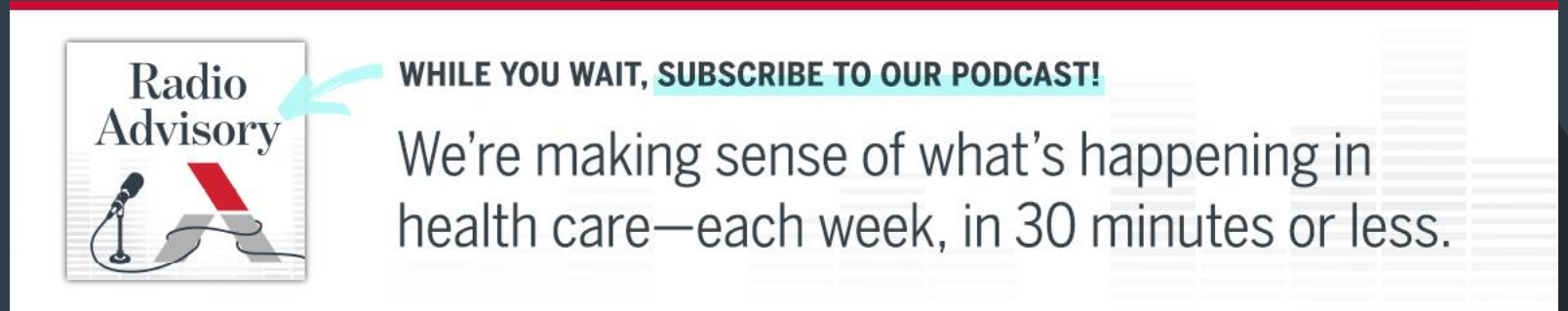
Advisory Board

2022 Oncology State of the Union

Today's opportunity to shape the future of cancer care



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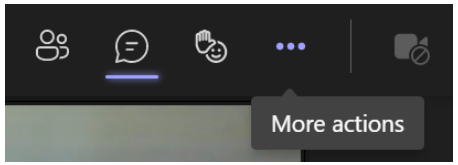

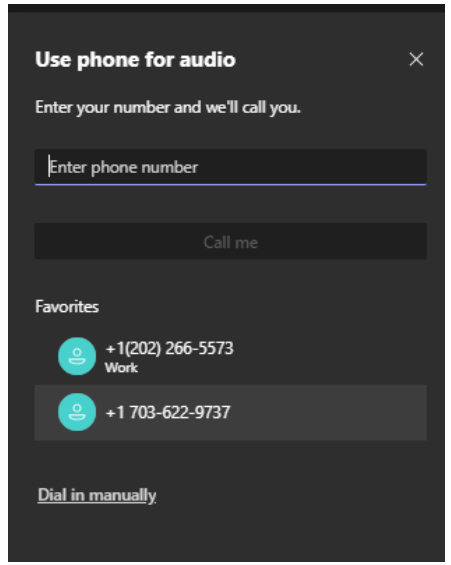

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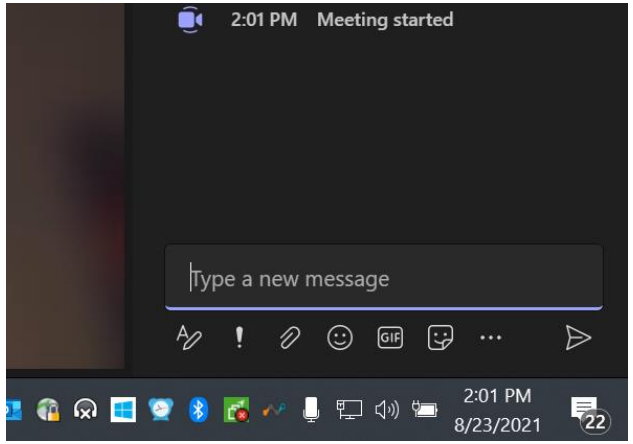

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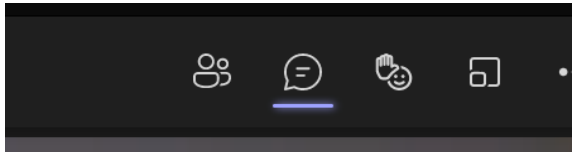

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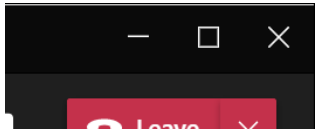

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2022 Oncology State of the Union

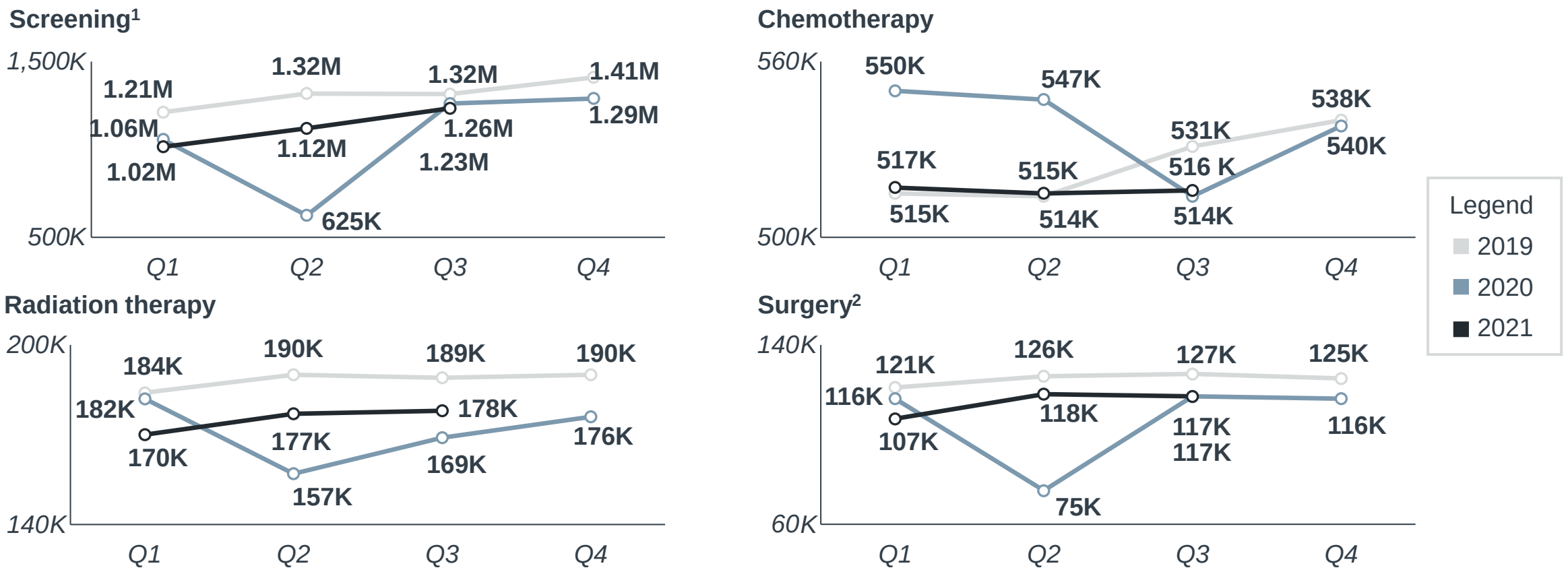
Today’s opportunity to shape the future of cancer care

Presented by
Oncology Roundtable

Oncology volumes still rebounding from the pandemic

Quarterly outpatient oncology service utilization volumes before and during the Covid-19 pandemic

Medicare claims, Q1 2019 – Q2 2021



1. Includes mammography and colonoscopy.
2. Includes key surgeries for breast, colorectal, gynecologic, head and neck, hematological, hepatobiliary/pancreatic, musculoskeletal, skin, soft tissue, thoracic, and urology tumor sites.

Source: CMS' Standard Analytical Files (Medicare fee-for-service claims data).

Advisory Board interviews and analysis.

Views of the post-pandemic future imply lack of agency

“The new normal”

Implies that oncology is approaching a different set of realities that, while not yet fully clear, must be adapted to as permanent, universal circumstances

Driving question: How well can we adapt?

“The recovery period”

Implies that the main changes will be (or even *should* be) the mitigation or reversal of Covid-19-induced shocks and the return to a pre-pandemic status quo

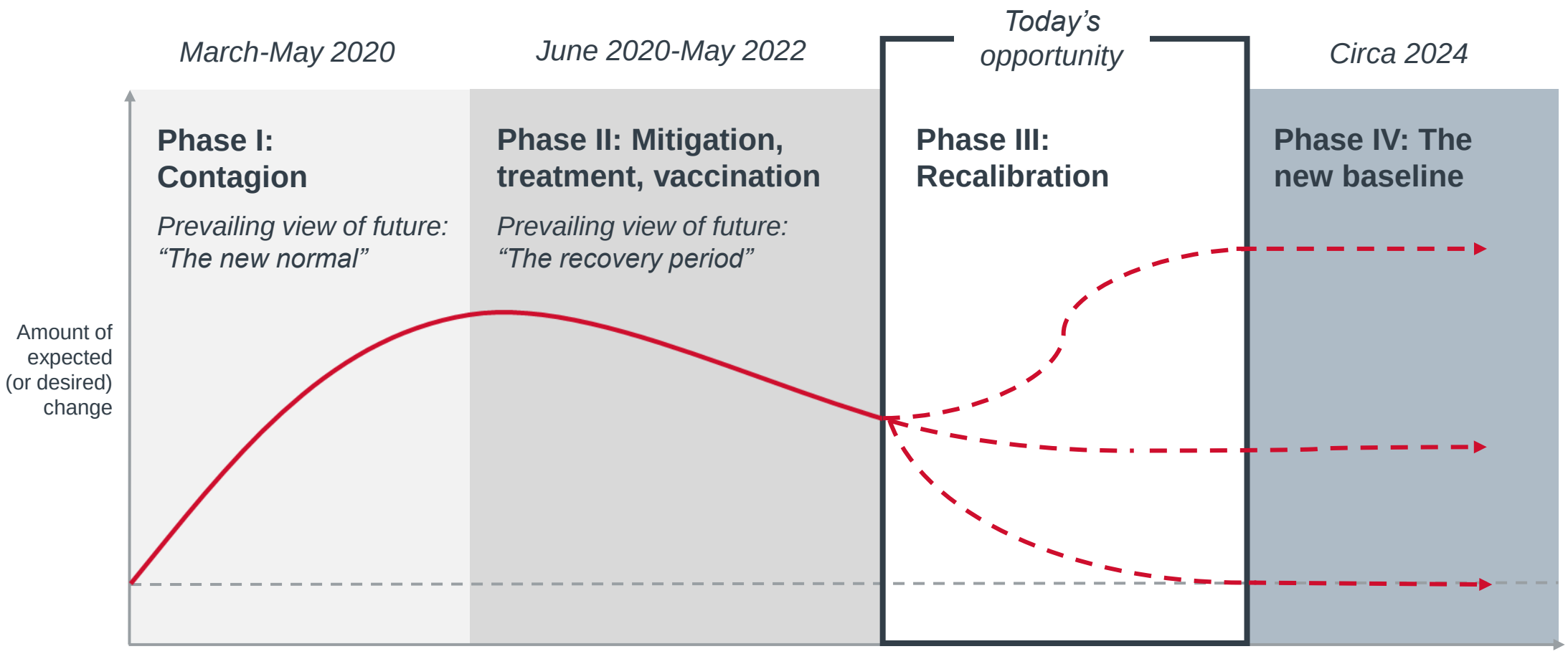
Driving question: How quickly can we recover?

Both mental frameworks cast oncology leaders as passive or reactive actors. In reality, the future is not just unknown, it is still unwritten. Influential leaders can determine the course of the industry’s change.

Driving question: What do we want our future to be?

Advisory Board interviews and analysis.

A narrow window of opportunity to shape the future



Advisory Board interviews and analysis.

Oncology leaders can influence five inflection points

The peri-pandemic period is characterized by an unusually large number of structural shifts that….

Can play out in ways that are **directionally different**, not just incrementally so

Have a **time-limited**—but enduring—window of influence

Will be influenced by actions taken by **oncology leaders**

Have **cross-industry significance**

THE FUTURE OF…

Value-based care

Drug spending

Site-of-care shift

Workforce

Health equity

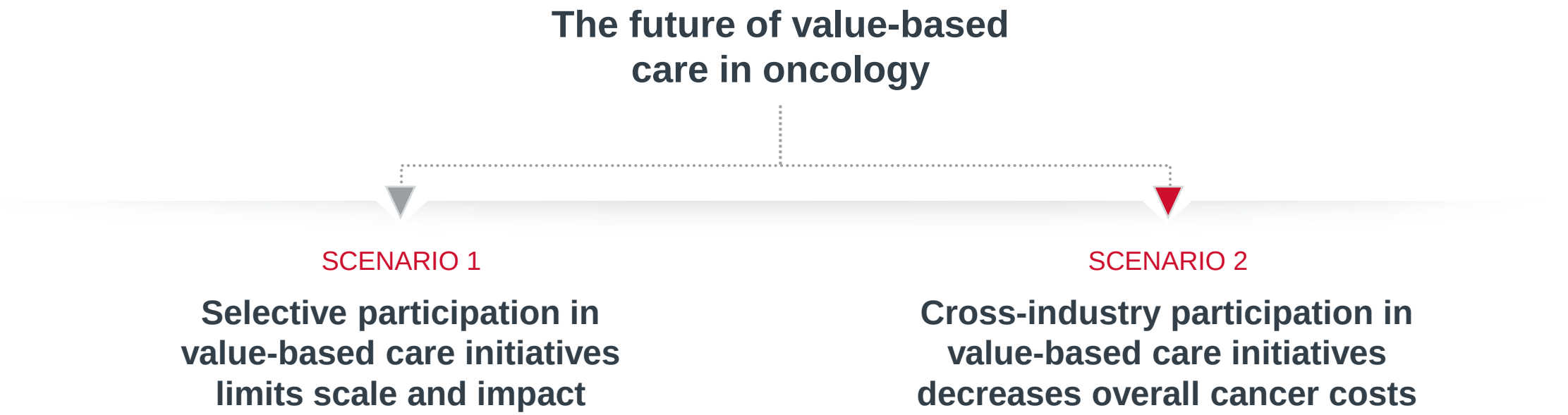
Advisory Board interviews and analysis.

