Paying for New Cancer Treatments: Rights and Responsibilities of Health Insurers

February 9, 2009

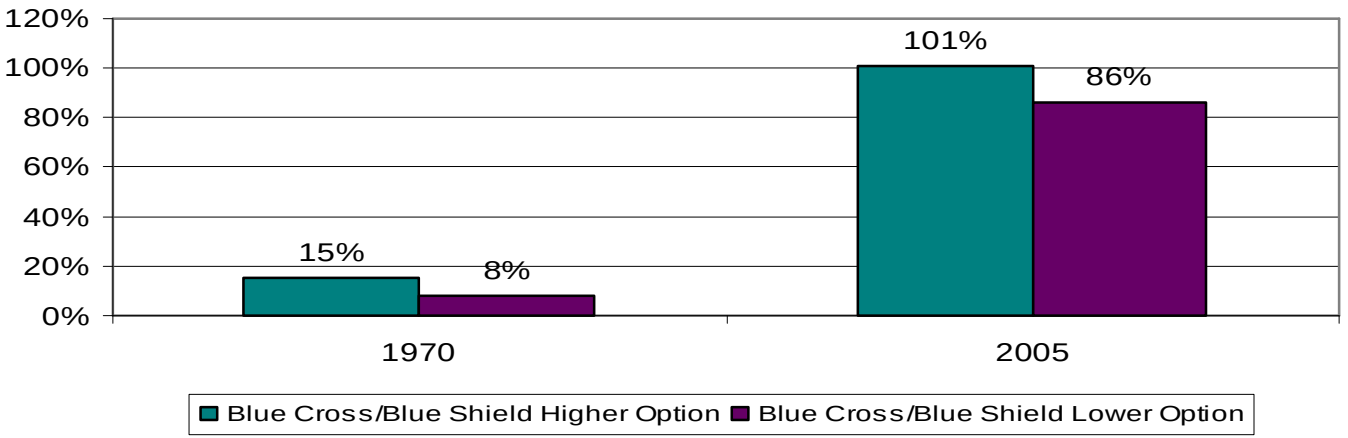
Lee N. Newcomer, M.D.

UnitedHealthcare®
Healing health care. Together.℠

What is Our Responsibility?

- Create groups of people to share the risk of health care costs
- Pay for effective therapies at a reasonable cost
- Maintain the fiscal integrity of the risk capital pool

Total Family Premium for Health Insurance as a Percent of US Minimum Wage Earnings



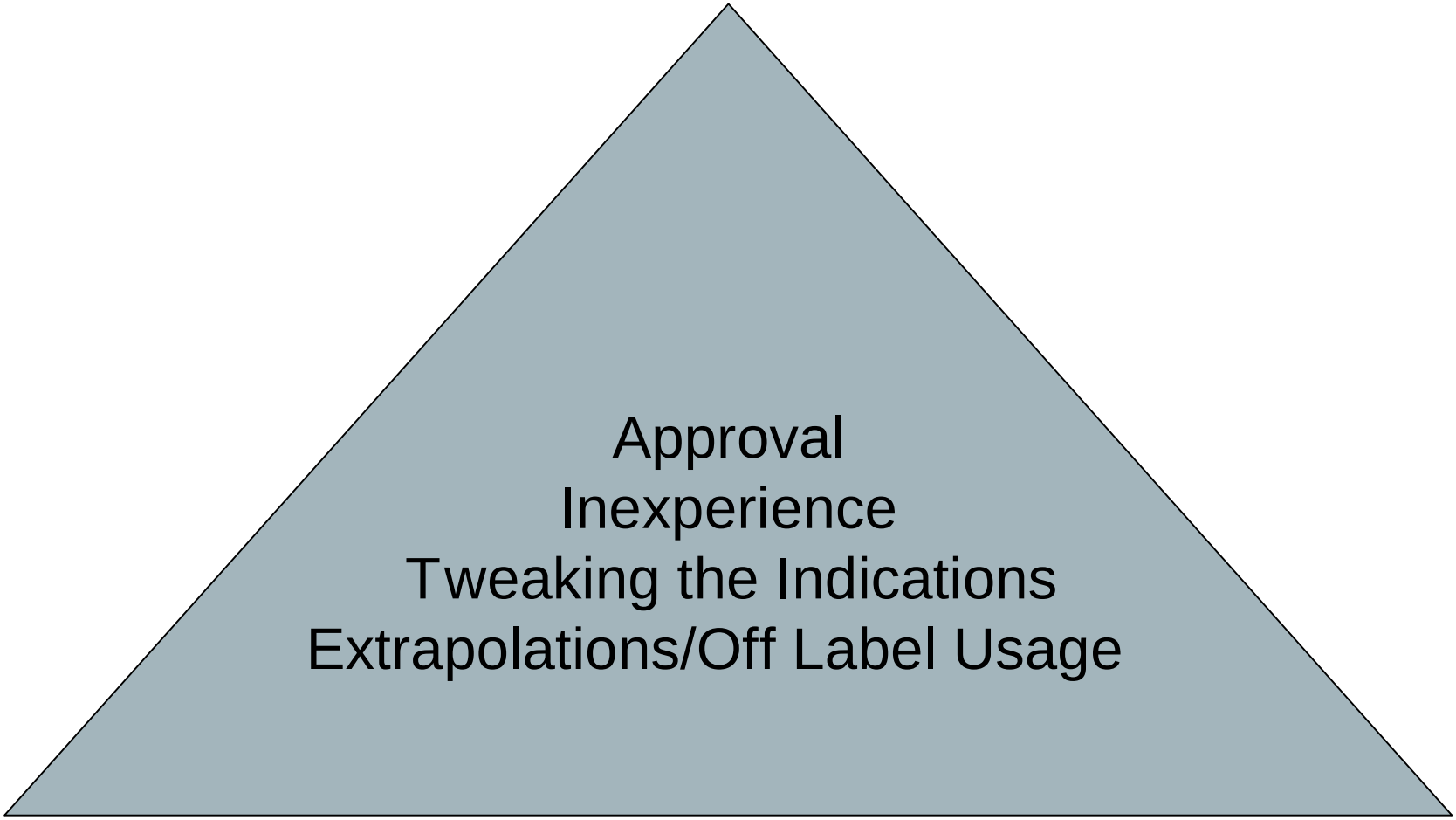
UnitedHealthcare®
Healing health care. Together.™

