Quality health plans & benefits
Healthier living
Financial well-being
Intelligent solutions

Changes in Oncology Practice
Models, Payment, and Location:
The Impact of Health Reform
and Delivery Reform

- Who, how, and why of practice changes
- Private payer solutions
- Oncology management and HIT

National Coalition for Cancer Survivorship
March 22nd, 2012

Ira Klein, MD, MBA, FACP
Chief of Staff to the Chief Medical Officer

Smarter is healthy.
And with rising health care costs, smarter is necessary.
Aetna connects providers with partnerships, programs, services, technology and tools that help coordinate and collaborate for an aligned goal of best possible health outcomes at affordable prices.

We put people at the center
of everything we do

Integrity
We do the right thing for the right reason.

Excellence
We strive to deliver the highest quality and value possible through simple, easy and relevant solutions.

People we serve

Inspiration
We inspire each other to explore ideas that can make the world a better place.

Caring
We listen to and respect our customers and each other so we can act with insight, understanding and compassion.

Affordable care. Preventive care.
We are in a dynamic time.....and in need of new payment models

Changing Marketplace Dynamics

The way providers and consumers approach the health marketplace is evolving

Providers
Hospital vs. Physician-Owned Practices
Accountable Care Organizations
Patient Centered Medical Homes

Consumers
Consumer-Directed Plan Designs
Defined Contribution
Mobile and Convenience Information and Tools

Health Information Technology and Exchanges
Changing Marketplace Dynamics: Providers
Hospitals and physicians driving toward consolidation

**Hospitals**
- Escalating Costs and Threats of Declining Reimbursement
- Labor Pressures
- Securing Medical Staff
- Responding to Market Competition
- Protecting High Margin Service Lines
- Meeting Coverage Requirements
- Preparing for ACOs, Bundled Payments, etc.

**Physicians**
- Declining Reimbursement
- High Malpractice Insurance Premiums
- Needs and Pressures to Expand IT Capabilities
- Nationwide Salary/Wage Declines
- Younger Docs Want Better Lifestyle/Balance
- Value Care Coordination but Difficult to Manage

**Changing Hands**
Medical practice ownership
- Hospital-owned
- Physician-owned

**Oncology Marketplace Dynamics**
Impact on Private Practices; Migration to Hospital Systems

- 172 Clinics Closed
- 323 Practices Struggling Financially
- 44 Practices Sending ALL Patients Elsewhere for Treatment
- 224 Practices Acquired by a Hospital
- 102 Practices Merged/Acquired

Source: COA Practice Impact Tracking Database
Health Care Reform: 
Its Importance Put in Perspective

Our government’s largest challenge is managing the national debt. Unfunded Medicare obligations are the #1 driver of national debt. Delivery systems that focus on efficient, high quality care are best positioned for future success as inevitable Federal spending reductions come forward.

Source: www.treasurydirect.com and CIA World Factbook

The Policy Makers Intriguing Vision: 
Can We Have Our Cake and Eat It Too?

Dartmouth studies, Atul Gawande’s reports and multiple other reliable sources of information show that higher cost regions do not have higher use of evidence based interventions—The ARRA Opportunity: value based health care

Study of CMS Costs in the Last Year of Life published in Health Affairs study.

Higher cost areas did not have higher use of widely accepted proven, evidence based, effective care based on accepted measures.

High cost areas had higher use of specialists.

Increased use of specialists highlights the failure of information sharing across larger teams and the potential for HIT to create value.

Aetna Solutions combined with Health IT which focus on care coordination amongst care providers; increased compliance with the evidence base, and appropriate utilization guidance have the best opportunity especially at transitions of care are likely to generate expected value opportunities.

EXHIBIT 1
Relationship Between Quality And Medicare Spending, As Expressed By Overall Quality Ranking, 2000-2003

Note: Percent mortality increases, values equal higher quality.
Missing Information Impacts Patient Care:
Would you want to be one of those patients?

![Impact of Missing Information chart]

JAMA, February 2, 2005—Vol 293, No. 5

Archives of Internal Medicine; January 2011:
Is this a level of efficiency that demonstrates value to the system?

| % of PCP’s that send specialists notification of a patient's history and the reason for the consultation all or most of the time | 69% |
| % of Specialists that routinely receive the information | 34% |
| % of specialists say they send consultation results to the referring physician all or most of the time | 80% |
| % of primary care physicians say they get that information | 62% |
Payers often define Quality and Value on the Basis of Variation; Where there is large cost variance and little change in Quality, Value is lost

*Our homage to W.E. Deming!*

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The Employer Market is Demanding More Value
*And is willing to shift buying decisions and take the heat to get It…..*  
*Previously, did not want noise from employees on sensitive issues*

Quotes from plan sponsors:

- We want to reduce our annual healthcare costs by 15%...”
- “Willing to exchange access and choice for affordability…”
- “Discounts alone are not sustainable...we need improved unit costs…”
- “Where do you have innovative models in place with providers that …?”
Value Proposition: Oncology Vendor Solutions

Total Quality Management
TQM achieved through clinically accepted cancer care pathways and standardized patient support service that reduce variation in cancer treatment and care resulting in

• Increased specificity of effective therapy, using the right drug at the right dose for the right patient at the right time;  
• Reduced toxicity and side-effects through avoidance of non-indicated therapy or inappropriate dosing levels or intervals;  
• Improving patient quality of life;  
• Improving overall value of care delivery (defined as quality divided by cost)

Value to Members
Patient support services help members manage the physical and emotional aspects of cancer treatment and care planning,

• Increased compliance with treatment plan;  
• Increased monitoring and management of treatment side effects;  
• Educational materials and support services to address care choice decisions throughout the entire spectrum of care (e.g., chemotherapy administration, maintenance care, remission follow-up and cancer navigation, hospice utilization)

Value to Providers
Pathways assists physicians in making appropriate, evidence-based cancer treatment decisions (drugs and diagnostics) for commonly-treated cancers,

• Improve clinical decision making accuracy;  
• Improve office operational workflow;  
• Improve internal quality management with data driven feedback at the office and provider level

Value to Plan Sponsors & Aetna
Integrated services provide Aetna and plan sponsors enhanced data capture and analysis, outcomes measurement and utilization review,

• Collaborative oncology management allows for data analytics to drive future healthcare policy decisions;  
• Specific plan sponsors gain insight into the oncology “black box” through improved analytics and reporting capabilities;  
• Outcomes-based plan sponsor decision making allows for greater control and predictability of future costs

Aetna Perspective on Provider Reimbursement:
Additional value is rewarded through unique structural arrangements, once criterion are met

Guiding Principles

• All agreements place patient quality and access to care as the first priority  
• Reimbursement arrangements are based on quality of care in the form of use of evidence-based medicine and patient satisfaction  
• All parties (oncology physicians, 3rd party vendor, Aetna) mutually agree on the measurement parameters and values assigned to each  
• Oncology physicians in the community design and create clinical pathways for common malignancies in collaboration with a 3rd party vendor, or through use of an existing tool that encompasses NCCN guidelines (the primary derivation of our Clinical Policy Bulletins)

Business Model Requirements

• Highest possible patient quality of care achieved  
• Transparency in revenue flows  
• Full risk sharing capabilities  
• Equitable distribution of savings  
• Ability to report interim result  
• Quantitatively defined linkages to Aetna care management functions  
• Matches overall Aetna Strategic Intent
We include Patients in our Value Definition

Aetna’s Program Results

- Evidence based clinical pathways
- Avoided ER and IP stays
- Lower drug costs through greater use of generics where efficacy and toxicity are equal

Patient Journey

- Improved Patient Quality of Life
  - Reduced toxicity and side-effects through avoidance of non-indicated therapy or inappropriate dosing levels or intervals

- Advanced Care Planning and End of Life Discussions
  - Advanced care planning and End of Life discussions are introduced early in the treatment cycle allowing members to make informed decisions

- Patient Outreach by trained staff in Oncology care
  - Patients receive support starting at diagnosis and throughout the course of treatment

- Consistent Care for Members
  - Reduced Plan Costs

- Improved analytics and reporting allows plan sponsors greater control and predictability of future costs

Analysis of Data by Cost and Outcome:
Review of the early literature, and more to come in 2012

Do Pathways Work?

- Real-life Evidence from a Collaborative Study Between Aetna and U.S. Oncology
  “Cost-Effectiveness of Evidence-Based Treatment Guidelines for the Treatment of Non–Small-Cell Lung Cancer in the Community Setting”

- Peer reviewed journal: Journal of Oncology Practice, American Society of Clinical Oncology

- Purpose: The goal of this study was to evaluate the cost effectiveness of Level 1 Pathways, a program designed to ensure the delivery of evidence-based care, among patients with non–small-cell lung cancer (NSCLC) treated in the outpatient community setting.


Study Conclusions

- The study compared patients treated with evidence-based guidelines (also known as ‘on pathway’) to those treated with non-evidence-based guidelines (also known as ‘off pathway’).

- Results: Evidence-based care for patients with non-small cell lung cancer (NSCLC) results in an average cost savings of 35% over 12 months while demonstrating equivalent health outcomes.