Prevailing attitudes about the future suggest that the oncology industry is either approaching a new equilibrium or reverting to the pre-pandemic mean. Advisory Board's view is different: We believe that the future is still unwritten, and that today's oncology leaders have a unique—but time-limited—opportunity to shape that future.

01

Value-based care

What will be the future of value-based care in oncology?

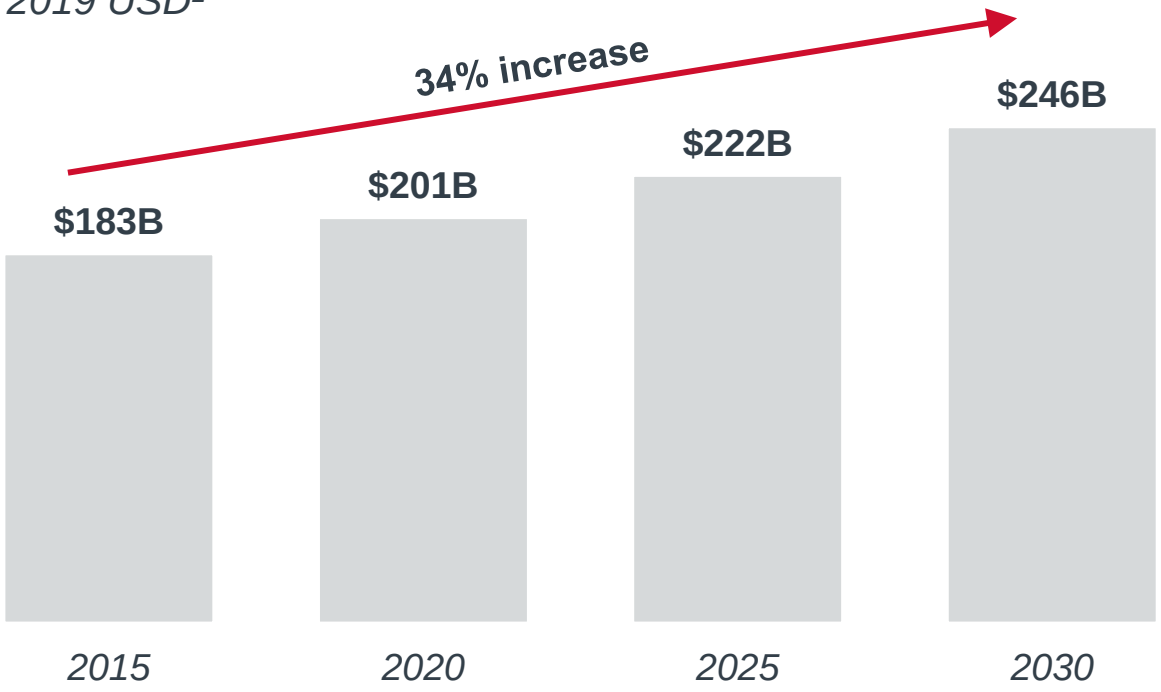


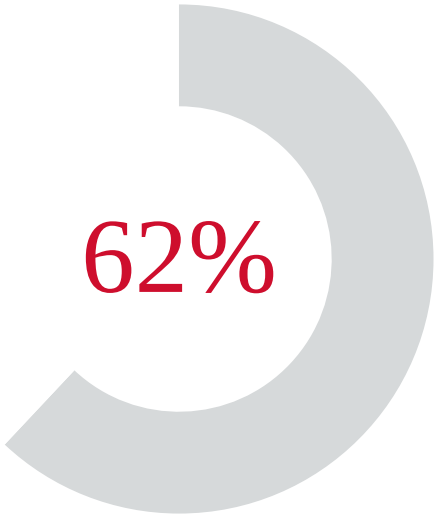
Advisory Board interviews and analysis.

Value-based care targets rising cancer spend

Observed and projected national cancer care spending, 2015-2030

2019 USD[1]





Cancer programs that reported **participation in value-based contracts** in the 2019 Trending Now in Cancer Care Survey

1. US dollars.

Source: Mariotto AM, et al., "Medical Care Costs Associated with Cancer Survivorship in the United States," *Cancer Epidemiol Biomarkers Prev*, June 10, 2020, DOI: 10.1158/1056-9965.EPI-19-1534; "2019 Trending Now in Cancer Care Survey," Advisory Board and ACCC, https://www.accc-cancer.org/home/learn/publications/trends/2019-trending-now-in-cancer-care.

Advisory Board interviews and analysis.

OCM results were mediocre but varied by practice type

Impact of the Oncology Care Model (OCM) on spending and service utilization during performance periods 1-6

- ✗ $377.1M overall loss to Medicare during first five performance periods when including MEOS[1] and performance-based payments
- ✓ $298 reduction in spending per patient episode, with greater reduction among high-risk patients (not including MEOS)
- ✗ No reduction in emergency department visits, hospitalizations, or unplanned readmissions
- ✓ 1.1% decrease in end-of-life hospitalizations
- ✗ No changes to chemotherapy drug treatment or radiation therapy utilization
- ✓ More cost-conscious use of Part B non-chemotherapy drugs

OCM performance by select community oncology practices

$5M — Savings to Medicare generated by **Tennessee Oncology** across two performance periods

$9.5M — Savings to Medicare generated by **The Oncology Institute** across nine performance periods

$120M — Savings to Medicare generated by **Florida Cancer Specialists and Research Institute** across eleven performance periods

$197M — Savings to Medicare generated by **The US Oncology Network** across eight performance periods

1. Monthly enhanced oncology services payments.

Source: "Evaluation of the Oncology Care Model: Performance Periods 1-6," CMS, December 2021, https://innovation.cms.gov/data-and-reports/2021/ocm-ar4-eval-payment-impacts; Source: "Tennessee Oncology receives perfect quality score while saving Medicare $5 million during last year of Oncology Care Model," Tennessee Oncology, November 2021; "The Oncology Institute Reaches $9.5M Total Saved to Medicare While Exceeding Quality Benchmarks," The Oncology Institute, April 2022; "Case Study: Florida Cancer Specialists and Research Institute Delivers High-Quality, Cost-Effective Care Through the Oncology Care Model," Florida Cancer Specialists and Research Institute, May 2022; "New Metrics Show The US Oncology Network Practices Leading the Way in Value-Based Care," Yahoo! Finance, November 2021.

Advisory Board interviews and analysis.

CMS' Radiation Oncology Model delayed indefinitely

Key milestones for CMS' Radiation Oncology Model

July 2019

CMS first **published its proposal** for the Radiation Oncology (RO) Model

September 2020

CMS **finalized** the RO Model with **the intended start date of January 1, 2021**

December 2020

CMS announced in the CY 2021 OPPS/ASC final rule its intent to **delay the model start date to July 1, 2021** in response to feedback from stakeholders and the ongoing Covid-19 pandemic

December 2020

Congress enacted the Consolidated Appropriations Act, 2021, which **prohibited implementation** of the RO Model **prior to January 1, 2022**

July 2021

CMS proposed additional modifications to the model design in the CY 2022 OPPS/ASC proposed rule, which **proposed starting the model on January 1, 2022**

November 2021

CMS **finalized** the majority of its proposals as proposed in the CY 2022 OPPS/ASC final rule, including **the January 1, 2022 start date**

December 2021

Congress **delayed the start of the model to January 2023** by enacting the Protecting Medicare and American Farmers from Sequester Cuts Act

April 2022

CMS released a proposed rule that proposes to **indefinitely delay the start** of the RO Model

Source: "Radiation Oncology Model," CMS, https://innovation.cms.gov/innovation-models/radiation-oncology-model.

Advisory Board interviews and analysis.

"**Momentum towards value-based care has really slowed**… I think my job is twofold: to provide that clarity and lay out that strategy and that future direction, and then also **help us regain that sense of inevitability**."

Liz Fowler, Director, Center for Medicare and Medicaid Innovation

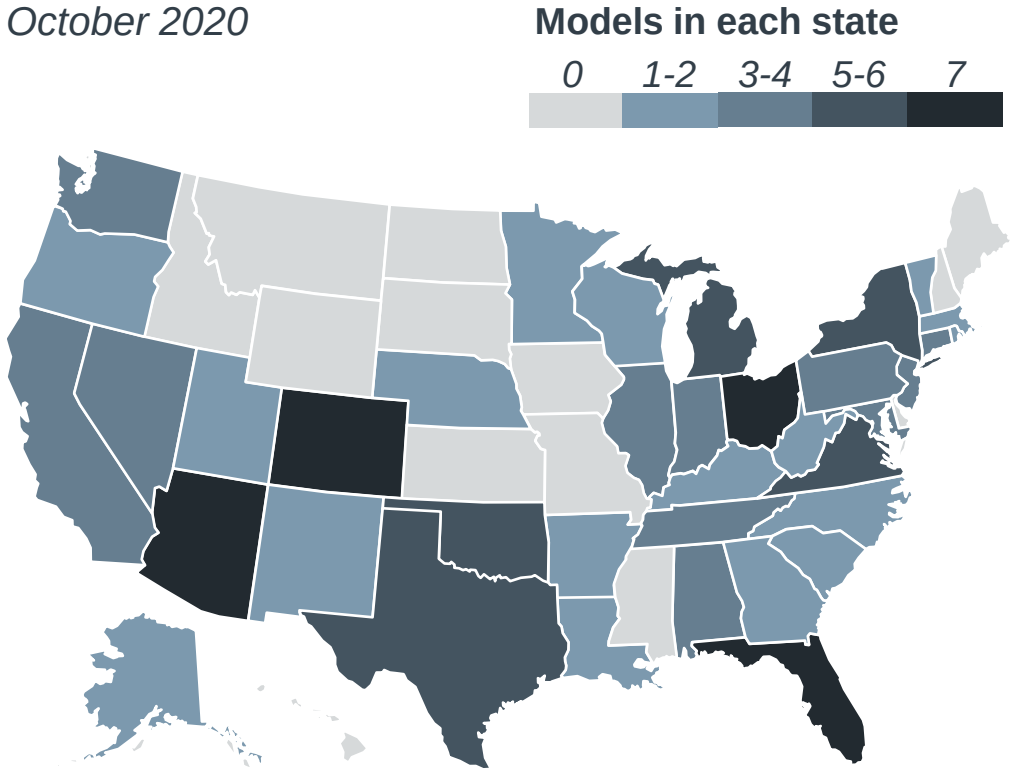
1. Center for Medicare and Medicaid Innovation.

Goldman M, "CMS proposes indefinite delay of Medicare radiation oncology model," April 6, 2022, https://www.modernhealthcare.com/payment/cms-proposes-indefinite-delay-medicare-radiation-oncology-model; "Where CMMI is headed—according to its director," Advisory Board, October 2021, https://radioadvisory.advisory.com/94.

Commercial payers continuing to experiment with VBP[1]

Ongoing oncology payment reform models

October 2020



Select commercial payment models started since 2019

Oncology medical homes

- BlueCross BlueShield of Tennessee and Tennessee Oncology's Oncology Medical Home
- ASCO Patient-Centered Cancer Care Certification pilot
- Anthem's oncology medical home
- Cigna Oncology Focus Program

Bundled payment programs

- UnitedHealthcare's[2] Cancer Episode Program
- Horizon Blue Cross Blue Shield of New Jersey's Episodes of Care program with Astera Cancer Care and OneOncology
- Memorial Sloan Kettering and Carrum Health's comprehensive cancer care bundles for employers
- UnitedHealthcare's radiation oncology bundle program (pending)

Pathway programs

- UnitedHealthcare's Cancer Therapy Pathways Program
- Cigna's oncology clinical pathways program

1. Value-based payment.
2. Advisory Board is a subsidiary of UnitedHealth Group. All Advisory Board research, expert perspectives, and recommendations remain independent.

Source: "2020 Community Oncology Alliance Payment Reform Model Brief," Community Oncology Alliance, October 2020, https://communityoncology.org/wp-content/uploads/2020/10/COA-2020_Payment_Reform_Brief-FINAL.pdf.

Newer models are more collaborative, streamlined

Common themes across new value-based payment models in oncology

Increasing collaboration

- More frequent communication between health plans and participating providers
- Greater feedback given from health plans to participating providers with actionable insights for quality improvement
- Conversations between health plans and hospital-based cancer programs to remove barriers to participation

Optimizing model design

- Expansion of model eligibility to additional cancer types
- More precise patient segmentation using data about cancer type, stage, and biomarker status
- Experimentation with incentive structures to enable optimal provider investment in care coordination
- Focus on fewer, more meaningful quality measures
- Changes to assessment methodology that allow a broader range of organizations to participate

Streamlining processes

- Simplification of patient attribution processes
- Minimization of provider self-reporting on key performance measures by leveraging new data sources
- Use of internal technology solutions and external data analytics vendors to ensure more timely data return to participants

Advisory Board interviews and analysis.

