# *Challenges of delivering high quality, affordable care in our practice*

*Peter D. Eisenberg, MD*
*Marin Specialty Care*
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# *Agenda*

Disclosures—ASCO, UHC & drug studies
MSC has an interest in imaging & radiation

1. Some history
2. Needs of patients and their families
3. Barriers to affordable care
4. Some fixes.

- Mid-‘80s reviewed BS oncology claims
- 1987 “providing chemo is not a sustainable business plan”
- 1989 ASCO mtg in SF; asked for guidelines at clinical practice meeting
- 1990 ANCO founded
- 1992 ANCO membership dumps guidelines ideas for Neupogen
- 1993 -1998 try to put together a N. California oncology practice
- 1998 begin to study our practice style and offer ideas to payers

# *What patients need and want*

- our honest scientific and clinical assessment of their situation
- our application of the science to their case
- the truth
- understanding
- kindness and compassion
- our best shot

# *What we can offer them*

- the truth
  - an explanation of their illness and its implications
  - results of the best designed studies
  - problem-solving assistance and direction
  - our support of their decision
- understanding
- kindness and compassion
- our best shot

# *Our Model*

- ask what the patient wishes to know
- explain the disease's natural history
  - with no treatment
  - with various modalities
    - surgery, rads, chemo, supportive care medications
- options
  - benefits
  - side effects

# *Barriers to Affordable Care: Docs*

- High cost of practicing medicine—reimbursement not keeping pace with increases in expenses
- Lack of studies showing best practices & value for patients
- Lack of tools
- Difficulty getting paid
- EMR –cost, time, poor performance
- Perverse incentives: pay for procedures rather than cognitive skills

# *Barriers to Affordable Care: Insurance*

- Incentive ***not*** to pay-- need more staff/doc time
- No clear "contract" with payers—never know if we'll get paid
- Prior authorizations mean nothing
- Great policy ideas can't be implemented
- Medicare's low margin not sustainable
- Cost-shift to private payers not sustainable, either
- High cost, low Medicare margin (Provenge) are high risk proposition
- patients with high deductibles not accountable for their portion

# *Barriers to Affordable Care: Pharma/Devices*

- High and staggeringly increasing cost of drugs with marginal clinical benefit
- Ditto for technology (EMRs, Proton beams)
- Drug shortages for cheap generics a problem
- Patient assistant programs are not as helpful as marketed

# *Some Fixes?*

- Good care is expensive, but may not need to be as expensive as care is today
- If we pay for what our patients need and want and that which works, maybe we'd get better care at a lower cost
- We have been talking about this for years
- We need a real fix
- Powerful stakeholders with divergent views and needs
- Everyone needs to feel some pain

# *Some Fixes: Docs*

- High cost of practice—***economies of scale***
- Difficulty getting paid—***Medicare pays fast (but not enough!) and I understand the rules***
- Lack of studies showing best practices: ***do them, including cost data***
- Lack of tools: ***develop them; teach docs; Smith Form, IP vs. IV chemo orders***
- EMR: cost, time, poor performance: ???
- Perverse incentives – ***pay for the behavior we value: listening, coordination of care, patient research, TB, prompt care***

# *ASCO Top 5 common tests and treatments with no proven meaningful benefit*

1. Don't treat those unlikely to benefit; focus on palliation

2 & 3. No PET, CT, bone scans in the staging early breast or prostate cancer

4. No routine blood tests or advanced imaging for surveillance in early breast cancer

5. Avoid white-cell stimulating factors to patients undergoing chemotherapy who have less than a 20% risk for febrile neutropenia.

# WHAT YOU MAY WANT TO KNOW ABOUT YOUR ILLNESS

| NAME M.L.D. | DATE 6-11-97 |
|---|---|
| **Please circle items that you would like to discuss with your doctor:** | **Reason you need this information:** |
| 1. Diagnosis: adenocarcinoma (gland forming) probably lung cancer | Gives the name of your disease. |
| 2. Stage (list all areas where disease has spread): lung, lymphnodes in lung? neck = stage IV | Allows you to understand and talk about the prognosis (likelihood of cure). |
| 3. Prognosis (list whether curable or not curable, and expected average lifespan): treatable, not curable; months → prob. not years | Allows doctor to talk openly about goals and rest-of-life planning with you and your family. |
| 4. Treatment goals (list cure, long or short-term control, pain relief): ① control symptoms; shortness breath or pain ② prolong life | Tells you what the doctor can and cannot do to treat your disease. You should understand the difference in treatment given to try to cure your disease and treatment given for palliation (control of symptoms). |
| 5. Treatment options (list all that apply): ① No treatment ② chemotherapy ③+④ = radiation + surgery usually don't help | Tells you what to expect from different treatments: the response rates (% of patients who improve with the treatment) and common side-effects. Ask specifically about vomiting and hair loss if you are worried about these. |

