$0.13)	(\$1,144.00)
J9041	Bortezomib inj / Velcade	0.1 mg	2975	(\$1.07)	(\$3,177.30)
J9047	Carfilzomib for inj / Kyprolis	1 mg	1080	(\$0.36)	(\$386.64)
J9055	Cetuximab inj / Erbitux	10 mg	140	(\$1.09)	(\$152.88)
J9060	Cisplatin inj / CDDP / Platinol	10 mg	20	(\$0.20)	(\$3.92)
J3420	Cyanocobalamin inj / Vitamin B12	1,000 mcg	82	(\$2.68)	(\$219.43)
J0897	Denosumab inj / Xgeva / Prolia	1 mg	2760	(\$0.28)	(\$778.32)
J1200	Diphenhydramine inj / Benadryl	50 mg	104	(\$0.21)	(\$22.05)
J9395	Fulvestrant inj / Faslodex	25 mg	20	(\$1.24)	(\$24.72)
J1750	Iron dextran inj / Dexferrum / Infed	50 mg	6	(\$0.45)	(\$2.69)
Q2050	Liposomal doxorubicin inj / Doxil	10 mg	52	(\$22.90)	(\$1,190.70)
J2920	Methylprednisolone injection	40 mg	3	(\$0.43)	(\$1.28)
J9305	Pemetrexed inj / Alimta	10 mg	800	(\$0.62)	(\$492.80)
J9306	Pertuzumab inj / Perjeta	1 mg	2100	(\$0.06)	(\$121.80)
J9310	Rituximab inj / Rituxan	100 mg	192	(\$2.68)	(\$514.18)
J9355	Trastuzumab inj / Herceptin	10 mg	762	(\$0.63)	(\$483.11)
	TOTAL				(\$8,715.81)

Decline in Drug Administration Since 2004



Source: Projections based on data from the Centers for Medicare & Medicaid Services

What might the OCM look like for a community oncology practice?



We must act now to preserve the low cost, high quality delivery system

- We cannot afford the site of service differential
- Risk for practices must be manageable
- Payment for the Infrastructure of health care delivery must be cost effective
- Regulatory requirements must be evidence based