Cancer Episode Program highlights progress in VBP

CASE EXAMPLE

UnitedHealthcare's (UHC) Cancer Episode Program

- Participants receive a prospective episode fee per four-month episode for eligible chemotherapy patients, which includes a bundled payment covering drug margin and $275 case management fee
- Drugs reimbursed at ASP[1] and all other services reimbursed fee-for-service; Opportunity for shared savings

Increasing collaboration

- Monthly meetings with participants to review quality and utilization data and track progress
- More granular data provided to participants more frequently, with discussions and analytics aligned to participant quality improvement priorities

Optimizing model design

- Expanded eligibility to additional tumor sites
- Simplified payment categories
- National benchmarks provided for meaningful cost and quality indicators
- New assessment methods let smaller practices participate

Streamlining processes

- Automated beneficiary enrollment based on prior authorizations for chemotherapy
- Automated claims processing
- Quality data pulled directly from claims
- Timely utilization and risk reporting to providers to support real-time collaboration and feedback

Preliminary results from the first year

24% Decrease in total medical costs during active treatment

39% Decrease in total medical costs for patients receiving checkpoint inhibitors

25% Reduction in ED visits

43% Reduction in inpatient admissions

1. Average sales price.

Source: "Cancer Episode Program," UnitedHealthcare, https://www.uhcprovider.com/en/resource-library/oncology-value-based-program/cancer-episode-program.html; UnitedHealthcare, Minnetonka, MN.

Advisory Board interviews and analysis.

Plans invest in value solutions beyond payment reform

Cigna's provider consult service (2022)

Goal: Promote evidence-based care and access to treatment innovations and clinical trials while keeping patients close to home

PROGRAM ELEMENTS

- Connects patients and their community oncologists with cancer subspecialists at NCI-designated cancer centers for diagnosis and treatment plan review
- Uses proprietary technology to identify recently diagnosed patients with complex cancers who are likely to benefit from consultative review

In a pilot, 40% of reviewed cases were recommended for alternative tests and therapy choices

Anthem's Concierge Cancer Care Program (2020)

Goal: Leverage technology and partnerships with top cancer treatment facilities to improve the patient experience and reduce costs

PROGRAM ELEMENTS

- Connects patients with virtual second opinions and treatment at Centers of Excellence around the country, including access to clinical trials with free transportation and lodging
- Offers access to telemedicine visits, virtual examination tools, and 24/7 remote patient monitoring

Originally piloted with Kroger, the program is now 3x larger and available to 900,000 members

Source: Cigna Launches Provider Consult Service to Drive Better Outcomes for Cancer Patients, Powered by Evernorth," Cigna, May 5, 2022, https://newsroom.cigna.com/2022-05-05-Cigna-Launches-Provider-Consult-Service-to-Drive-Better-Outcomes-for-Cancer-Patients,-Powered-by-Evernorth; "Providing affordable high-quality care for our customers," Anthem, 2020, https://www.antheminc.com/annual-report/2020/index.html.

Advisory Board interviews and analysis.

Employers also focusing on ensuring high-quality care

1 Ensuring appropriate diagnosis and treatment

AccessHope, *2020*

- Provides review of employees' diagnosis and treatment plan by subspecialists at NCI-designated cancer centers
- Connects patients with support services provided by their employers
- Used by 75 self-insured employers covering 3.3 million employees

MSK[1] and Carrum's cancer care bundles, *2021*

- Provide expert diagnostic review and treatment guidance in collaboration with local oncologists
- In-person treatment at MSK available for breast and thyroid cancer patients

1. Memorial Sloan-Kettering Cancer Center.

2 Navigating employees to expert care

Transcarent Oncology Care, *2022*

- Connects employees with leading cancer institutes, top oncology providers, and clinical trials
- Includes option to chat with doctors 24/7, medication management, mental and emotional care, and assistance with returning to the workplace

Cancer Study Group, *2020*

- Navigates employees to appropriate centers of care depending on level of expertise needed
- Used by 32 large employers and union plans

Source: "How we make a difference," AccessHope, https://www.myaccesshope.org/how-we-help; "Transcarent Launches Cancer Care to Address the Full Spectrum of Member and Family Needs," Transcarent, April 2022, https://transcarent.com/posts/transcarent-launches-cancer-care-to-address-the-full-spectrum-of-member-and-family-needs.

Advisory Board interviews and analysis.

Interest in aligning VBP in oncology and primary care

CMS

"Some of what [ACOs[1] are] telling us is you can focus on the sort of very high-cost, low-volume things that primary care isn't as equipped to manage.… **Oncology is an area…where having a [value-based payment] solution would be helpful and complementary to what they're doing**"

Liz Fowler, Director, CMMI[2]

Commercial payers

"We're having more conversations with providers to see how this can integrate with our other value-based programs at UnitedHealthcare. **For example, how can the Cancer Episode Program promote savings under ACOs?**"

Tracy Spinks, Director of Medical Clinical Operations, UnitedHealthcare

Disruptive value-based care providers

"**Risk-taking primary care groups are interested in programs like [The Oncology Institute's]**—involving both value-based care and value-based drug buying—to mitigate risk on various specialties"

Richard Barasch, Executive Chairman, The Oncology Institute

1. Accountable care organizations.
2. Center for Medicare and Medicaid Innovation.

Source: "Where CMMI is headed—according to its director," Advisory Board, October 2021, https://radioadvisory.advisory.com/94; Pringle S, "Value-based care emerges as a must-have for investors," PE Hub, November 2021, https://www.pehub.com/value-based-care-emerges-as-must-have-for-investors/; UnitedHealthcare, Minnetonka, MN.

Advisory Board interviews and analysis.

Will we achieve value-based care at scale in oncology?

The future of value-based care in oncology

SCENARIO 1

Selective participation in value-based care initiatives limits scale and impact

Individual payers continue to test small payment pilots, expert review and patient steerage programs, and other types of oncology value-based care initiatives. Some value-based care initiatives successfully lower total cost of care, but scaling those successes remains a challenge. Only some oncology providers participate in payment pilots, and engagement is often limited to independent practices rather than hospital-based cancer programs, with many practices unwilling to take on risk. Not all patients receive efficient and evidence-based care. As a result, cancer costs continue to rise.

SCENARIO 2

Cross-industry participation in value-based care initiatives decreases overall cancer costs

Independent practices, hospital-based cancer programs, and payers commit to advancing value-based care in oncology and collaborate across organizations to create new payment pilots and other types of value-based care initiatives, such as expert review and patient steerage programs, at scale. Providers widely take on economic risk for caring for populations of cancer patients, making value-based payment the industry standard for reimbursement. All patients receive efficient and evidence-based care. Overall, these efforts lead to decreased total cost of care.

Advisory Board interviews and analysis.

Factors influencing the future of value-based care

Deciding factors

- Will payers and providers continue experimenting with new oncology value-based payment models and collaborate to create alignment and scale?
- Will CMMI move forward with oncology value-based payment pilots?
- Will payers and providers publicly share details about their value-based payment models to allow others to learn from them?
- Will new model designs provide sufficient incentives for hospital-based cancer programs to participate in value-based payment pilots in addition to independent physician practices?
- Will providers demonstrate willingness to take on risk for a population of cancer patients?
- To what extent will oncology providers partner with value-based primary care providers to reduce total cost of care and achieve shared savings?
- Will industry stakeholders be able to identify which model elements contributed to ability to lower total cost of care for models that achieve success?
- Will new data tools make it easier to implement value-based payment models in oncology?
- Will health plan and employer interest in steering patients to subspecialists and centers of excellence continue to grow?

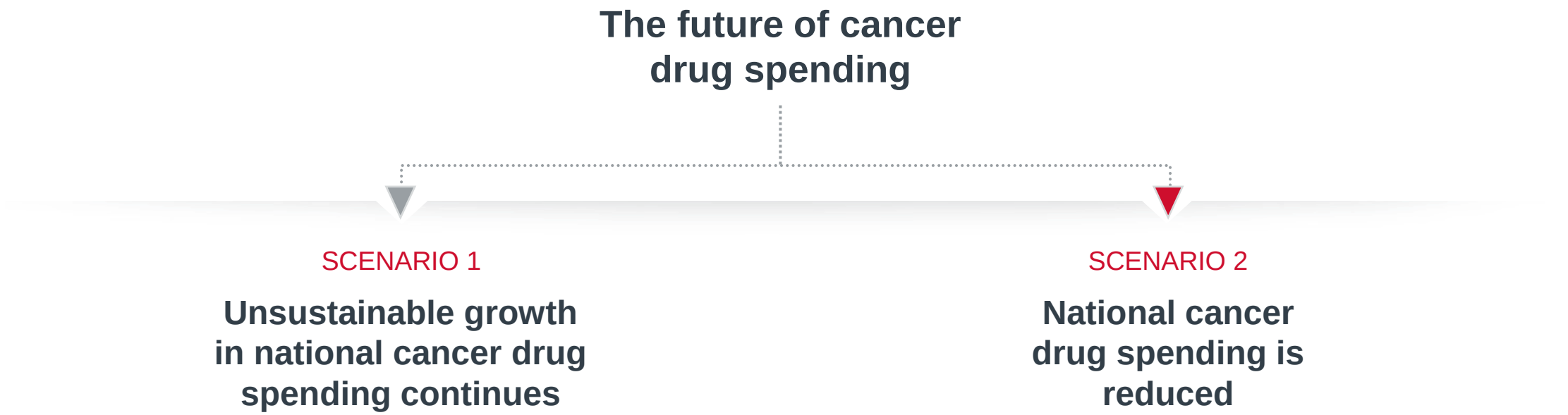
Advisory Board interviews and analysis.

With the Oncology Care Model ending, the Radiation Oncology Model delayed indefinitely, and mixed results from commercial models, it is unclear where value-based care in oncology is headed. The actions payers and providers take today to iterate on previous payment pilots, overcome challenges, partner with each other, and create innovative approaches to improve care value will shape the future of value-based care in oncology and determine whether it will be an effective strategy to reduce cancer spending.

02

Drug spending

What will be the future of cancer drug spending?

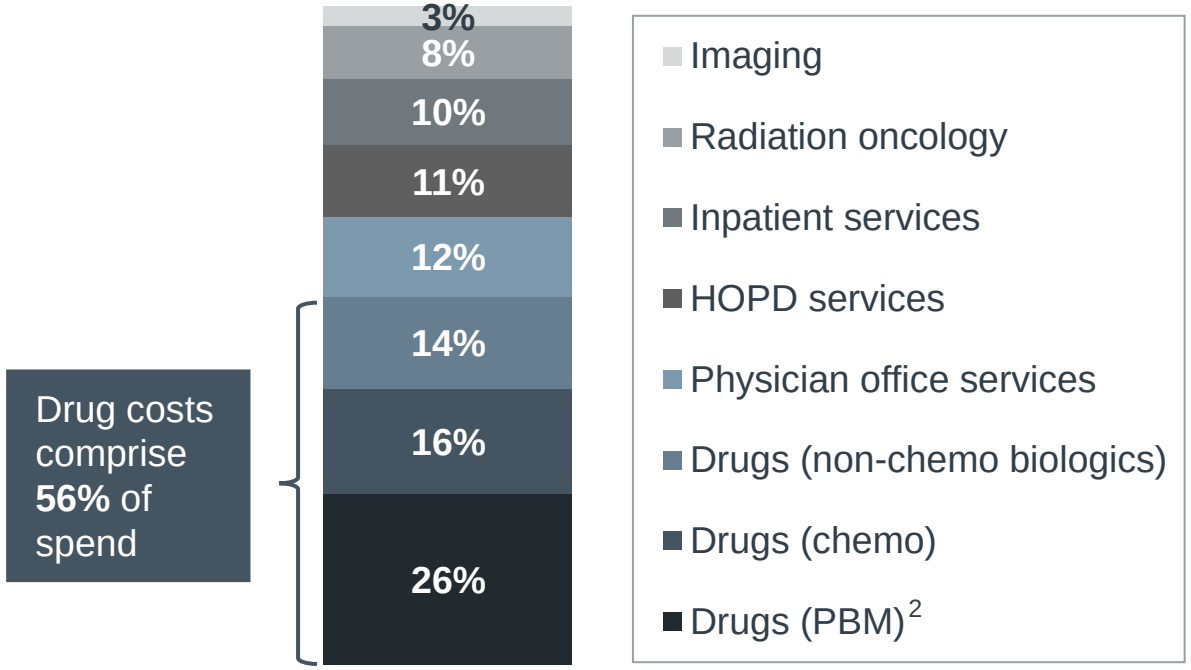


Advisory Board interviews and analysis.