The Agenda

- How effective is a new treatment?
  - It's hard to evaluate with expansion of indications
- Today's inconsistency prevents evaluation of any therapy
- Three proposals for better value

UnitedHealthcare®
Healing health care. Together.™

The Cascade of Chaos: The Life Cycle of a New Treatment



UnitedHealthcare®
Healing health care. Together.™

Cascading with Herceptin and HER2

HER2 Testing in Local vs. Central Labs

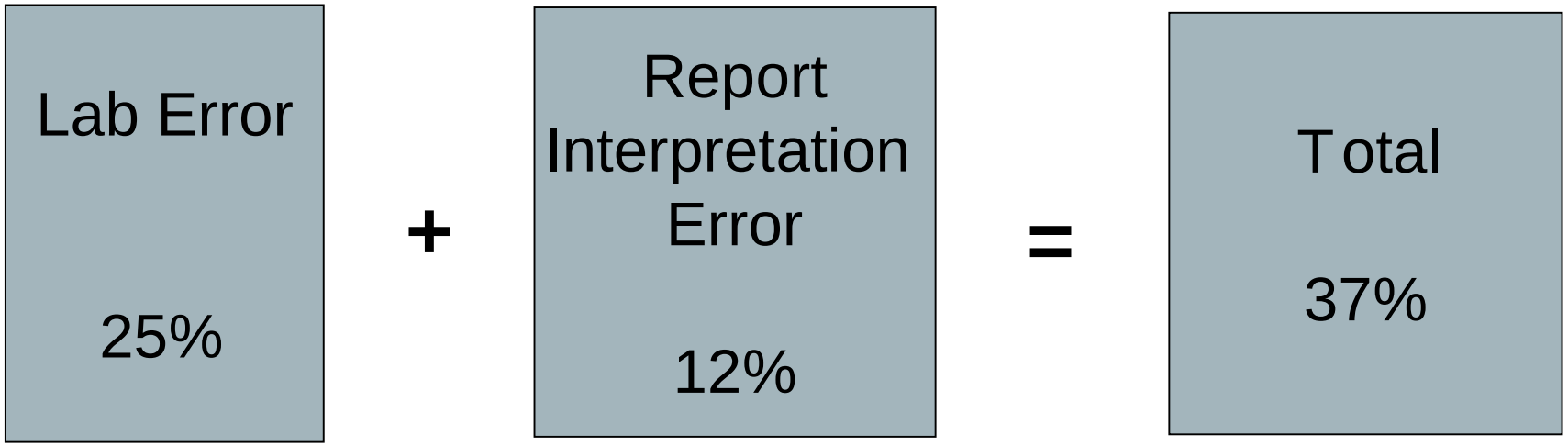
Local IHC Testing	Central IHC Testing					
	0+	1+	2+	3+	Total	Concordance
0	76	106	36	6	224	34%
1+	33	101	46	8	188	54%
2+	15	70	48	51	184	26%
3+	9	32	46	290	377	77%
Total	133	309	176	355	973	--

Reddy et al, *Clin Breast Ca*, 2006: 153-157

UnitedHealthcare®
Healing health care. Together.™

Cascading with Herceptin and HER2

Inexperience causes 1 out of 3 patients to get the wrong treatment



UnitedHealthcare®
Healing health care. Together.™

Cascading with Herceptin and HER2

- Tweaking/Extrapolations
  - Treatment of “almost” over-expressed patients
- Off label Usage
  - Continued therapy for metastatic breast cancer

UnitedHealthcare®
Healing health care. Together.™

Cascading with Herceptin and HER2

Trastuzumab continued therapy

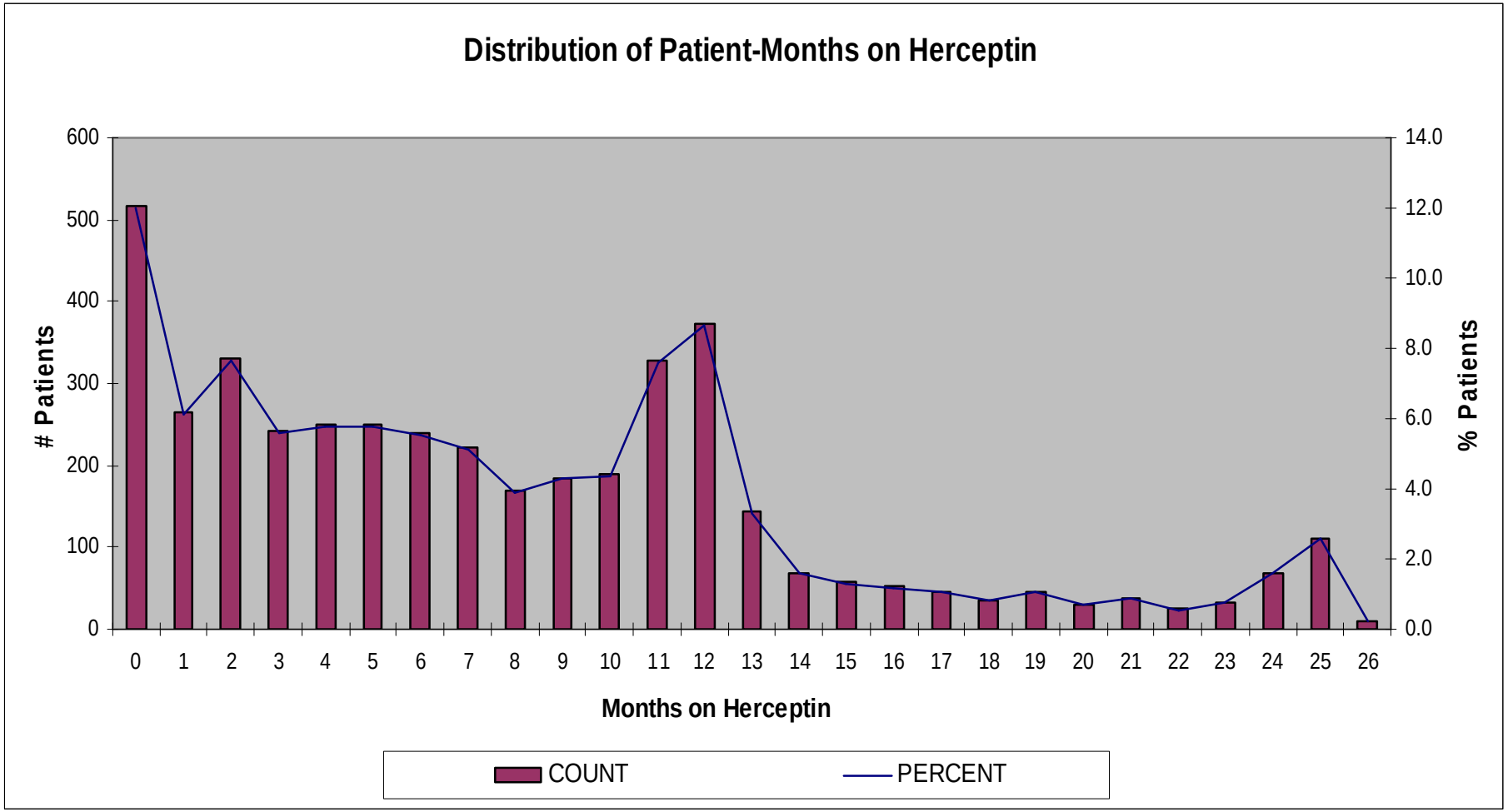
"It is impossible to decipher…to what extent continued treatment with trastuzumab benefit patients."