| | |
|---|---|
| 6. Call the doctor if (list your threshold for fever, pain, other symptoms): Shortness of breath | Tells you when it is appropriate to call the doctor if you are in pain, are running a fever, or have other disturbing symptoms. |
| 7. How to reach the doctor:<br><br>Call Nursing Question Line: (415) 925-5060<br>Call Doctors' Line: (415) 925-5000 — emergencies | Gives you a direct line to the doctor's office. Keep handy, and make sure your family or caregiver has this number. |
| 8. Resuscitation wish:<br>?. "doc, do your best, but no breathing machines. | This allows you to receive all types of care for comfort but to forego measures such as cardiopulmonary resuscitation (CPR) to re-start the heart if it stops, or placement on a breathing machine. |

This document was originally conceived by Thomas J. Smith, M.D., Associate Professor of Medicine, Massey Cancer Center, Richmond, VA.

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# *Some Fixes: Insurance*

- ***Give platinum cards to most value-driven providers***
- ***Incentives for practicing good medicine***
- ***Insist on clear benefits for patients and rules for payment***
- ***Authorization means "authorization"***

# *Some Fixes: Pharma/Devices*

- ***Better drugs that are clinically superior with clear indications based on excellent trials***
- ***Good tools to implement their use***
- ***An intelligent EMR that talks to others***

# *What can we docs do?*

- ***Be patient centered: Be accountable***
- ***Use guidelines: ASCO & NCCN***
- ***Document our thinking***
- ***Learn palliative care***
- ***Embrace ASCO's QOPI and Top 5***
- ***Find, develop and use tools***
- ***Improve our agreements with payers***
- ***Learn payer rules and abide by them***
- ***Do studies—understand our style***

# *What can you do?*

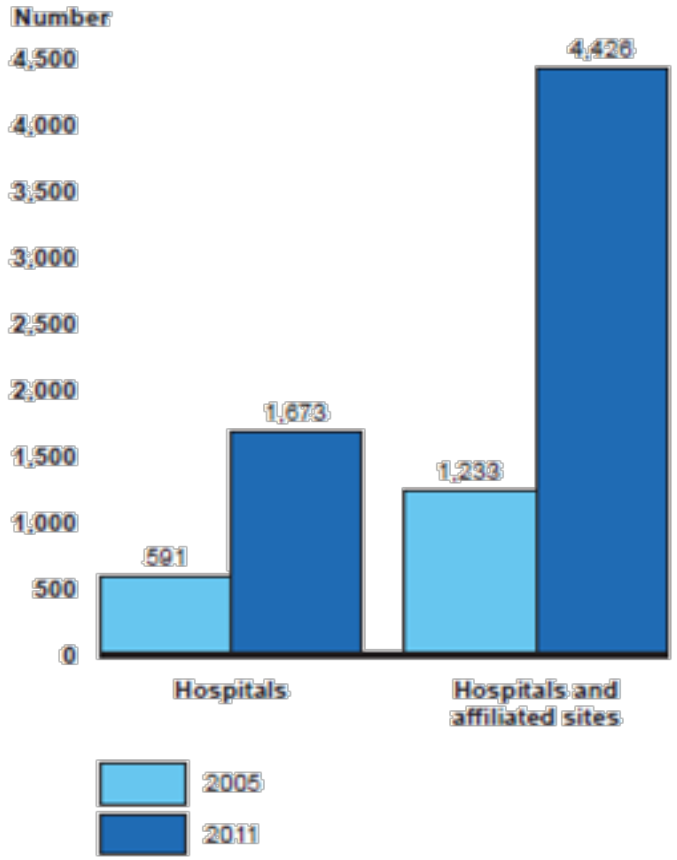
- ***Influence politicians, policy makers insurance and Pharma companies—I can't***
- ***Talk about the Ethics of Medicine***

*The End*

*Complements of*
*Jennifer Malin, MD, PhD*

# Dramatic growth in affiliated providers taking advantage of 340B pricing

**340B Program Participation Among Hospitals and Their Affiliated Sites** *(2005 – 2011)*




*Source: GAO analysis of GRSA data.*
*Note: 2005 was the earliest year data were reliable for hospitals without their affiliated sites.*

# Matched Cancer Treatment is 24% higher in Hospital Outpatient vs. Community Oncology Office

Overall, by volume and by episode, the cost of treatment at the Hospital is 24% greater than if performed at the Physician office.