Drug spend is largest cancer expenditure and growing

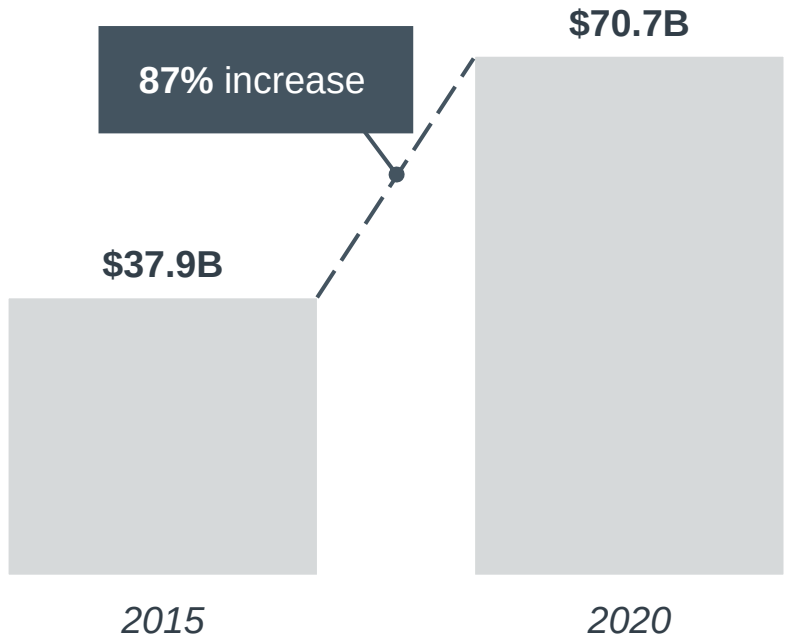
Distribution of average cancer spend per patient in active treatment[1]

Medicare claims data, 2016-2017



U.S. spending on cancer drugs

USD per year, 2015-2020



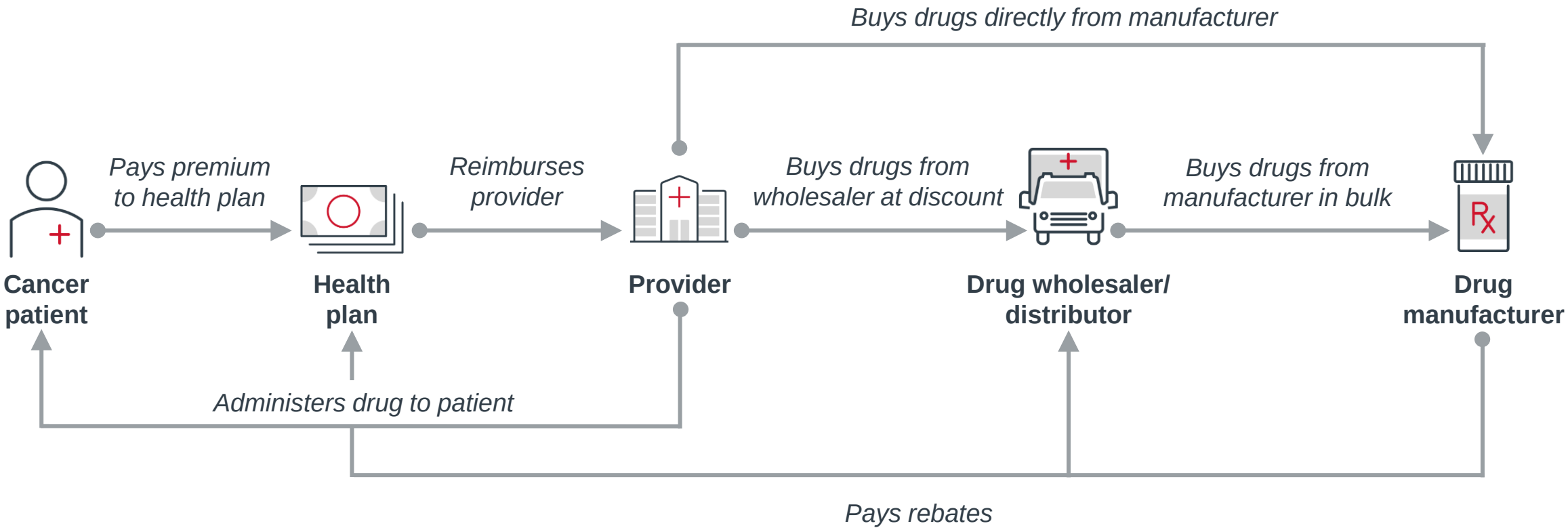
1. Active treatment period is a 12-month period starting when patient has a first claim for chemotherapy, radiation therapy, or surgery.
2. Pharmacy benefit manager.

Source: "Global Oncology Trends 2018," *IQVIA Institute for Human Data Science*, 2018, iqvia.com/-/media/iqvia/pdfs/institute-reports/global-oncology-trends-2018.pdf.; UHG Claims data for members in active treatment, 2016-2017; "Global Oncology Trends 2021," *IQVIA Institute for Human Data Science*, 2021, https://www.iqvia.com/insights/the-iqvia-institute/reports/global-oncology-trends-2021.

Advisory Board interviews and analysis.

Payment complexity makes it hard to reduce drug spend

Payment flow and drug distribution between stakeholders for provider-administered cancer drugs



Advisory Board interviews and analysis.

Adding new drug cost-control tactics to the arsenal

Tactics to control cancer drug spend by stakeholder

Health plans

- White bagging policies
- Prior authorization requirements
- Clinical pathways
- Formulary exclusions
- Outcomes-based contracting
- Value-based payment models
- Site-of-care policies

Government

- Payer price transparency
- Incentivizing biosimilar development
- Drug importation
- Medicare negotiation of high-cost prescription drugs
- Inflation rebate penalty
- Value-based payment models

Providers

- Biosimilar adoption
- Formulary decision-making based on real-world evidence (RWE)

Manufacturers

- Competitive drug pricing
- Outcomes-based contracting

Continued interest

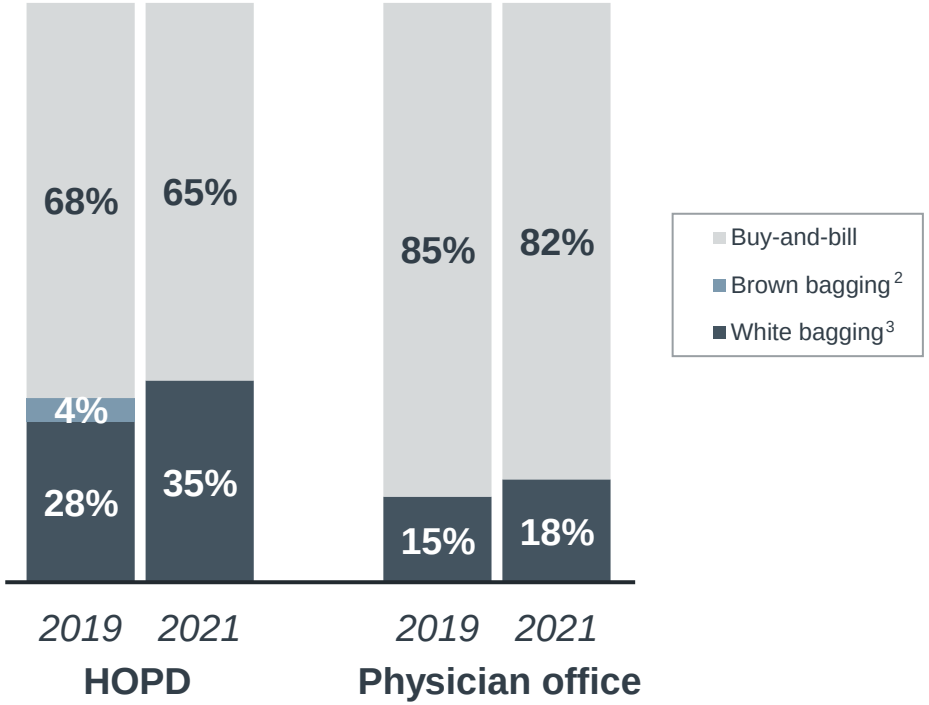
Growing interest

Advisory Board interviews and analysis.

Payers continue white bagging as “band-aid” measure

U.S. commercial health plan drug sourcing for infused oncology therapies[1]

Share of covered lives by site of care, 2019-2021



1. Figures for 2019 based on 48 commercial plans representing 126.6 million covered lives; figures for 2021 based on 51 commercial plans representing 124.9 million covered lives.
2. When a patient acquires a drug from a pharmacy and brings it to the provider for administration.
3. When a provider sources a drug from a payer’s preferred specialty pharmacy.

State anti-white bagging laws passed in 2021

Virginia

Plans must cover drug dispensing at same rates regardless of if pharmacy is in-network

Arkansas

For oncology and hematology patients, patients and providers have choice over prescription drug billing pathways

Louisiana

Plans must reimburse providers for supplying clinician-administered drugs without any extra patient fees, regardless of white bagging policies

POLICIES TO WATCH

At least seven other states introduced anti-white bagging legislation in 2021, including Georgia, Indiana, Maine, New York, Ohio, Texas, and Wisconsin.

Source: Fein A, “White Bagging Update: PBMs’ Specialty Pharmacies Keep Gaining on Buy-and-Bill Oncology Channels,” Drug Channels, Oct 2021; “Specialty pharmacy requirements for outpatient hospitals,” UnitedHealthcare, January 2022; Wu LL, “The ASHP Wants to Stop White Bagging on Prescription Drugs,” MedPage Today, Dec 2021; Snyder B and D Field, “An Overview of White Bagging: The Effect on Systems and Potential Strategies,” Hematology/Oncology Pharmacy Association, 2021.

Advisory Board interviews and analysis.

Government focus on drug pricing targets manufacturers

Recent actions by the federal government to reduce drug prices

Incentivizing biosimilar development

Advancing Education on Biosimilars Act, passed April 2021

Requires FDA to advance biosimilar education

Incentivizing biosimilar development

Executive Order on Promoting Competition in the American Economy, issued July 2021

Directs federal agencies to increase support for biosimilar drug development and minimize anticompetitive conduct

Inflation rebate penalty

Build Back Better Act, introduced September 2021

Would create a tax penalty for manufacturers that increase drug prices faster than inflation

Price transparency

Transparency in Coverage Final Rule, finalized October 2020

Requires health plans to publish current in-network negotiated rates and historical net prices for prescription drugs starting July 2022

Drug importation

Executive Order on Promoting Competition in the American Economy, issued July 2021

Orders FDA to work with states on importing drugs from Canada

Medicare negotiation of high-cost prescription drugs

Build Back Better Act, introduced September 2021

Would allow Medicare to negotiate reimbursement for the drugs with top spend that have been on the market for a significant period with no competitors

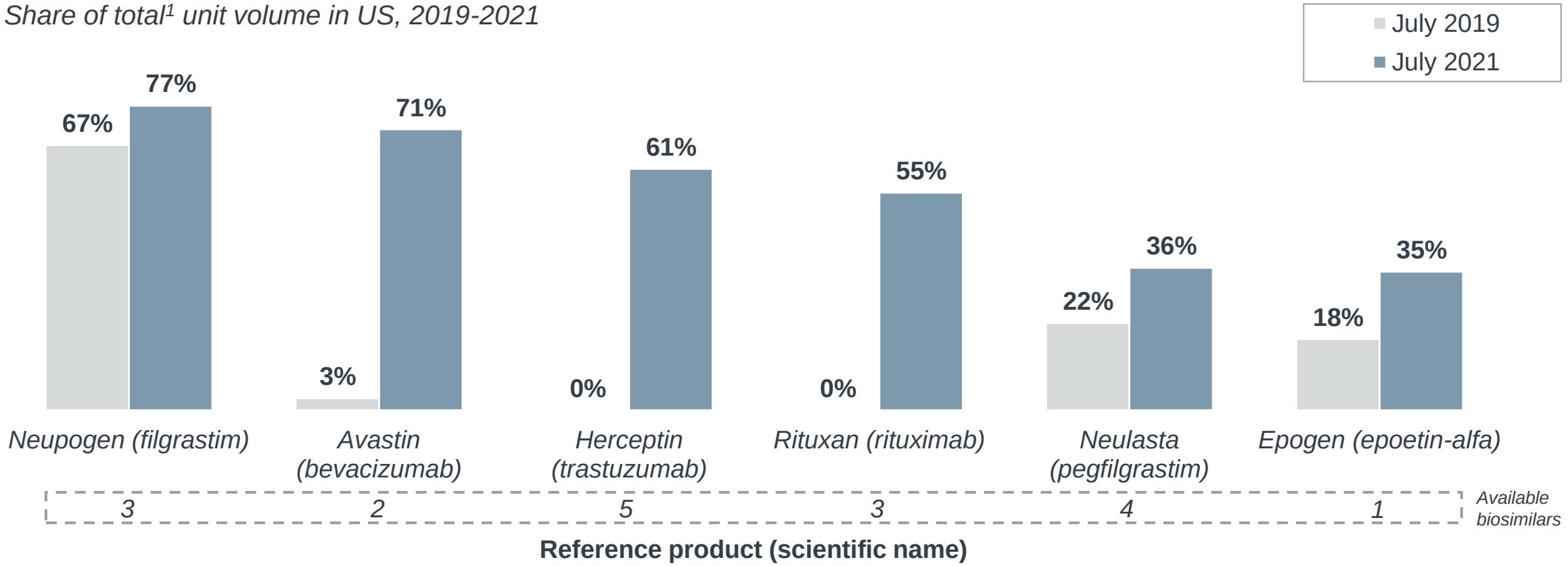
Source: "FACT SHEET: Executive Order on Promoting Competition in the American Economy," The White House, July 2021; "President Biden Announces Prescription Drug Pricing Plan in Build Back Better Framework," The White House, November 2021; Cubanski J, et al., "Explaining the Prescription Drug Provisions in the Build Back Better Act," KFF; "Advancing Education on Biosimilars Act of 2021," Congress.gov, April 2021; Rains-McNally K and Pickering J, "Full disclosure: Price transparency for health plans," Milliman, Sept. 2021.

Advisory Board interviews and analysis.

Providers limit drug spending with biosimilar adoption

Market share of oncology therapeutic and supportive care biosimilars

Share of total[1] unit volume in US, 2019-2021



1. Combined unit volume of reference product and all corresponding biosimilars.

Source: Fein A, "Drug Channels Update: Buy-and-Bill Market Trends," Drug Channels Institute, September 2021.

Advisory Board interviews and analysis.

Using real-world evidence to determine drug value

Examples of providers using real-world evidence in formulary decisions

Midwest academic medical center

- Spends three months tracking patient outcomes for newly approved high-cost drugs for which reimbursement might not fully cover costs
- Uses evidence collected to inform prescribing guidelines

National integrated delivery network

- Provided new biosimilar to 700 patients and compared outcomes to patients on the reference product
- Made the new biosimilar its preferred product based on this internal trial data

Source: Shah B, "Biosimilar Adoption and Barriers to Success: Current and Future Considerations," HealthTrust University Virtual Conference, August 2020.

Advisory Board interviews and analysis.

Manufacturers respond with competitive pricing models

COMPANY IN BRIEF

EQRx

New pharmaceutical company promising cheaper alternatives to cancer therapies

- Launched in January 2020
- Clinical pipeline includes:
  - Pre-registrational: PD-L1 and EGFR inhibitors
  - Clinical-stage: CDK4/6, PD-1, and JAK1 inhibitors
- Recent market access partnerships:
  - Blue Cross and Blue Shield of North Carolina (BCBSNC)
  - Blue Shield of California
  - CVS Health
  - Geisinger
  - Horizon Healthcare Services
  - National Health Service

30-40%	Potential decrease in cost of EQRx's drugs compared to current competitor prices
$100M	Conservative estimate of possible savings to BCBSNC through its deal with EQRx
180M	Total lives covered by EQRX's market access partners

Source: Sheridan K, "With two new insurance partnerships EQRx takes its first steps toward lowering drug prices. But how big are those steps?" STAT+, Nov. 2021; "EQRx: New Pharma," EQRx, Jan. 2022.