"At least two attempted trials with no trastuzumab in the control arm were attempted, but failed to accrue patients."

Pusztai, Cancer Investigation 2006;24:187-91

UnitedHealthcare®
Healing health care. Together.™

Trastuzumab Continued Therapy



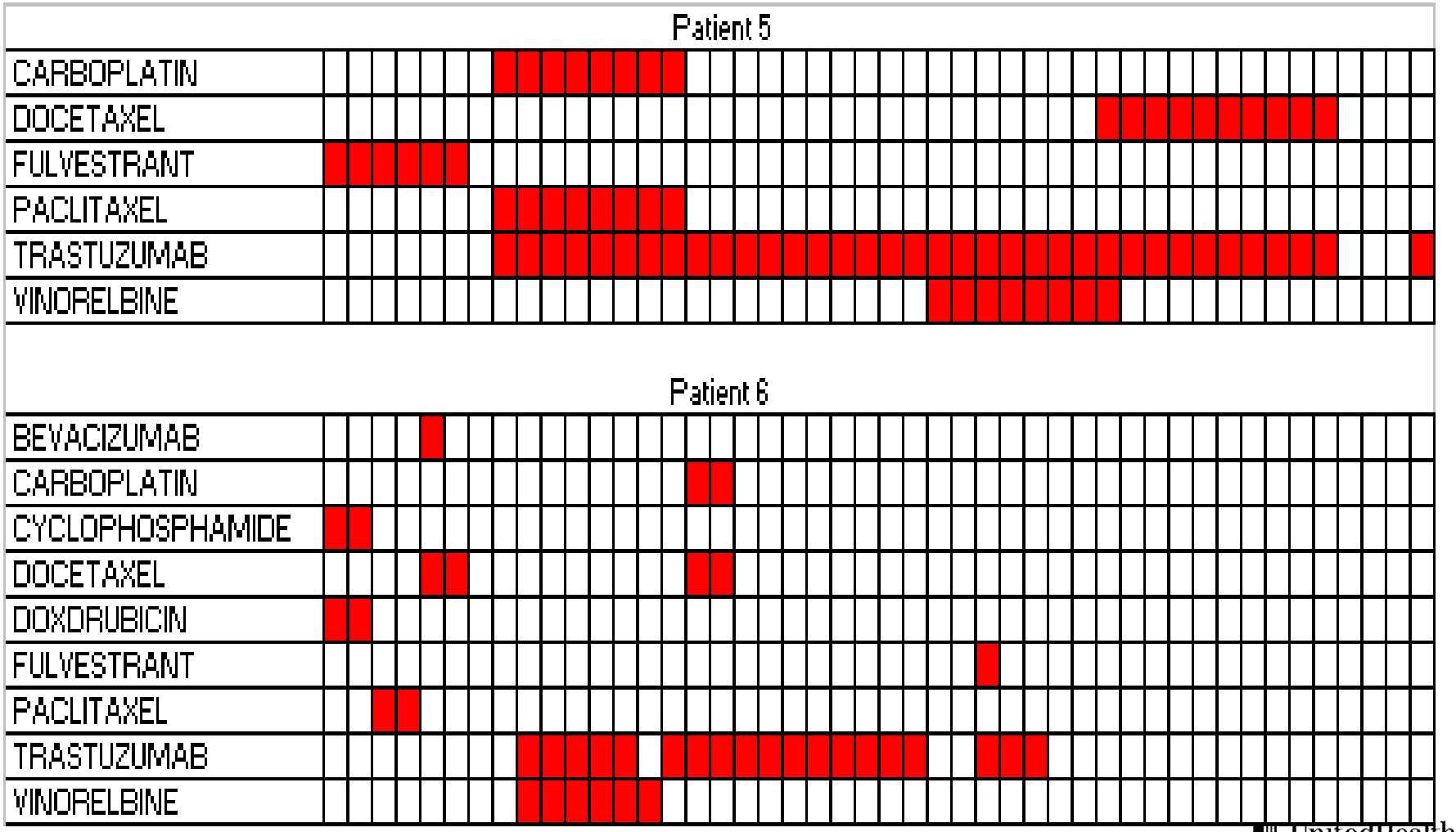
UnitedHealthcare®
Healing health care. Together.™