- *Aetna and U.S. Oncology will release follow-up results of a broader study at the June 2012 ASCO Annual meeting.
Where could QOPI fit in our Program(s)?
Incorporation as a mark of Quality (Aexcel)

QOPI Program Description and Benefits
- Measures are evidence-based, peer-developed, relevant to practices, valid and methodologically sound
- Over 5 years of development and testing to ensure measures are important, valid and relevant
- Where more than 80% of cancer treatment is delivered, designed to capture information "on the ground" from community based practices
- Designed for the practice setting so clinicians can improve services and become more quality conscious.
- Data highlights and helps address variations in practice.
- QOPI allows practices to look at themselves and their processes comprehensively to address any gaps in quality
- Allows for on the spot correction
- Linked to ASCO education programs and technical assistance

Aetna Aexcel Program 2012
- Aexcel is a designation for Aetna participating specialists who:
  - Are part of the broader Aetna network
  - Have met industry-accepted practices for clinical performance
  - Have met Aetna’s efficiency standards
- Physicians who are not Aexcel designated:
  - Remain Aetna participating physicians
  - See no change in contracted reimbursement rates based on designation status
- Direct access:
  - Referrals to designated specialists generally not required
  - All other underlying plan requirements remain unchanged
- We re-evaluate physician performance at least every two years
- QOPI Certification could theoretically join as an Aexcel specialty in the future
- QOPI measurement would have to move to a more administrative methodology in order to be implemented and monitored by Aetna

12 specialties in Aexcel today:
- Cardiology
- Cardiothoracic surgery
- Gastroenterology
- General surgery
- Neurology
- Neurosurgery
- Obstetrics/gynecology
- Orthopedics
- Otolaryngology (ENT)
- Plastic surgery
- Urology
- Vascular surgery

Plan Designs and Tiered Networks that use Aexcel as a Determinant of in-network status

Why this matters!

Concentric

- Aetna Network
- Designated physicians, par PCPs, par hospitals, all par physicians in other specialties and ancillaries
- Out of Network
- Non-designated physicians AND Nonparticipating physicians and other health care professionals

Difference: Non-designated specialists

Multi-Tier

- Tier 1
  - Designated physicians, par PCPs, par hospitals, all par physicians in other specialties and ancillaries
  - Out of Network Nonparticipating physicians and other health care professionals

- Tier 2
  - Non-designated physicians
  - Out of Network Nonparticipating physicians and other health care professionals
The Patient’s Care Process Journey Today: Many Stops, Little Collaboration → Needs a New Model!

- Primary care → Consultation & referral → Follow-up → Follow-up
- Home nursing
- Hospice
- Hospital unit → Specialist consultation → Follow-up
- Diagnostic unit → Investigations
- Radio/chemotherapy center → Pre-operative treatment → Second treatment
- Surgical center → Surgery
- Multidisciplinary team → First case conference → Second case conference
- Patient Self Care

Sample PCMH contract model for Value Reward

- Attributable Member Base
- Care Coordination Fee (PMPM)

Efficiency Measure 1
Efficiency Measure 2
Efficiency Measure 3
Efficiency Measure 4
Efficiency Measure 5

Clinical Measure 1
Clinical Measure 2
Clinical Measure 3
Clinical Measure 4
Clinical Measure 5

$ Determines Reward Payment Opportunity
$ Determines % of Reward Payment Opportunity Payable

Annual Provider Reward Payment Opportunity = % of savings sharing – care coordination fee
The ACO Solution: Collaboration
Clinical value creation is realized and shared through Aetna collaborations

Financial incentives, business structure innovations, and Health information technology support improved clinical performance
Improved clinical performance measured through quality scores and cost of care measures creates economic and clinical value

Private label insurance products which allow delivery systems to directly market their services
Complete transparency between efficiency and effectiveness and price to market
- Direct rewards for quality and efficiency
- New innovations for clinical care

Aetna has over 140 delivery systems of varying size, type and scope that are planning various forms of Accountable Care Collaborations. HIT is foundational to creating new clinical value through clinical integration and decision support.

Three models (examples) of collaboration

<table>
<thead>
<tr>
<th>Model</th>
<th>Description</th>
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| **A** Oncology Vendor Solution  
Aetna as Payer | - Enable sharing of clinical, financial & administrative data via clinical data sharing  
- Apply NCCN derived vendor-oncology practice agreed upon quality measures to deliver actionable information as doctors take care of patients in real time  
- Stratify entire patient population by individual cancer specific characteristics, and track compliance with evidence base  
- Assist with workflow redesign, practice optimization & business alignment to achieve clinical integration & maximize care team productivity |
| **B** Population-Specific Collaboration (PCMH)  
(could easily be multi-payer) | - Utilize oncology clinical guidelines and case management staff and programs to assist transition between hospital, office, and physician practices  
- Optimize revenue through appropriate clinical and efficiency measures  
- Access additional actionable clinical data, analytics, & reporting on patient population through provided technology (iNexx and related tools) |
| **C** ACO carve-out or participation in Private Label Health Plan | - Single Specialty Oncology network creates separate contract with ACO  
- Use of Aetna insurance license and expertise (e.g., actuarial) to enable private label/co-branded health plan offering and manage risk  
- Leverage Aetna scale/operations – claims processing, customer service, call center, & care management (e.g., staff, programs, technology) |
Granular Patient Level Data Capture: What to get, and who’s Evidence Based Guidelines to Benchmark (criterion) against?