Advisory Board interviews and analysis.

Interest in outcomes-based contracting is growing

Manufacturers and payers signaling interest in outcomes-based contracts

1 **Point32Health contract with Takeda Pharmaceuticals**
Started October 2021

- Takeda provides rebate to Point32Health for NSCLC[1] patients who discontinue Alunbrig within three months
- Discontinuation must be due to effectiveness or tolerability issues

2 **Pfizer Pledge Warranty Program**
Started June 2021

- Pfizer refunds out-of-pocket costs for NSCLC patients who discontinue XALKORI within 90 days
- Provider must attest to "clinical rationale" for discontinuation

Industry perspectives on outcomes-based contracting in oncology

"The desire is there—everybody wants to do it. But it's hard to do in oncology."

Medical Director, Global biopharmaceutical company

"There's an expectation that unique specialty agents will only increase, so we have support in continuing to experiment with what works well."

Director of Outcomes-Based Contracting, National health plan

1. Non-small cell lung cancer.

Source: Liu A, "Takeda launches value-based pricing program for lung cancer med Alunbrig, promises more deals to come," Fierce Pharma, November 2021; "Pfizer Pledge Program," Pfizer.

Advisory Board interviews and analysis.

Will we reduce national cancer drug spend?

The future of cancer drug spending

SCENARIO 1

Unsustainable growth in national cancer drug spend continues

While payers continue to double down on existing cost-control tactics and experiment with new strategies, other stakeholders have difficulty coordinating with payers' efforts or seeing success with their new tactics and lose momentum. As a result, remaining strategies are not sufficient at controlling costs, and cancer drug costs continue to rise unsustainably.

SCENARIO 2

National cancer drug spending is reduced

Continued and concerted effort and experimentation across stakeholder groups to identify effective drug cost-control strategies is successful and these tactics become widely used by payers, providers, manufacturers, and the government. This not only slows the rapid increase in national cancer drug spending, but also reduces national cancer drug spending.

Advisory Board interviews and analysis.

Factors influencing the future of drug cost growth

Deciding factors

- Will cross-industry stakeholders continue to make drug cost management a priority? Will stakeholders collaborate to align their efforts?
- How will increasing public attention on high drug costs influence the actions taken by industry stakeholders to curb drug cost growth?
- How will growing pushback against current payer strategies impact future payer actions to reduce drug spend?
- How much of an impact will current legislative and regulatory actions have on lowering drug costs? What actions will policymakers take next to curb rising drug costs?
- Will oncology providers continue to increasingly incorporate drug costs into formulary and treatment decisions?
- Will government and manufacturer attempts to create drug price competition in oncology be able to overcome market incentives that support high drug prices and other barriers?
- Will new data tools make it easier for stakeholders to adopt and sustain drug cost-control tactics?

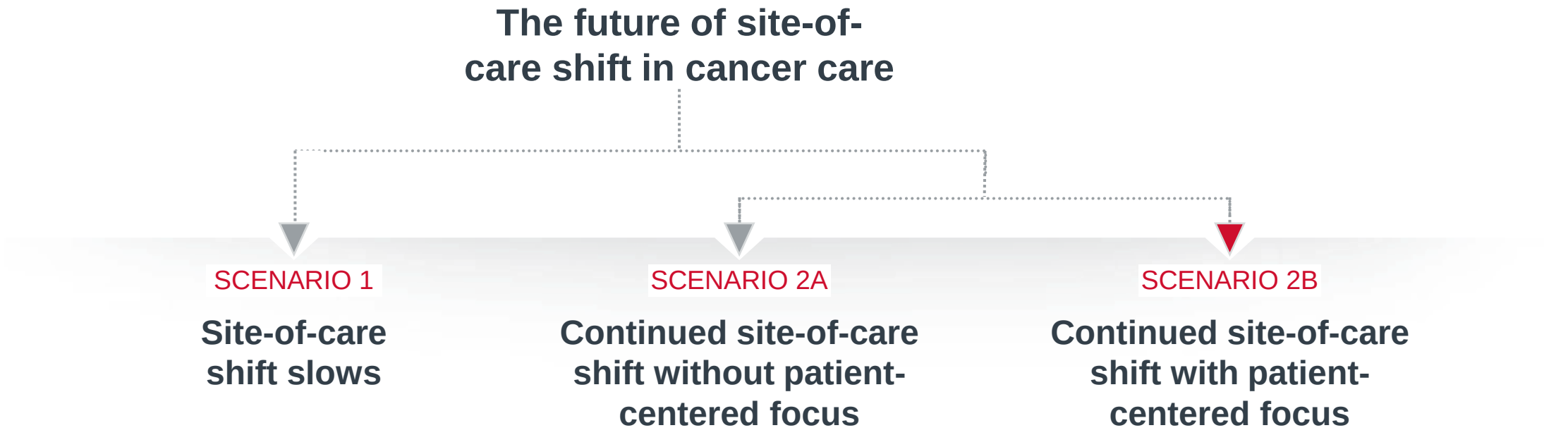
Advisory Board interviews and analysis.

As cancer drug costs rise rapidly, the government, providers, and manufacturers are joining payers in experimenting with tactics to manage costs. The ability of these groups to coordinate to identify and implement successful cost-control strategies will determine whether oncology drug spend continues to grow unsustainably or decreases.

03

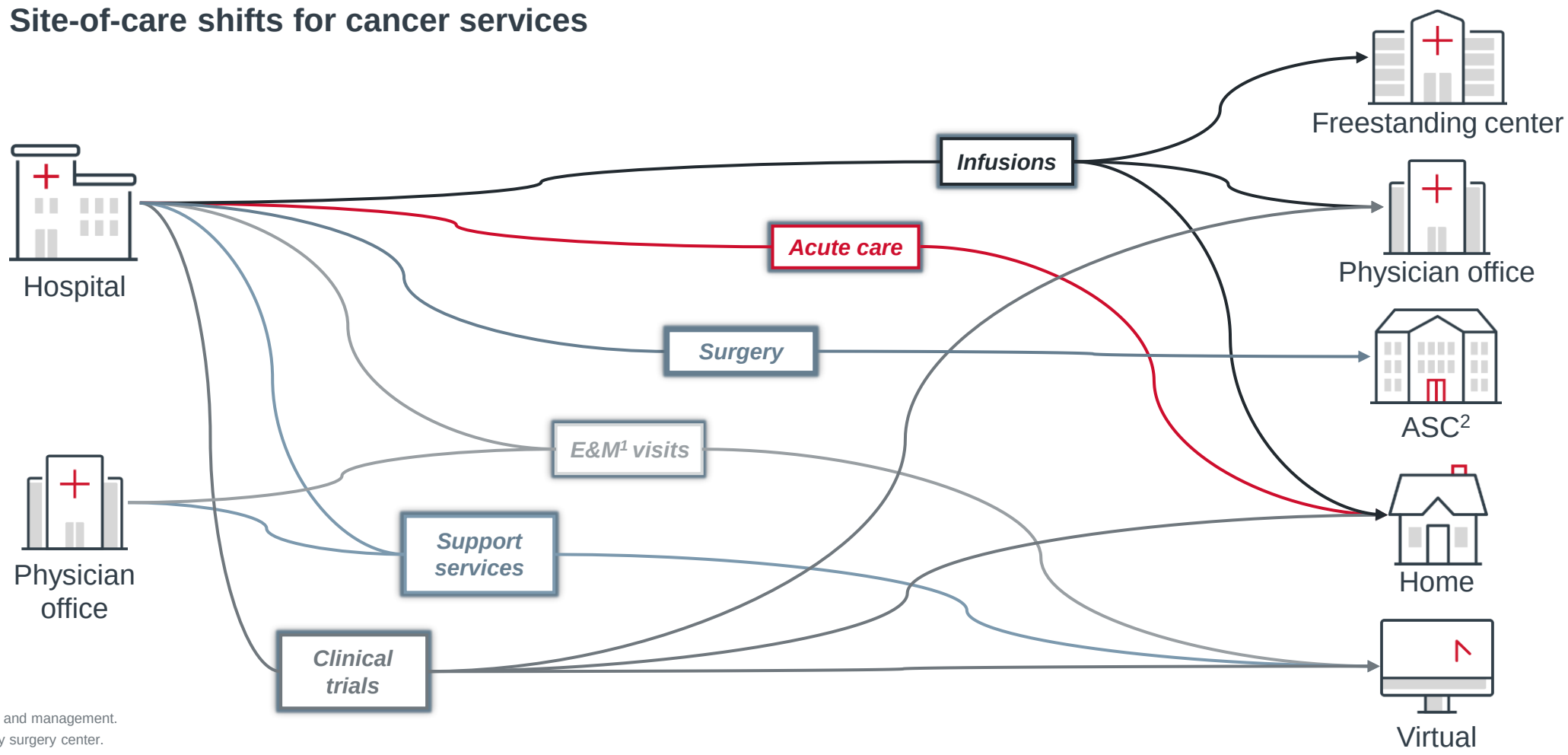
Site-of-care shift

Where will cancer care be delivered in the future?



Advisory Board interviews and analysis.

Site of care shifting across many aspects of cancer care

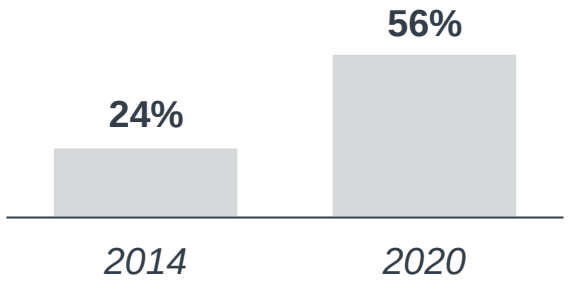


1. Evaluation and management.
2. Ambulatory surgery center.

Advisory Board interviews and analysis.

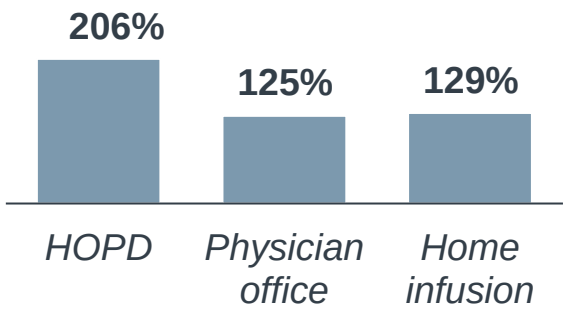
High costs lead payers to shift infusions from the HOPD

Percentage of commercial beneficiary chemo infusions delivered in hospital setting



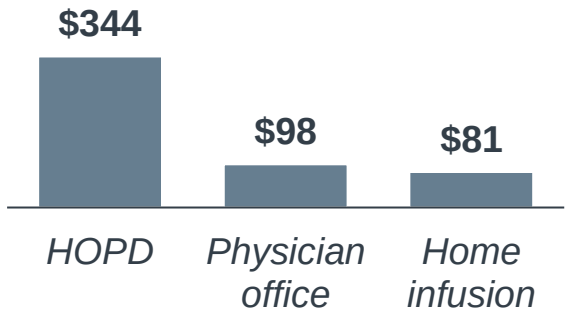
Commercial reimbursement rate for provider-administered drugs

Percentage of ASP, 2020



Commercial administration cost for provider-administered drugs

2020



Select new commercial payer site-of-care policies for oncology infusions

Aetna
July 2020

In certain cases, checkpoint inhibitors must be infused outside of hospital-based facilities

Anthem BCBS Virginia
August 2020

Patients will be voluntarily redirected from HOPDs to home infusion sites of care for certain checkpoint inhibitors

UnitedHealthcare
November 2020

Florida members can opt to receive monoclonal antibody or checkpoint inhibitor infusions at home

Cigna
March 2021

Beneficiaries must use an alternative (non-hospital) site of care when receiving one of 24 oncology drugs

Source: Brito RA, et al., "Site of service trend and chemotherapy costs of commercial insured patients in 2020 compared to 2014," *Journal of Clinical Oncology*, https://ascopubs.org/doi/abs/10.1200/JCO.2021.39.15_suppl.e18858; Fein A, "Drug Channels Update: Buy-and-Bill Market Trends," Drug Channels, September 2021; "Select oncology medications are being added to the Site of Care Management Program," Aetna, June 2020; "Voluntary stie of care outreach for oncology checkpoint inhibitors beginning August 1, 2020," Anthem Virginia, August 1, 2020; "Oncology Home Infusion Program," UnitedHealthcare, November 1, 2020; "Medication Administration Site of Care," Cigna, February 2022.

Advisory Board interviews and analysis.

Cancer providers respond with home infusion pilots

Growth in home infusion interest

- **90%** of cancer programs surveyed that had either moved or considered moving infusions to the home to minimize risk of Covid-19 in 2020
- **76%** of survey respondents that indicated that their health system is expanding home infusion capacity in response to payer site-of-care shift in 2020
- **$20B+** increase predicted in home infusion therapy market size from 2021-2028; chemotherapy is expected to make up the largest part of this growth
- **$450M** market size for chemotherapy infusion in 2019

Drivers of home infusion interest

- Reduced treatment costs
- Reduction of hospitalizations
- Rise in preference for home care among patients
- Improve patient convenience, comfort, and quality of life
- Optimization of infusion center capacity
- Opportunity to expand market footprint
- More favorable reimbursement for home infusion
  - Permanent home infusion benefit implemented in 2021, allowed for home infusion to be reimbursed
  - 5.1% increase in payments to home infusion providers in CY 2022

Barriers to home infusion uptake

- Patient safety concerns
- Provider reluctance
- Payer reimbursement
- Supplier accreditation
- Staffing challenges
- For providers: loss of patients to freestanding home infusion companies

Source: "CMS Finalizes Calendar Year 2022 Home Health Prospective Payment System Rate Update; Home Health Value-Based Purchasing Model Expansion," *Centers for Medicare & Medicaid Services*, November 2021, https://www.cms.gov/newsroom/fact-sheets/cms-finalizes-calendar-year-2022-home-health-prospective-payment-system-rate-update-home-health;

Advisory Board interviews and analysis.