The Agenda

- How effective is a new treatment?
- Today's inconsistency prevents evaluation
- Three proposals for better value

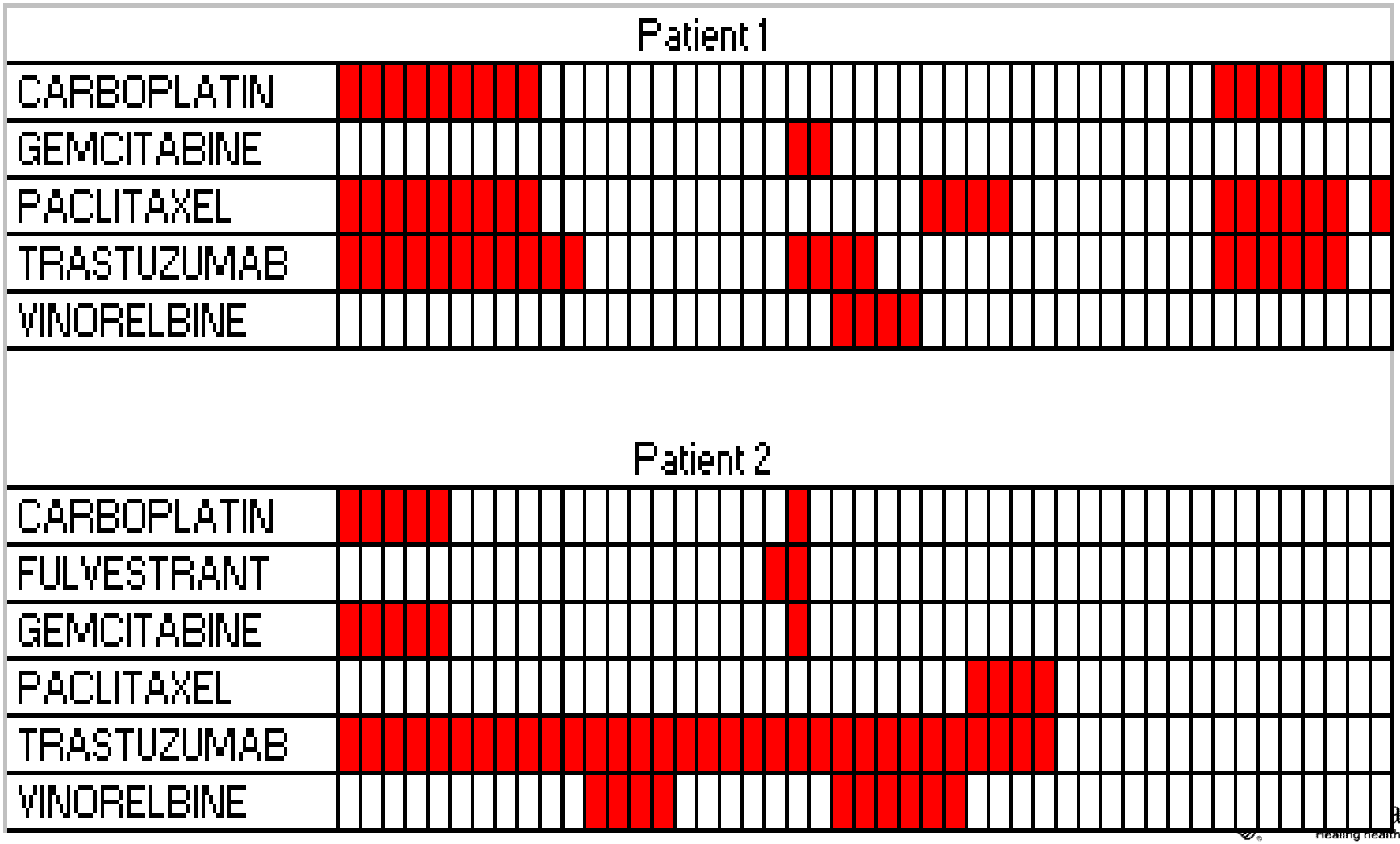
UnitedHealthcare®
Healing health care. Together.™