**Objectives of Guidelines Program**
- Use technology (software) to allow for easy office interface with Clinical Decision Support
- Capture cancer stage, histology, tumor markers, performance status, patient demographics
- Enhance patient outcomes and cost effectiveness of care by applying evidence-based clinical pathways, and aligning oncology drug pricing with guidelines
  - Drug pricing to drive selection of most cost-effective medications
  - Minimize side effects and toxicities for patient
  - Support clinically appropriate lines of therapy
- Facilitate community based care that continues to enable independent quality of life
- Provides Decision Support and Care Coordination to patients and families helping them make informed choices regarding:
  - Lines of therapy – whether or not to try new courses of chemotherapy
  - Accessing palliative and hospice care
- Aligned physician and reimbursement policy with clinical guidelines
- Use aggregated information for medical science and clinical effectiveness research

**NCCN: Our Industry Guideline Std.**
- Standard for Clinical Policy in Oncology in United States
- 44 Multidisciplinary Panels with 25-30 experts per panel (Volunteer time and expertise)
- Widely available free of charge worldwide to all including Medical, Radiation, and Surgical Oncologists; Oncology Nurses; Pharmacists, etc.
- Over 100 Updated (continually) Individual Guidelines
- Basis for insurance coverage policy and quality evaluation

**Other Payer(s) Guideline Std.s**
- Reimbursement Intelligence…polled 55 insurers and found that…ninety percent of those insurers looked to the NCCN Compendium for guidance, with most covering an indication ranked 2B or above.
  - Managed Care Magazine, September 2011

**Usable Patient Centric Data by Costs and Outcomes can be Created from Fragmented Data**

Presented in Context to Manage Care

**Coherent Individual Health Record**
- Personal details
- Care providers
- Health events
- Health matters problems, medications, treatments, etc

Core Technologies
- ontology
- single best record
- protocols

Useful & Usable Information

NOT just a dumpster of data and documents; Purposeful record and process support
Improving the Care Process: The Fundamental Opportunity to Improve Quality While Eliminating Waste

The Health Information Exchange Opportunity: Managing the Care Process through Health IT

The ACS Approach:
Algorithms and a clinical ontology integrate information of all kinds (free text, discrete...) into a database that supports the individual’s ongoing health and care and population-based analytics.
"We envision a future where information follows a patient unconstrained by organizational boundaries”

“Meaningful Use is Four Things”:
1. Improve Care Coordination
2. Enhance Quality
3. Manage population health
4. Engage patients and their families

Areas of Strategic Focus
What would be the Ideal Next-Generation Tool for Oncologists? A Tool that Eliminates this:
The Oncologist and his/her office is stuck in a 20th Century communication and Data exchange environment

When that is the case, collaboration with other health care providers is often tedious, costly, and difficult to obtain.

Once information has been gathered into a longitudinal Community Health Record, now the information may be propagated to third parties via ASP gateways

Data propagation via ASP Gateway's
The Result

A completely connected healthcare community for quality, cost effective and highly coordinated and collaborative care

Quick Review of the Medicity HIE Platform

- **Gateway Services**
  - Hosted services shared across all communities
  - Exchange with NHIN participants, medication networks, consumers & payers

- **Cloud Services (Pull)**
  - Shared services by all participants of the HIE
  - Identity management & record locator services
  - Centralized or Federated Data Storage
  -Terminology translation

- **Grid Services (Push)**
  - Light-weight, scalable securing messaging
  - Exchanges clinical and administrative data between two trusted sources on the Grid using the Inexx platform

US Patent No. 7,653,634
Concluding Thoughts
What have we learned up to this point in time about new systems?

- Success in moving to a new era means real office transitions in automation and process control
- Stick to the evidence in evidence-based medicine
- Financial goals are central to oncology provider survival; shared savings metrics must be clearly stated
- To keep “the patient at the center of everything we do”, connect them to the oncology provider by way of quality and outcome goals

Follow the IT Revolution (SOCIAL)
- **Speed** - Can pre-cert, other functions, become real time and live?
- **Open** - Will all players be transparent in all activities, financial and relationship?
- **Collaboration** - Are we secure enough to foster “coopetition” amongst every entity?
- **Alignment** - Is agreement from all that the patient comes first in our business transactions?
- **Leadership** – Who will bind up all of the elements and participants in the value chain?