**Table 3: Adjusted Chemotherapy Episode Costs, by Length of Episode**

| | Office-managed episodes | | HOPD-managed episodes | | |
|---|---|---|---|---|---|
| Length of episode in months | Number of episodes | Average episode cost | Number of episodes | Average episode cost | Percent difference |
| 1 | 4,601 | $10,764 | 1,784 | $13,828 | 28.5% |
| 2 | 3,679 | $17,431 | 1,240 | $23,917 | 37.2% |
| 3 | 2,502 | $26,893 | 1,091 | $32,541 | 21.0% |
| 4 | 2,518 | $33,192 | 859 | $42,628 | 28.4% |
| 5 | 1,601 | $39,220 | 481 | $53,538 | 36.5% |
| 6 | 1,151 | $49,062 | 332 | $61,661 | 25.7% |
| 7 | 1,091 | $39,888 | 268 | $55,216 | 38.4% |
| 8 | 635 | $47,709 | 165 | $74,066 | 55.2% |
| 9 | 734 | $42,838 | 127 | $75,645 | 76.6% |
| 10 | 445 | $48,683 | 105 | $67,003 | 37.6% |
| 11 | 302 | $67,068 | 69 | $86,938 | 29.6% |
| 12 | 303 | $66,826 | 85 | $102,395 | 53.2% |

Source: Avalere Health analysis of NAMCP member data

Cost estimates adjusted for age, sex, and prior history of cancer

**Table 4: Average Adjusted Episode Costs for Eight Most Common Cancers**

| | Office-managed episodes | | HOPD-managed episodes | | |
|---|---|---|---|---|---|
| Type of cancer | Number of episodes | Average episode cost | Number of episodes | Average episode cost | Percent difference |
| Lung | 3,036 | $32,913 | 1,239 | $32,382 | -1.6% |
| Prostate | 3,503 | $21,299 | 394 | $25,504 | 19.7% |
| Genitourinary System | 3,152 | $8,960 | 655 | $19,592 | 118.7% |
| Breast | 2,252 | $30,072 | 860 | $33,391 | 11.0% |
| Hodgkin's / Lymphoma | 2,131 | $39,080 | 902 | $42,537 | 8.8% |
| Colon | 973 | $45,997 | 233 | $46,220 | 0.5% |
| Digestive System | 688 | $30,018 | 266 | $30,044 | 0.1% |
| Leukemia | 581 | $39,008 | 350 | $43,508 | 11.5% |
| Any | 19,562 | $28,177 | 6,606 | $34,973 | 24.1% |

Source: Avalere Health analysis of NAMCP member data

# Differences in Practice Margin Across Selected Generics and Other Oncology Drugs

Selected Generic Oncology Therapeutics

| | Drug ASP for "typical dose" | Practice Margin @ ASP+6% |
|---|---|---|
| Doxorubicin | $ 41 | $ 2 |
| Cyclophosphamide | $ 158 | $ 9 |
| Paclitaxel | $ 96 | $ 5 |
| Irinotecan | $ 89 | $ 5 |
| Carboplatin | $ 54 | $ 3 |
| 5-FU | $ 3 | 17¢ |
| Navelbine | $ 61 | $ 3 |

Other Commonly Used Oncology Therapeutics for Comparison

| | Drug ASP for "typical dose" | Practice Margin @ ASP+6% |
|---|---|---|
| Docetaxel | $ 2,219 | $ 126 |
| Abraxane | $ 3,062 | $ 173 |
| Oxaloplatin | $ 4,325 | $ 209 |
| Doxil | $ 5,756 | $ 326 |
| Pemetrexed | $ 5,836 | $ 330 |
| Gemcitibine | $ 434 | $ 25 |
| Ixabepilone | $ 5,486 | $ 311 |