Inconsistency: Trastuzumab Therapy



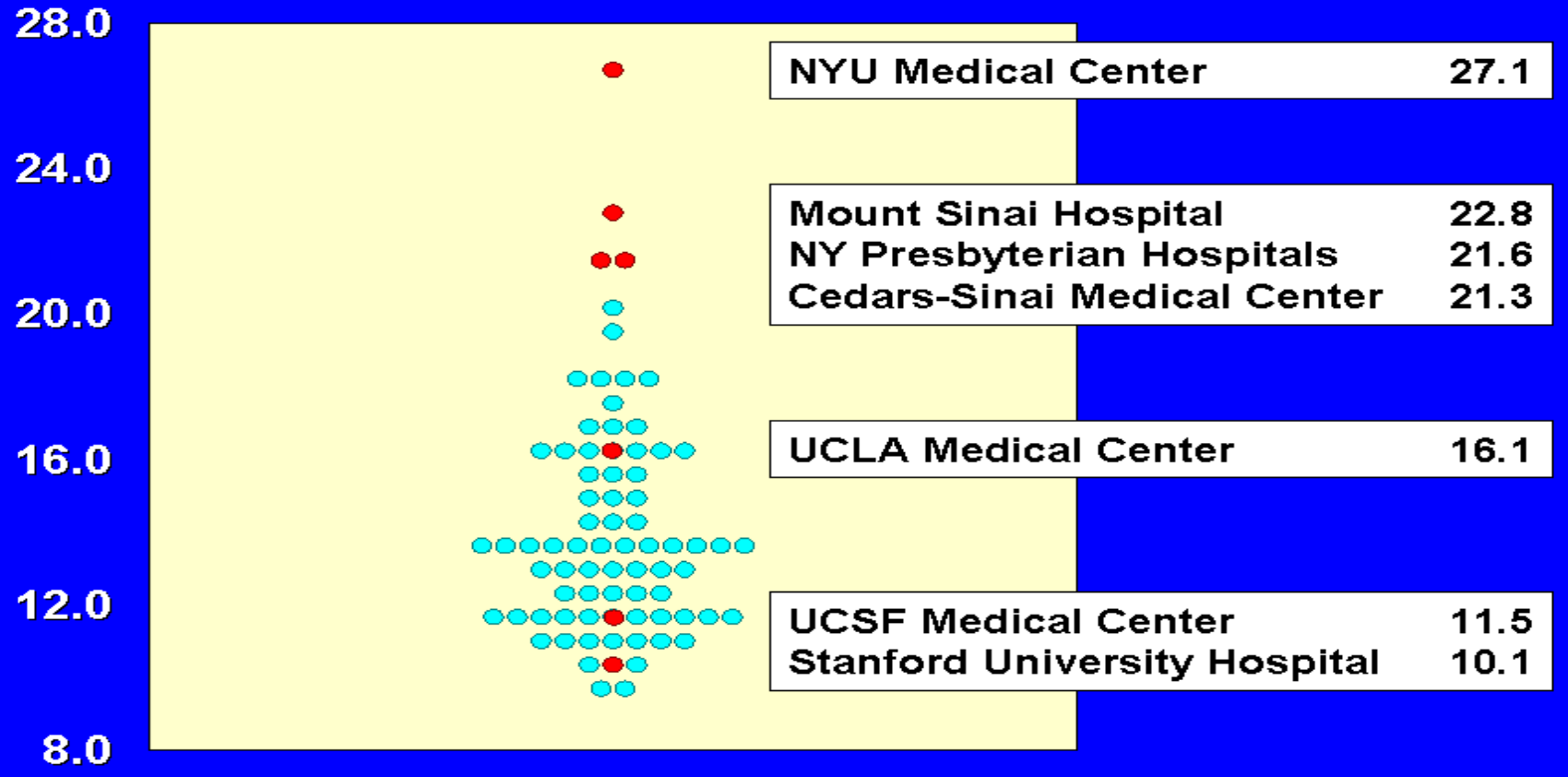
UnitedHealthcare®
Healing health care. Together.™

Inconsistency: Trastuzumab Therapy



Inconsistency is Geographic

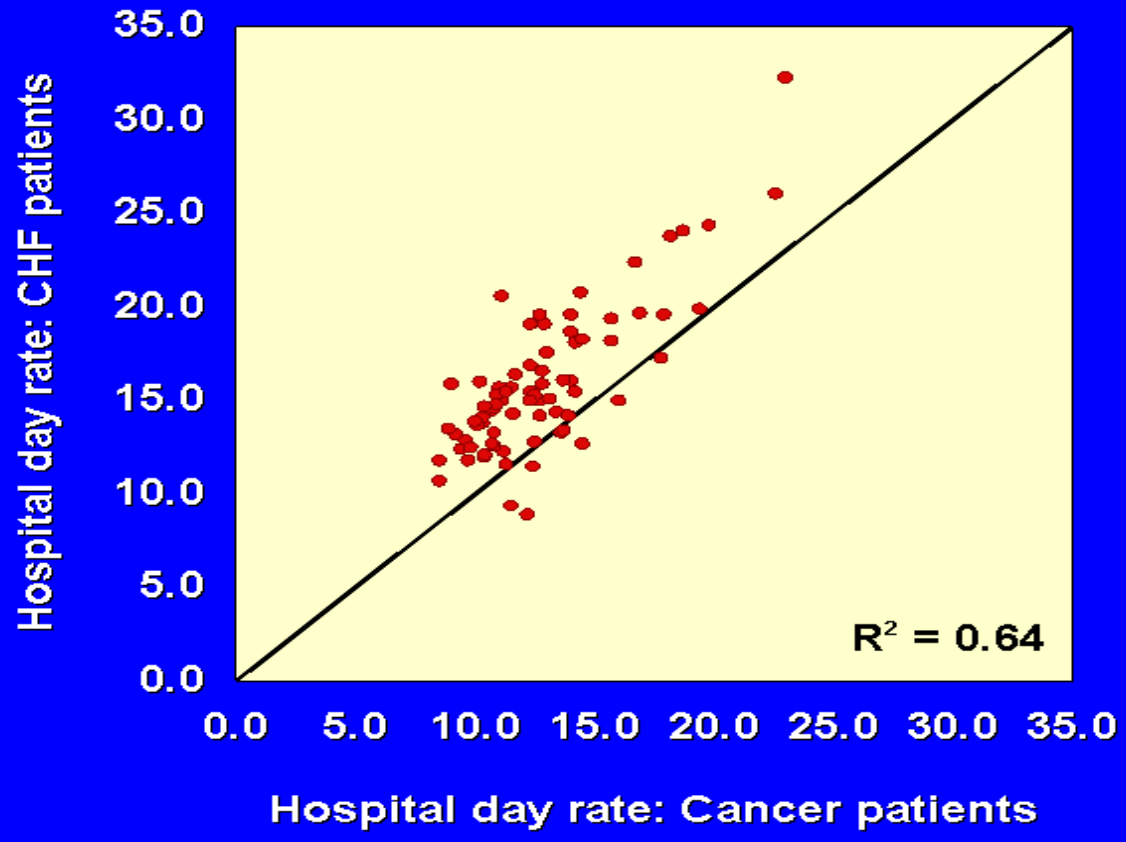
Figure 11
Days in hospitals during last six months of life among patients who received most of their care in one of 77 "best" U.S. hospitals



