



Dear Colleagues,

When we speak about our collective priorities, how to improve the quality of cancer care and also manage the escalating costs is clearly top of mind. The shift in focus to bring more value to oncology management is helping usher in a number of innovative approaches. As you build your plans to better manage care for your members with cancer, we thought you might find this information on value-based oncology trends and research to be of interest.

I will be addressing this topic May 18 at the Blue National Summit, where I will lead a panel discussion on *Driving Towards Optimal Cancer Care: New Value-Based Approaches to Oncology*. I hope to see you there!

“Moving from fee-for-service models to value-based payment systems changes everything for providers.”

~ Medical Director,  
Southeast Oncology Practice

## The Value Equation

Benefit/cost is one definition of value-based care. However, what makes this particular approach challenging is the lack of widely accepted standards to determine both costs and benefits. When measuring costs, do we include the impacts of side effects, long-term toxicity, and time away from work or life events?

When the benefits of cancer care are so highly variable, individual, and changing over time, what's the most appropriate formula to calculate this factor? On the outcomes side of the equation, efforts are ongoing to find a suitable set of 15-20 measures that can be feasibly collected and properly reflect the key aspects of cancer care.

## The Reality of New Payment Models

Closely tied to value measurement is the design and administration of new payment models. Emerging models include:

- Accountable care organizations
- Oncology medical homes
- Bundled payments
- Programs combining traditional fee-for-service with retrospective reimbursement for certain quality measures or shared savings

Moving from fee-for-service models to value-based payment systems is a significant, challenging, yet inevitable shift for providers. While practices vary in their ability to take on risk for the management of patient populations, one of the largest oncology networks

in the US expects that nearly 50% of its reimbursement will come from new models. As payment models evolve, tracking outcomes is a challenge for both health plans and providers. Even with health plan efforts to raise member retention and engagement rates, many plans may struggle to track outcomes as members move between plans. Besides navigators to support these new models, other hiring needs include data analysts, health economists, and auditors. Some provider organizations are looking toward the use of “transformation coaches” with a blend of clinical and data skills to work with practice staff administering value-based programs.

## Efforts to Improve Drug Safety and Lower Costs

Drugs are a focal point of any discussion about value in oncology care. On average, each cancer patient takes more than nine drugs with drug/drug interactions occurring in over 70% of patients. Annual spending for medication-related admissions tops \$100 billion.

The safety and side effect concerns of cancer drugs require education and monitoring to ensure compliance and avoid errors. This is important whether drugs are administered intravenously in an outpatient setting, or taken orally as are nearly half of all cancer drugs in development. In addition, consideration should be given to:

- **Patient tolerance and individual preferences** - and other personal circumstances necessitate more assessment tools, which ultimately may change the physician-patient conversation
- **Pharmacogenomics** - there is growing interest in use of pharmacogenomics testing to inform safer use of medications in selected circumstances
- **Genomic testing** - the exploration of genetic and molecular characteristics of a person’s tumor paves the way to tailor the choice of cancer therapies to the individual biologic circumstances. While this realm of care is promising and there are various clinically valid tests available, understanding the clinical utility of most tests remains a gap. And when considering what is “actionable” (often used as a surrogate for clinical utility, such as describing a specific mutation “actionable”), this term is variably defined and seldom linked to meaningful, evidence-based, patient-centered outcomes.

• On average, each cancer patient takes over 9 drugs

• Drug/drug interactions occur in up to 72% of cancer patients

• \$100 billion is spent annually in medication-related admissions

## What This Means for You

Quality and cost in oncology care is important to health plans, their members, customers, and to our society. As the quest for value-based oncology forges on, for the best chance of success health plans should:

- Create programs with clear value metrics and timely feedback to physicians
- Support oncologists and their staff with the information, education, and tools they need to understand and implement new programs
- Look to manage promising new modalities and the wave of new oncology drugs in development
- Ensure that genomic tests and new biomarkers have both clinical validity and

utility, and that patients are well-informed of the goals of care and use of specific tests

- Promote palliative care as a way to improve patient-centered care and drive better quality outcomes while supporting patients and their families and reducing costs
- Align reimbursement strategies to support value-based care among your provider networks and plan

## How AIM Can Help

By listening to you, our clients, and monitoring industry trends and literature, we work to develop and evolve our programs for better oncology management. Our Oncology Solution integrates with your technologies and programs to manage:

- Cancer drugs to ensure efficacy and safety while reducing cost
- Genetic testing to ensure tests are clinically valid and patients are well-informed
- Palliative care to support your members with cancer and their families

We support value-based oncology through:

- Unique reimbursement strategies that support your plan and its networks
- Extensive provider engagement, communications, and training programs
- Real-time feedback to help ensure cancer treatment aligns with medical evidence and health plan medical policies

Moreover, the robust data we capture provides the measurement needed to effectively measure and administer new payment models. We support your organization, providers, and members as your partner in the new value-based healthcare economy.



To learn more please feel free to contact me or visit [www.aimspecialtyhealth.com/oncology](http://www.aimspecialtyhealth.com/oncology).

A dark grey banner with a background image of hands typing on a keyboard. On the left is a portrait of Michael J. Fisch, MD. To the right of the portrait is the text: "FROM THE DESK OF Michael J. Fisch MD Medical Director, Medical Oncology Programs fischm@aimspecialtyhealth.com | @fischmd".

**FROM THE DESK OF**  
**Michael J. Fisch MD**  
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