Interest in oncology hospital-at-home continues to grow

Services provided through hospital-at-home

- **Acute care**
  - Immediate home visit after doctor referral
  - Management of severe symptoms
  - Assessment of treatment complications
- **Supportive care**
  - Post-operative care
  - Routine home health visits
  - Support services (e.g., physical therapy)
  - Coaching for family and caregivers
- **Palliative care & hospice**

Benefits of hospital-at-home

- Allows patients to be in comfortable environment, spend time with loved ones
- Patients avoid travel
- Patients get symptoms treated before escalation, improving their experience and outcomes
- Can reduce readmissions and emergency department visits
- Can lower overall costs
- Caregivers can be educated in the actual environment where they care for their patient

CASE EXAMPLE **Huntsman at Home (2014-present)**

Huntsman Cancer Institute, University of Utah

- 1,100 patients treated to date, recent expansion into three more surrounding counties
- Research published May 2021 showed that compared to patients that did not participate in the hospital-at-home (HaH) program, in the 30 days after entering the program, HaH patients had…
  - **45%** fewer ED visits
  - **55%** fewer hospital admissions
  - **47%** lower health care costs

Source: Mooney et al., Evaluation of Oncology Hospital at Home: Unplanned Health Care Utilization and Costs in the Huntsman at Home Real-World Trial | Journal of Clinical Oncology (ascopubs.org), *Journal of Clinical Oncology*, May 2021,

Advisory Board interviews and analysis.

Potential for cancer surgeries to move to ASCs

Preliminary evidence of surgeries shifting to the ASC setting

CASE EXAMPLE

Memorial Sloan Kettering (2015)

New York, New York

- Memorial Sloan Kettering opened the Josie Robertson Surgery Center, an ambulatory cancer surgery center in New York, NY in December 2015
- Houses 12 operating rooms, 18-bed unit for recovery, a specialty pharmacy for cancer-specific medications, and 28 private rooms for those who need to stay overnight
- Most common procedures include mastectomy, prostatectomy, nephrectomy, hysterectomy, and thyroidectomy
- Offers ambulatory extended recovery (AXR), which allows for a single overnight stay if necessary; otherwise, patients are discharged the day of the surgery

CASE EXAMPLE

Ephraim McDowell Health (2022)

Danville, Kentucky

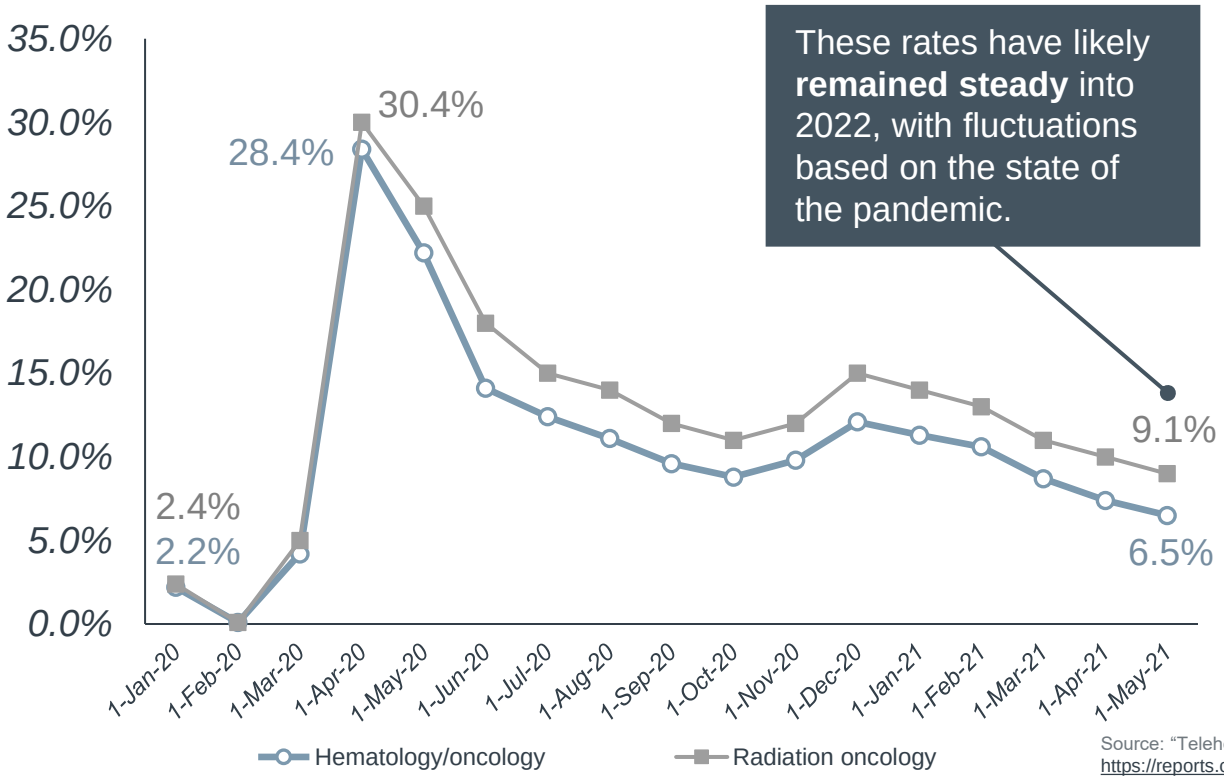
- Ephraim McDowell Health opened the Ephraim McDowell Lung Center, a lung surgery center in Danville, KY, on February 1, 2022
- Houses a thoracic surgeon, two pulmonologists, and two advanced practice providers
- Offers diagnosis and treatment of lung and esophageal cancers in the ASC setting (as well as diagnosis and treatment of other lung conditions)
  - Treatments for lung cancer include robotic-assisted lung resection to remove cancerous lung tissue (which only a few other physicians in Kentucky perform)
- Allows patients to stay close to home and still benefit from advanced lung cancer detection, treatment, and procedures

Source: "Lung Center," *Ephraim McDowell*, February 2022, https://www.emhealth.org/services/lung-center/; Robertson, "Kentucky ASC to focus on lung cancer treatment," *Becker's ASC Review*, January 2022, https://www.beckersasc.com/new-asc-development/kentucky-asc-to-focus-on-lung-cancer-treatment.html; "The Josie Robertson Surgery Center: What to Expect," *Memorial Sloan Kettering*, 2022, https://www.mskcc.org/locations/directory/josie-robertson-surgery.

Telehealth use continues even after peak pandemic

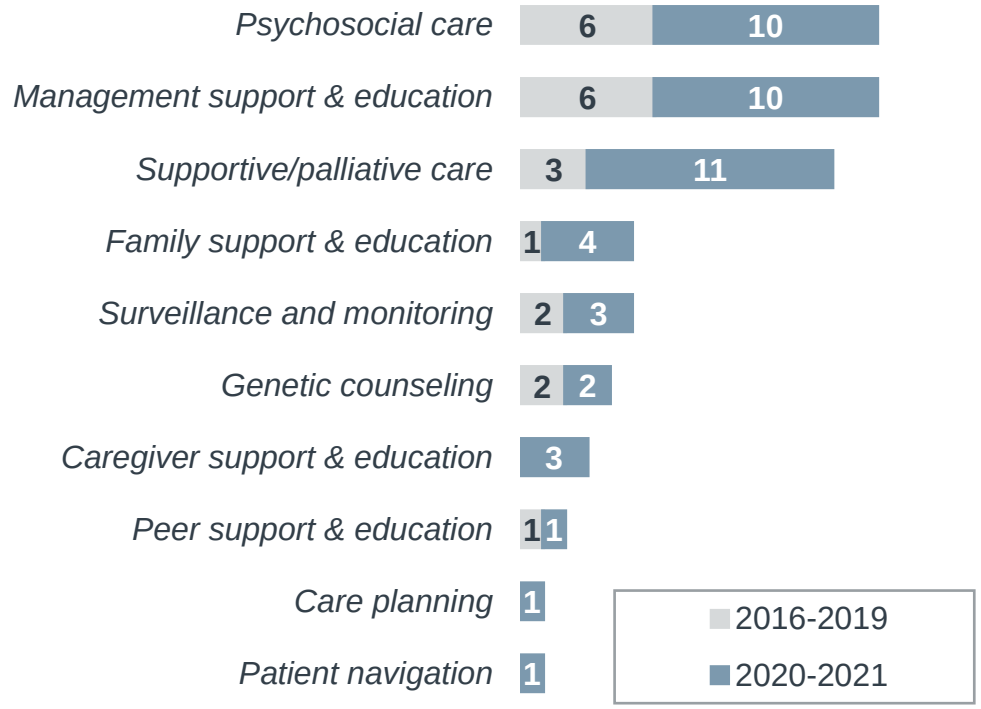
Percentage of U.S. oncology visits using telehealth, by subspecialty

Chartis, January 2020 – May 2021



Number of NCI-funded telehealth grants, by focus area

National Cancer Institute, 2016-2021



Source: "Telehealth Adoption Tracker," The *Chartis Group and Kythera Labs*, September 2021, https://reports.chartis.com/telehealth_trends_and_implications-2021/; "Introduction to Telehealth and Cancer Webinar Series," *National Cancer Institute, DCCPS*, February 2022, https://cbiit.webex.com/recordingservice/sites/cbiit/recording/465a2b4b788a103abd4e0050568c0839/playback.

Advisory Board interviews and analysis.

Clinical trials are moving out of the cancer center

2020 survey of 245 clinical trial investigators

3x Growth in proportion of **remote interactions between cancer clinical trial investigators and patients** six months after the peak of the pandemic

75% Investigators who expected **adoption of telemedicine consultation and remote patient monitoring** to continue once the pandemic has completely subsided

44% Investigators who expected **adoption of in-home nurse visits** to become a regular component of clinical trials post-pandemic

Why now?

- Decentralized clinical trial (DCT) models demonstrated success during the pandemic
- Advancements in technology for conducting DCTs make them more feasible
- Growing recognition of the importance of clinical trial diversity and the ability of DCTs to reach diverse patient populations

Benefits of DCTs

- ✓ Greater patient convenience
- ✓ Ability to reach patients in widespread locations
- ✓ Increased participant diversity
- ✓ Faster recruitment
- ✓ Improved retention

FDA is bought in on DCTs

April 2021

Oncology Center of Excellence announces intent to advance oncology DCTs

December 2021

FDA issues draft guidance on the use of digital health technologies for DCTs

March 2022

Director of Office of Scientific Evaluations confirms DCTs are “here to stay”

Source: “Advancing Oncology Decentralized Trials,” FDA, April 2021; “FDA Issues Draft Guidance on Digital Health Technologies in Clinical Trials,” McGuire Woods, January 2022; “FDA Official: Decentralized Trials are ‘Here to Stay,’” ACRP, March 2022; “Future of cancer science and medicine beyond Covid-19,” American Association for Cancer Research, 2022.

Advisory Board interviews and analysis.

Will site of care be personalized for each cancer patient?

The future of site-of-care shift in cancer care

SCENARIO 1

Site-of-care shift slows

Efforts to shift cancer care from the hospital setting to alternative sites of care, including physician offices, freestanding centers, virtual care, and the home, subside in the post-pandemic environment, and the distribution of care across sites remains in its current state. Payers focus on other cost-reduction strategies due to pushback and other barriers to site-of-care policies.

SCENARIO 2A

Continued site-of-care shift without patient-centered focus

Industry stakeholders compete to influence where cancer patients receive care to benefit their organization's goals. Though patients have access to a broad range of choices for where to receive care, there is little coordination between sites, meaning patients may not receive care in the most appropriate location and that their care journey is more fragmented and care quality suffers.

SCENARIO 2B

Continued site-of-care shift with patient-centered focus

Cross-industry stakeholders collaborate to ensure that patients receive care in the most appropriate setting, taking into account patient preference, safety, cost, and other considerations. Solutions are created to guarantee a high level of coordination across a variety of care sites, allowing patients to have streamlined and consistent access to care regardless of setting.

Advisory Board interviews and analysis.

Factors influencing the future of site of care

Deciding factors

- To what degree will health plans continue to pursue site-of-care management?
- What role will employers play in steerage and access to a variety of care sites?
- Will providers be willing to invest in the infrastructure to provide virtual and home-based care?
- How comfortable will providers be with caring for cancer patients in alternative care settings?
- Will current staffing levels be able to support cancer care across multiple settings?
- What will patients' preferences be for receiving care in different settings? How will this change over time?
- Will pharmaceutical and medical device companies develop new products that improve the feasibility of treatment in a variety of care sites?
- How safe will providing care in alternative settings be?
- Will technology advancements make it easier to provide and coordinate care across multiple settings?
- How will new legislation or regulations influence where cancer patients receive care?
- Will reimbursement for virtual and home-based care become more certain?
- What other market forces could influence the direction of site-of-care shift in the future?