Healing health care. Together.™

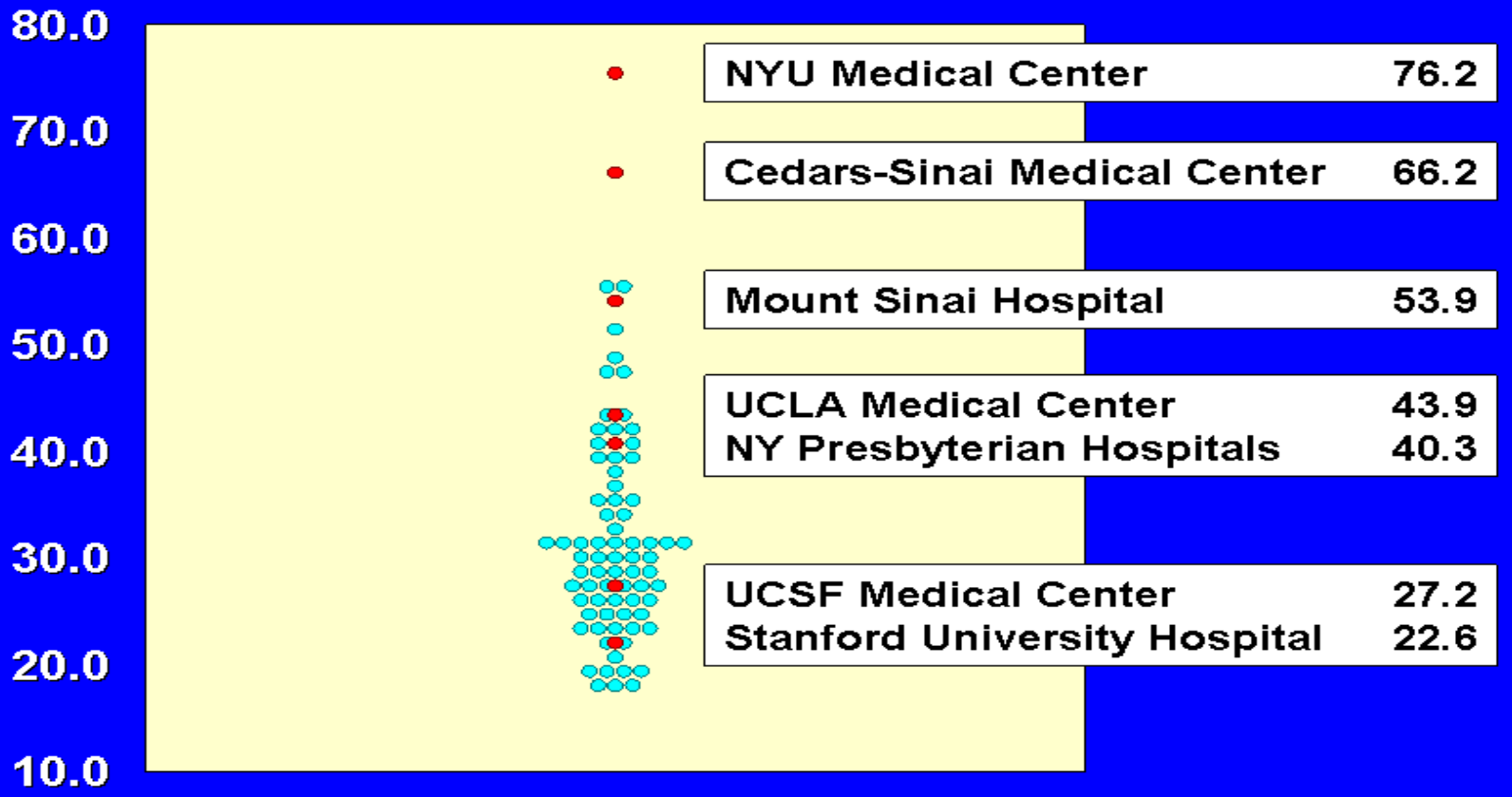
Inconsistency is Geographic

Figure 12
Association between hospital days for cancer and for CHF patients during last six months of life among 77 "best" U.S. hospitals

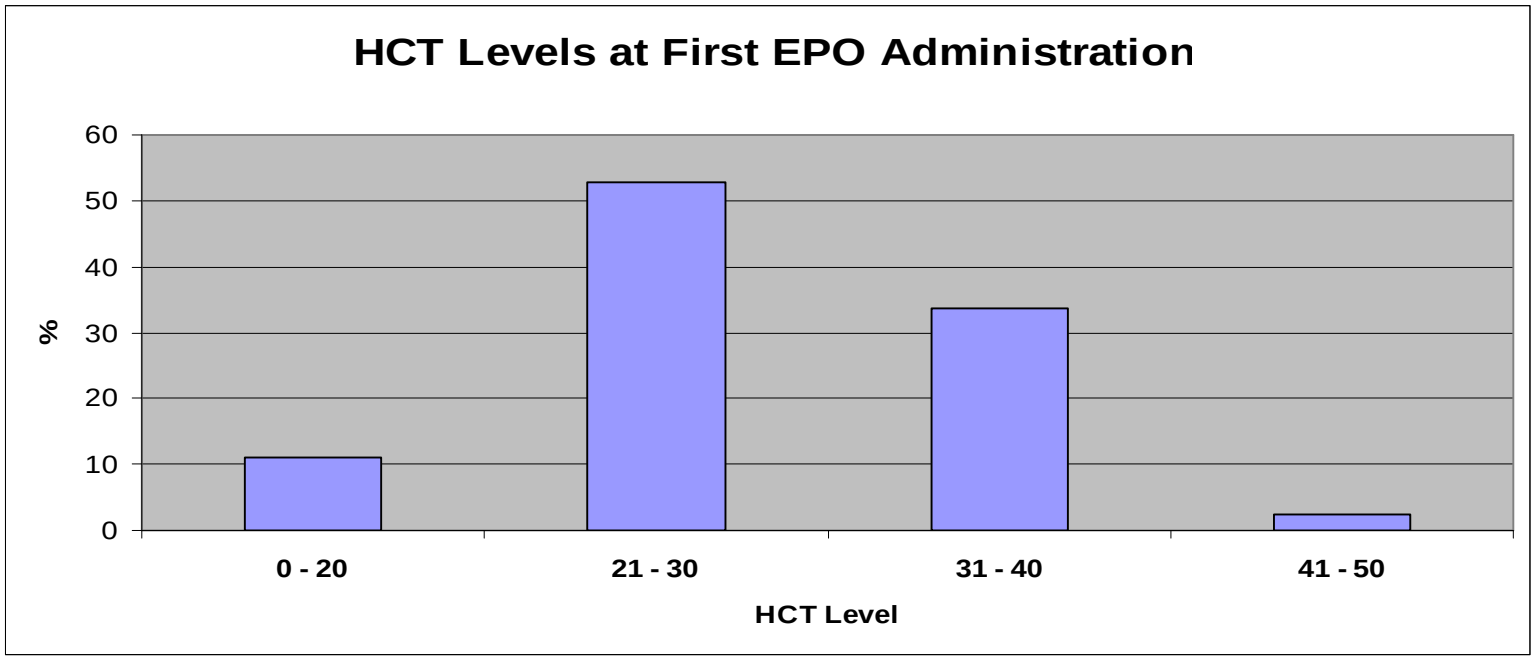


Inconsistency is Geographic

Figure 15
Average number of physician visits per patient during last six months of life who received most of their care in one of 77 "best" US hospitals