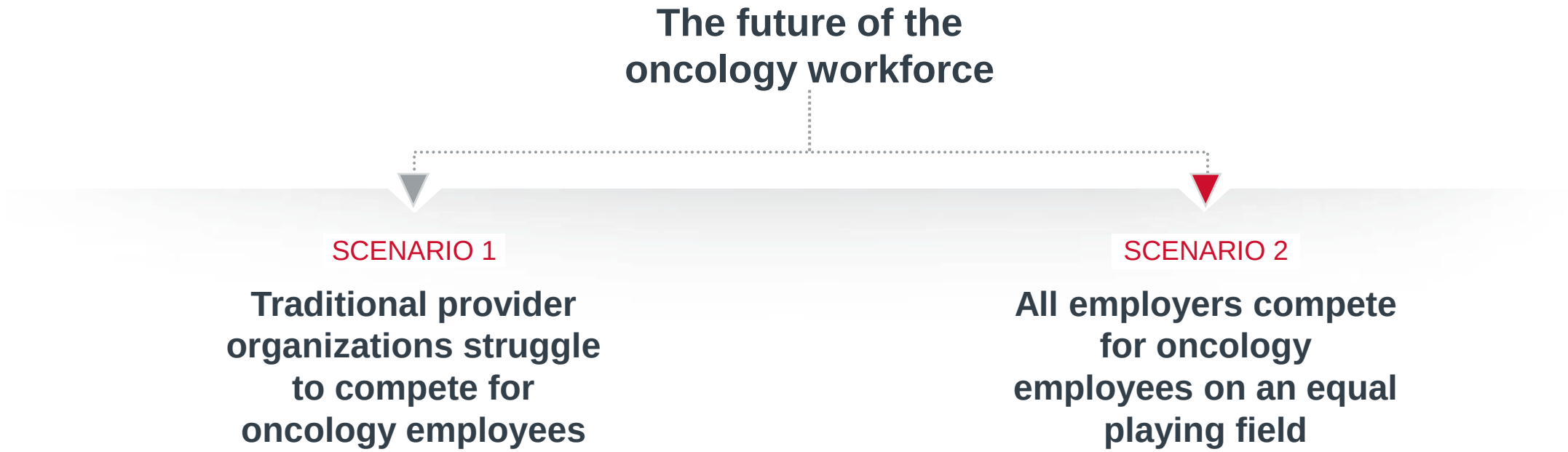
Advisory Board interviews and analysis.

Cancer care is being increasingly shifted from the hospital setting to other sites of care, though not without challenges. The actions that oncology leaders take today will significantly influence whether these shifts will continue at the same pace after the pandemic, and if so, whether care delivery will become more fragmented.

04

Workforce

What is the future of the oncology workforce?



Advisory Board interviews and analysis.

Workforce challenges existed before the pandemic

32% Percentage of cancer program leaders who reported that **workforce planning** (e.g., recruiting staff, managing staff shortages, retaining staff) was one of the **biggest threats** to future cancer program growth at their organization in 2019

Sample challenges recruiting oncology employees

42% Percentage of cancer program leaders surveyed who reported that **clinician workforce shortages** was one of their top five concerns related to workforce planning in 2019

2.2K Projected **shortage of hematologist oncologists and medical oncologists** in the U.S. by 2025, according to ASCO in 2019

15% Percentage of cancer program leaders surveyed who reported that **non-clinician workforce shortages** was one of their top five concerns related to workforce planning in 2019

12K Number of open positions for **tumor registrars** on Zippia in August 2021

Sample challenges retaining oncology employees

19% Percentage of cancer program leaders surveyed who reported that non-clinicians **leaving for positions with other organizations** was one of their top five concerns related to workforce planning in 2019

58% Percentage of cancer program leaders surveyed who reported that **clinician burnout** was one of their top five concerns related to workforce planning in 2019

54% Percentage of cancer program leaders surveyed who reported that **staff and clinician engagement** was one of their top five concerns related to workforce planning in 2019

14% Percentage of cancer program leaders surveyed who reported **retirement** was one of their top five concerns related to workforce planning in 2019

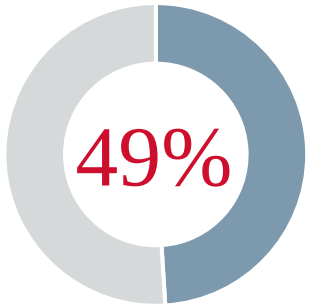
Source: "Key Trends in Tracking Supply of and Demand for Oncologists," *ASCO*, August 2020, 2020-workforce-information-system.pdf (asco.org); "How to become a tumor registrar," *Zippia*, August 2021, https://www.zippia.com/tumor-registrar-jobs/; Finnegan, J., "Another physician shortage: oncologists," *Fierce Healthcare*, October 2019, https://www.fiercehealthcare.com/practices/another-physician-shortage-oncologists; Bellaiche et al., "Disparity in Access to Oncology Precision Care: A Geospatial Analysis of Driving Distances to Genetic Counselors in the U.S.," June 2021, https://pubmed.ncbi.nlm.nih.gov/34222017/; "2019 Trending Now in Cancer Care Survey," *Advisory Board*, 2019, 2019_or_national_data_trending_now_in_cancer_care.pdf (advisory.com)

Advisory Board interviews and analysis.

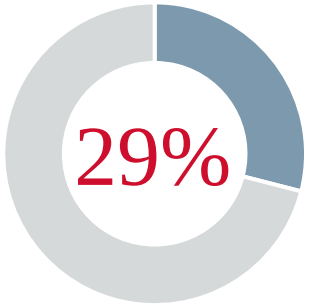
Employee burnout increased during the pandemic

Impact of the pandemic on oncologist burnout

ESMO[1] survey of global oncologists, 2020



Percentage of surveyed medical oncologists who reported feeling burnout in July-August 2020



Percent increase in rate of burnout among surveyed medical oncologists between April/May 2020 and July/August 2020

Drivers of burnout in oncology

Medscape Oncologist Burnout Report, 2021

58% Percentage of oncologists who reported burnout and identified "spending **too many hours** at work" as the top contributor to their burnout

38% Percentage of oncologists who identified "**work-life balance**" as the issue they were most concerned about in their workplace

Negative consequences of burnout

- Increased turnover
- Diminished quality of care
- Increased rate of errors
- Decreased productivity
- Decreased engagement
- Lower patient satisfaction

Source: Lim et al., "The concerns of oncology professionals during the COVID-19 pandemic: results from the ESMO Resilience Task Force Survey II," *ESMO Open*, August 2021, https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8256184/; Savista, "Certified Tumor Registrar Shortage - Fill the Gap," April 2021, https://www.savistarcm.com/cancer-registry/certified-tumor-registrar-shortage-fill-the-gap/; Martin & Koval, "Medscape Oncologist Lifestyle, Happiness & Burnout Report 2021," *Medscape*, February 2021, Medscape Oncologist Lifestyle, Happiness & Burnout Report 2021

1. European Society for Medical Oncology.

Advisory Board interviews and analysis.

Employee priorities shifted during the pandemic

Employee priorities that became increasingly important during the Covid-19 pandemic

Desire to find **meaning in work**, and feel effective and useful in the workplace

Increased **flexibility** in scheduling and working hours

Ability to **work virtually**

Ability to **prioritize work-life balance**

Competitive compensation and benefits

Decision-making support from organization to reduce the ethical and moral stress on individuals

Consequences of not meeting shifting employee priorities

- Less successful employee recruitment
- Increased employee turnover
- Chronic understaffing
- Decreased employee satisfaction and engagement
- Increased employee burnout
- Decreased quality of care
- Inability to meet patient demand for care

Advisory Board interviews and analysis.

Shift in preferences disadvantages traditional providers

	Traditional provider organizations	Non-traditional provider organizations	Non-provider organizations
Types of organizations	• Health systems and hospitals • Independent physician practices	• Investor-backed provider networks • Health plan-owned medical groups • Staffing agencies	• Health plans • Life sciences companies • Digital health companies • Regulatory agencies
Value proposition	• Better access to clinical **research opportunities** • Ability to become increasingly **specialized** • Larger institutions (e.g., hospitals and health systems) **reduce time-consuming administrative duties** • Access to cutting-edge **technology** • Higher **profit margin** in hospitals and health systems	• Competitive **salaries** • Often offer better **benefits** than independent physician practices • Community-based setting lets workforce establish stronger **relationships** with patients • Ability to **work with and learn from** a wide network of physicians • Often maintain **physician leadership** • Improve ability to compete with larger organizations, increasing **job security**	• Competitive **salaries** • Can often offer better **benefits** • **Reduced moral and ethical stress** outside of direct patient care • More **flexible work schedule**; more typical hours • Ability to work **virtually** • Often **less labor-intensive**

Advisory Board interviews and analysis.

Non-traditional provider jobs abound amidst growth

Examples of non-traditional provider organization growth

OneOncology

Private-equity backed provider network

130 Number of new providers hired in 2021 by OneOncology

6% Estimated percentage of all oncologists in the US that work for OneOncology

185% Increase in OneOncology partner organizations between April 2021 and March 2022

US Oncology

Corporate-backed provider network

131 Number of new physicians who joined US Oncology between April 2020 and April 2021

4-8% Estimated percentage of all oncology advanced practitioners in the US that work for US Oncology

Source: "Driving the Future of Cancer Care," *OneOncology*, March 2022, https://www.oneoncology.com/assets/pdf/COA/OO_AnnualReport2021_Digital_FINAL3.pdf; "Our Take: UHG's Optum expands with acquisition of Kelsey-Seybold Clinic," *Darwin Research*, April 2022, https://www.darwinresearch.com/our-take-uhgs-optum-expands-with-acquisition-of-kelsey-seybold-clinic/; "The US Oncology Network: The Premier Employer for Advanced Practice Providers," *US Oncology*, February 2018, https://usoncology.com/news/the-us-oncology-network-the-premier-employer-for-advanced-practice-providers/.

Advisory Board interviews and analysis.

Non-provider organizations also seek oncology staff

Sample oncology employee transitions from provider organizations to non-provider organizations

Provider organization role	Non-provider organization role (***Employer***)
Oncology nurse	Data abstractor (*Digital health company*)
Nurse practitioner	Medical science liaison (*Pharmaceutical company*)
Phlebotomist	Phlebotomist (*Diagnostics company*)
Oncologist	Field medical lead (*Pharmaceutical company*)
Tumor registrar	Data abstractor (*Health plan*)

Advisory Board interviews and analysis.

Will all employers compete equally for employees?

SCENARIO 1

Traditional provider organizations struggle to compete for oncology employees

Traditional provider organizations **don't effectively adapt their value proposition** to address burnout or meet the changing preferences of oncology employees. This puts them at a disadvantage in the workforce market compared to non-traditional provider organizations and non-provider organizations, whose value propositions better align with what employees are seeking. Traditional provider organizations experience continued and increasing **difficulty recruiting and retaining employees** as their counterparts become more attractive alternative employment options. This results in chronic understaffing and high turnover at traditional provider organizations, which threatens their ability to consistently meet patient demand and provide high-quality cancer care.

SCENARIO 2

All employers compete for oncology employees on an equal playing field

Traditional provider organizations **effectively adapt their value proposition** to address burnout and meet the changing preferences of oncology employees. This **better positions traditional provider organizations to recruit and retain employees** and compete more effectively with non-traditional provider organizations and non-provider employers for staff**.** This solves many of their workforce challenges, such as chronic understaffing and high turnover, and improves their ability to consistently meet patient demand and provide high-quality cancer care. Non-traditional provider organizations and non-provider organizations remain an attractive alternative employment option for oncology professionals.

Advisory Board interviews and analysis.

Factors influencing the future of the oncology workforce

Deciding factors

- Will traditional provider organizations adjust working hour requirements and create more flexible schedules for employees?
- Will all provider organizations work to empower employees of all positions and make them feel as though they are making an impact?
- Will traditional and non-traditional provider organizations start allowing virtual work for roles where it's possible (e.g., administration, billing, IT, some nursing)?
- Will organizations support the mental health of their employees to minimize the impact of burnout in oncology employees?
- How will employee preferences change in the future?
- Will provider organizations make structural and organizational changes in order to maximize efficiency during shortages?
- Will oncology workforce members recover from the exhaustion and trauma caused by being a health care worker during the pandemic?
- Will non-provider organizations continue to attract workforce members away from the clinical environment?
- Will the predicted shortage of oncologists come to fruition?
- Will non-traditional provider organizations continue to grow?

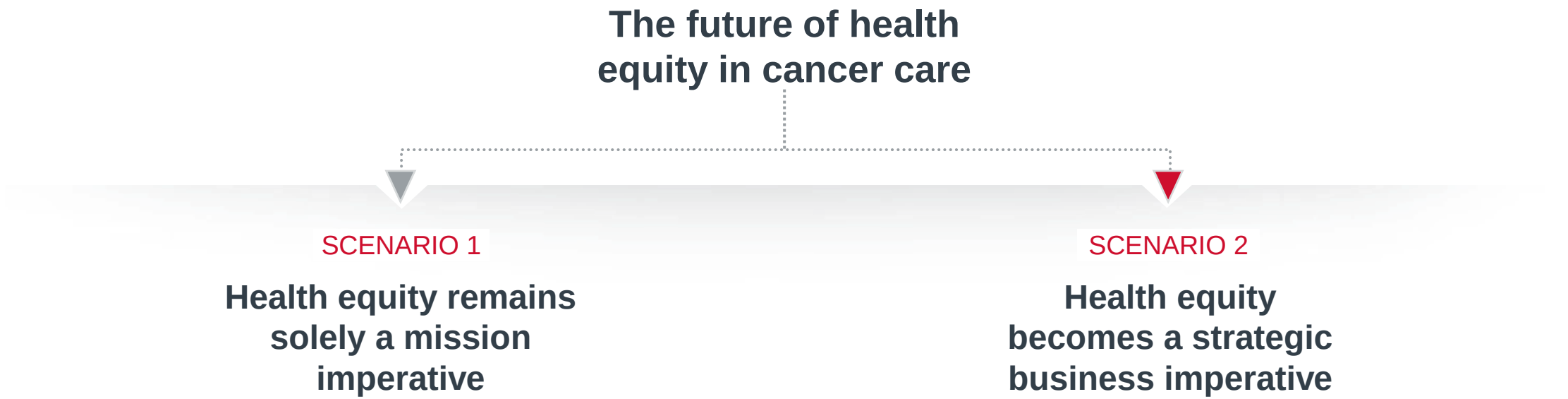
Advisory Board interviews and analysis.