Inconsistency: Erythropoietin (EPO)



UnitedHealthcare®
Healing health care. Together.™

Inconsistency: Site of Care

Cetuximab/Panitumab for Metastatic Colon Cancer			
Setting	**# of treatments**	**Cost/treatment**	**Total Cost Per Patient**
Outpatient (53 patients)	**5.3**	**$4428**	**$23,468**
Office (157 patients)	**9.0**	**$2693**	**$24,237**

There was no correlation between physician fee schedules and use of the outpatient facility

UnitedHealthcare®
Healing health care. Together.™

The Agenda

- How effective is a new treatment?
- Today's inconsistency prevents evaluation of any therapy
- Three proposals for better value
  - U.S. "NICE"
  - New FDA designation: "Scientific Approval"
  - Performance measurement

UnitedHealthcare®
Healing health care. Together.™

A New FDA Designation: Scientific Approval

Avastin for breast cancer

Significant response rates without prolongation of survival

Prescribing allowed in registry trials for additional data.

Not ready to be a standard, but…

Trials show responses for a new class of drugs without clinically significant change

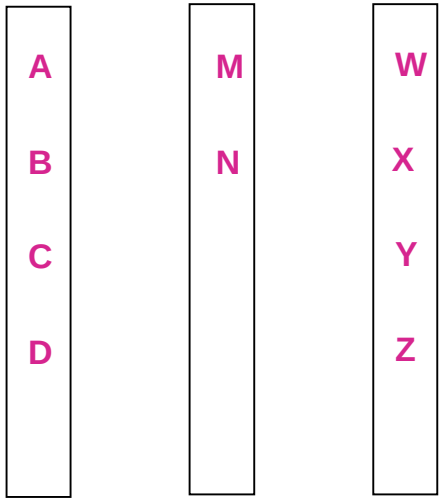
New designation allows prescribing in registry trials to determine value of compound

Mandatory re-evaluation in 3 years with final decision on label.

UnitedHealthcare®
Healing health care. Together.™

Current Practice or Consistent Practice?

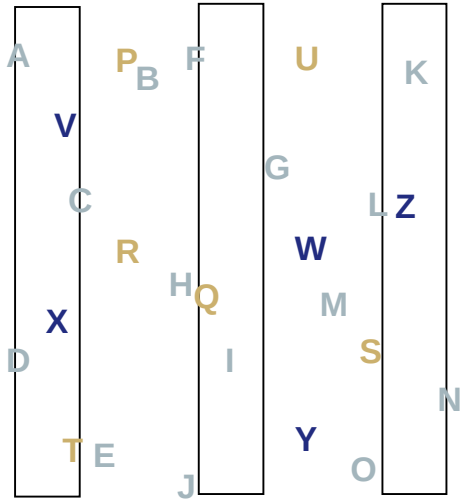
A Consistent Group



BREAST LUNG COLO-RECTAL

VS

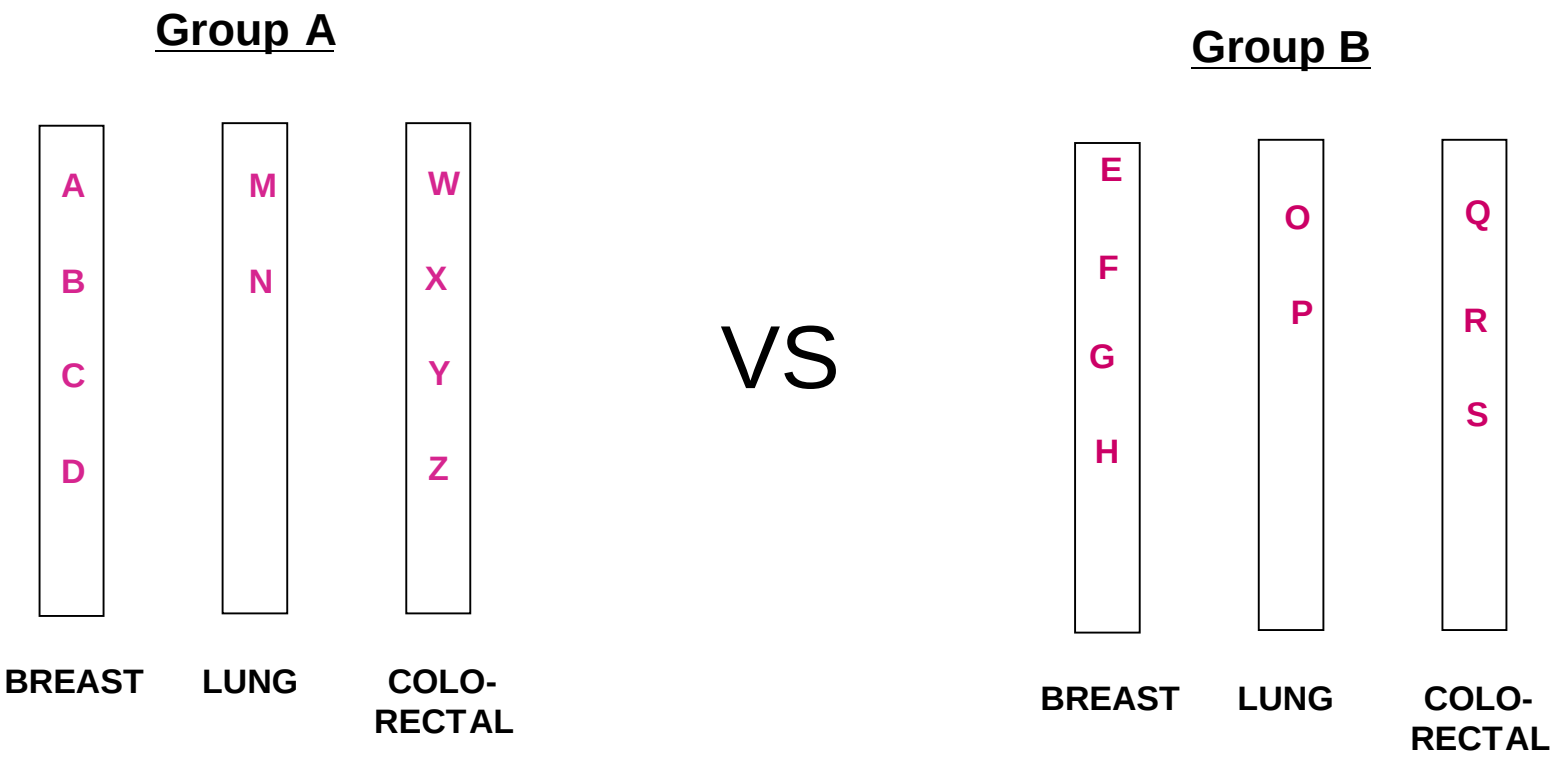
Community



BREAST LUNG COLO-RECTAL

UnitedHealthcare®
Healing health care. Together.™

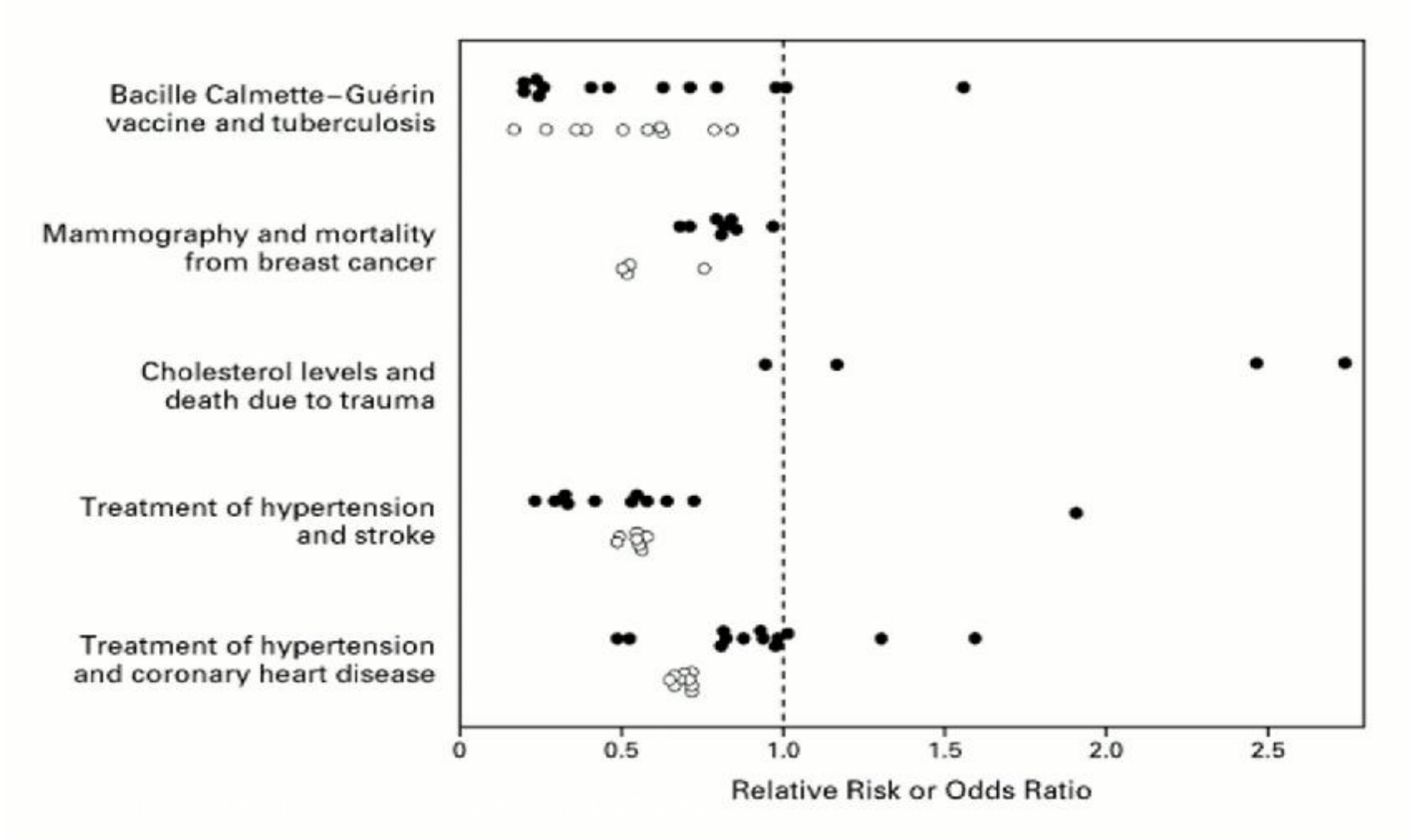
Consistency Allows Comparison



Compare performance and understand value

UnitedHealthcare®
Healing health care. Together.™

Observational Comparisons Are Effective



NEJM 2000: 342; 1887

The NEW ENGLAND JOURNAL of MEDICINE

The Agenda

- How effective is a new treatment?
- Today's inconsistency prevents effective evaluation of any therapy
- Three proposals for better value
  - U.S. "NICE"
  - New FDA designation: "Scientific Approval"
  - Performance measurement

UnitedHealthcare®
Healing health care. Together.™