The Covid-19 pandemic has compounded the workforce challenges traditional oncology providers are facing by increasing burnout and accelerating changes in oncology employee preferences. Whether traditional oncology providers can effectively recruit and retain oncology employees in the future will depend on their ability to adapt their value proposition to address burnout and changing employee preferences like their non-traditional provider organization and non-provider employer counterparts.

05

Health equity

What is the future of health equity in oncology?



Advisory Board interviews and analysis.

Pandemic has exacerbated existing disparities in cancer

Cancer disparities during the Covid-19 pandemic

Implication of cancer disparities

5x Increased risk for Covid-19 infection in Black patients with breast cancer compared to white patients with breast cancer

Covid-19 infection leads to **recommendation to delay** chemotherapy, immunotherapy, or surgery; delayed treatment can lead to **worse cancer outcomes**

16% Percent increase in probability of Medicaid cancer patients dying at home without hospice compared to commercially insured patients in March-June 2020

Implies that the pandemic disproportionately **worsened end-of-life experience** for **low-income** patients with cancer

27% Percent greater decrease in screening mammograms for Hispanic women than for white women in April-December 2020 compared to the same time period in 2019

Delays in screening lead to **later diagnosis** of cancer, which can lead to **worse cancer outcomes**

Source: "Pilot Projects to Reduce Cancer Care Disparities Deserve Support, Speakers Say," *AJMC*, March 2022, https://www.ajmc.com/view/pilot-projects-to-reduce-cancer-care-disparities-deserve-support-speaker-say; Wang et al., "Analyses of Risk, Racial Disparity, and Outcomes Among US Patients with Cancer and Covid-19 Infection," *JAMA Oncology*, February 2021, DOI: 10.1001/jamaoncol.2020.6178; Amram et al., "Socioeconomic and Racial Inequities in Breast Cancer Screening During the Covid-19 Pandemic in Washington State," *JAMA Network*, May 2021, doi:10.1001/jamanetworkopen.2021.10946.

Advisory Board interviews and analysis.

Addressing equity benefits more than just patients

Benefits to oncology stakeholders of promoting health equity in cancer care

Improves overall cancer **patient outcomes,** including survival

Reduces total cost of care, especially for those participating in value-based payment models

Improves ability to **attract** and **retain patients and consumers**, patient and consumer satisfaction

Helps achieve new equity-focused **accreditation standards**

Creates opportunities to **enhance partnerships** with other stakeholders

Strengthens employee value proposition through positive social impact

Increases **access to products and services,** increasing potential revenue

Improves community ties and trust by developing an authentic market-facing brand

Advisory Board interviews and analysis.

Recent increased policy focus on health equity

January 2021

Henrietta Lacks Enhancing Cancer Research Act of 2019 is passed and signed into law

March 2021

American Rescue Plan introduces new incentives for states to expand Medicaid

April 2021

CDC declares racism a serious public health threat

September 2021

Cancer Patient Equity Act of 2021 introduced in the House of Representatives

October 2021

CMS adjusts Innovation Center strategy to focus on addressing social determinants of health

February 2022

Biden reignites Cancer Moonshot with new focus on health equity

February 2022

California Cancer Equity Act proposed with focus on protecting Medi-Cal patient access to quality oncology care

February 2022

The President's Cancer Panel publishes a report on improving equity in screening

Source: 117th Congress, "H.R.5377 – Cancer Patient Equity Act of 2021," https://www.congress.gov/bill/117th-congress/house-bill/5377/actions?r=28&s=1; "Recent Public Laws Page," *National Cancer Institute*, March 2022, https://www.cancer.gov/about-nci/legislative/recent-public-laws; "SB-987 California Cancer Care Equity Act," *California Legislative Information*, April 2022, https://leginfo.legislature.ca.gov/faces/billHistoryClient.xhtml?bill_id=202120220SB987; "Innovation Center Strategy Refresh," *Center for Medicare and Medicaid Innovation*, August 2021, https://innovation.cms.gov/strategic-direction-whitepaper; : Stone, A., "President Biden Reignites Cancer Moonshot Initiative," *ONS*, February 2022, https://voice.ons.org/advocacy/president-biden-reignites-cancer-moonshot-initiative.

Advisory Board interviews and analysis.

Biden includes equity goal in renewed Cancer Moonshot

POLICY HIGHLIGHT

The Cancer Moonshot

- Cancer Moonshot originally announced in January 2016 as part of the 21st Century Cures Act with $1.8B in funding over seven years
- In February 2022, Biden reignited the Moonshot with the goal of reducing cancer death rate by 50% in the next 25 years by diagnosing cancer sooner; preventing cancer; **addressing inequities;** targeting the right treatments to the right patients; speeding progress against the most deadly and rare cancers; supporting patients, caregivers, and survivors; and learning from all patients
- The Moonshot aims to reduce inequities with several strategies, such as improving access to cancer screening through at-home screening programs and mobile screening services and other the NCI[1] working to connect underrepresented populations to clinical trials
- $410M in funding remaining for 2022 and 2023 from original Moonshot budget; HHS released $5M in May 2022 to advance equity in cancer screening at health centers in order to support new Moonshot equity initiatives

Takeaways from convening of new Cancer Cabinet

- Cabinet formed by the reignited Moonshot, and brings together federal departments, agencies, and White House offices to drive the "whole of government" response that the Moonshot calls for
- Cabinet met for first time on March 16, 2022
- Identified six initial steps for the reignited Cancer Moonshot:
  - Creating a Cancer Moonshot Scholars program to invest in the next generation of **diverse**, innovative cancer researchers
  - NCI will connect **underrepresented populations** to clinical trials and build capacity in cancer control research in persistent poverty areas
  - OSTP[2] will lead an effort to provide scientific support to assess and address cancer risks from air pollution in **environmental justice communities**
  - Other steps: VA[3] proposing rule to consider presumptive service connection for rare cancers related to military exposures; DOD[4] expanding clinical research program to all DOD hospitals; FDA pursuing reduction of tobacco-related morbidity and mortality

1. National Cancer Institute.
2. Office of Science and Technology Policy.
3. Department of Veterans Affairs.
4. Department of Defense.

Source: Stone, A., "President Biden Reignites Cancer Moonshot Initiative," *ONS*, February 2022, https://voice.ons.org/advocacy/president-biden-reignites-cancer-moonshot-initiative; "Closing Gaps in Cancer Screening: Connecting People, Communities, and Systems to Improve Equity and Access," *President's Cancer Panel*, February 2022, https://prescancerpanel.cancer.gov/report/cancerscreening/pdf/PresCancerPanel_CancerScreening_Feb2022.pdf.

Advisory Board interviews and analysis.

Stakeholders tackle disparities with various programs

Sample health equity initiatives implemented by different oncology stakeholder groups

Health systems

Intermountain Healthcare partnered with a local non-profit to deliver on-site famers markets at no cost to cancer patients, addressing food insecurity for patients and caregivers

Health plans

Anthem received $1 million grant in April 2021 from the Links Foundation in partnership with the American Cancer Society; plans to use grant to deliver cancer prevention and early detection information and resources to at-risk communities

Life sciences companies

Bristol Myers Squibb Foundation launched five-year $100M initiative in 2020 to increase diversity in clinical trials; welcomed new donation of $14M from Gilead Sciences, Inc. in 2022

Digital health companies

Jasper introduced a free platform for patients, making care navigation more accessible for all patients regardless of socioeconomic status; provides personalized care guidance that results in improved health outcomes for users

Source: "The American Cancer Society and Anthem Foundation Team to Expand Health Equity in At-Risk Communities," American Cancer Society, April 2021, http://pressroom.cancer.org/2021-04-15-The-American-Cancer-Society-and-Anthem-Foundation-Team-to-Expand-Health-Equity-in-At-Risk-Communities; "Bristol Myers Squibb Foundation Honors Diversity and Health Equity Leader By Naming Diversity in Clinical Trials Training Program After Him; Welcomes Gilead Sciences as Program Support," April 2022, http://pressroom.cancer.org/2021-04-15-The-American-Cancer-Society-and-Anthem-Foundation-Team-to-Expand-Health-Equity-in-At-Risk-Communities.

Advisory Board interviews and analysis.

Will health equity become a business imperative?

SCENARIO 1

Health equity remains solely a mission imperative

Cancer leaders continue to make investments in health equity, but efforts remain largely one-off and pilot-based. Efforts are also siloed within the industry due to a lack of clear financial incentives that encourage long-term investments and collaborations to address health equity.

SCENARIO 2

Health equity becomes a strategic business imperative

Clear incentives cement health equity as a strategic imperative in oncology, with clear negative financial consequences enforced by the government, the market, or organization boards for falling short of industry-wide health equity goals.

Advisory Board interviews and analysis.

Factors influencing the future state of equity in cancer care

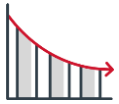
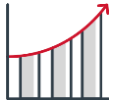
Deciding factors

- Will cancer leaders be willing to dedicate adequate resources to the cancer equity effort?
- Will cancer leaders usher in equity-focused policies and incentives that align the moral case with the business case?
- Will cancer leaders see the benefit of collaborating across stakeholders to address health disparities?
- Will accreditation and quality organizations require more health equity-focused metrics?
- Will efforts to address disparities continue to be one-off programs and siloed efforts by individual organizations?
- Will oncology leaders be able to align equity initiatives in cancer care with larger efforts to address health equity for all patients across their organizations?
- Will payers and policymakers increasingly tie reimbursement to equity?
- Will society at large continue to prioritize health equity? Will we be able to sustain the focus on health equity that has been introduced by Covid-19?
- Will patients and employees continue to prioritize health equity as a key factor they look for in providers or employers?

Advisory Board interviews and analysis.

The spotlight the Covid-19 pandemic has shone on health disparities has created a unique opportunity for oncology stakeholders to address cancer disparities. Whether real progress towards equity is made will depend on oncology leaders' ability to capitalize on this momentum and elevate health equity to a business imperative instead of solely a mission imperative.

What do you want the future of oncology to be?

	Value-based care	Drug spending	Site-of-care shift	Workforce	Health equity
The future of:	Cross-industry participation in value-based care initiatives decreases overall cancer costs	National cancer drug spending is reduced	Continued site-of-care shift with patient-centered focus	All employers compete for oncology employees on an equal playing field	Health equity becomes a strategic business imperative
					
					
	Selective participation in value-based care initiatives limits scale and impact	Unsustainable growth in national cancer drug spend continues	Continued site-of-care shift without patient-centered focus	Traditional provider organizations struggle to compete for oncology employees	Health equity remains solely a mission imperative

Advisory Board interviews and analysis.

Summary of key takeaways

01 Prevailing attitudes about the future suggest that the oncology industry is either approaching a new equilibrium or reverting to the pre-pandemic mean. Advisory Board's view is different: We believe that the future is still unwritten, and that today's oncology leaders have a unique—but time-limited—opportunity to shape that future.

02 With the Oncology Care Model ending, the Radiation Oncology Model delayed indefinitely, and mixed results from commercial models, it is unclear where value-based care in oncology is headed. The actions payers and providers take today to iterate on previous payment pilots, overcome challenges, partner with each other, and create innovative approaches to improve care value will shape the future of value-based care in oncology and determine whether it will be an effective strategy to reduce cancer spending.

03 As cancer drug costs rise rapidly, the government, providers, and manufacturers are joining payers in experimenting with tactics to manage costs. The ability of these groups to coordinate to identify and implement successful cost-control strategies will determine whether oncology drug spend continues to grow unsustainably or decreases.

04 Cancer care is being increasingly shifted from the hospital setting to other sites of care, though not without challenges. The actions that oncology leaders take today will significantly influence whether these shifts will continue at the same pace after the pandemic, and if so, whether care delivery will become more fragmented.

05 The Covid-19 pandemic has compounded the workforce challenges traditional oncology providers are facing by increasing burnout and accelerating changes in oncology employee preferences. Whether traditional oncology providers can effectively recruit and retain oncology employees in the future will depend on their ability to adapt their value proposition to address burnout and changing employee preferences like their non-traditional provider organization and non-provider employer counterparts.

06 The spotlight the Covid-19 pandemic has shone on health disparities has created a unique opportunity for oncology stakeholders to address cancer disparities. Whether real progress towards equity is made will depend on oncology leaders' ability to capitalize on this momentum and elevate health equity to a business imperative instead of solely a mission imperative.

Resources to help you shape the future of cancer care

Health equity

- Health equity resource library
- How Northwestern Medicine is reducing cancer disparities
- 4 takeaways from a workshop on health equity in cancer
- How Service Lines Can Address Social Determinants of Health

Drug costs

- Managing Oncology Drug Costs
- Create a financially sustainable infusion center

Site-of-care shift

- Resources to address infusion site-of-care restrictions
- Payers are shifting where patients receive infusions. Here's what that means for 4 key industry players.
- Determine the best infusion center billing strategy

Site-of-care shift (cont.)

- Oncology telehealth resource library
- Oncology home infusion
- How Penn Medicine Delivers High-Quality Home Infusion Therapy
- Six things you need to know if you're evaluating home infusion investment

Value-based care

- Oncology value-based payment resource library
- Your guide to oncology payment reform pilots

Workforce

- Resources to help you engage your oncology staff
- Resources to optimize your cancer center efficiency: Staffing

Additional resources

- How service line leaders should envision the future of health care

Advisory Board interviews and analysis.

Register for upcoming Advisory Board events

SUMMIT

2022 Clinical Workforce Summit

Discuss strategies for simplifying challenges health system leaders face today and explore the forces reshaping specialty care over the next five years

August 16-17, 2022
Cleveland, OH

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MEETING

Reflections on the Oncology Care Model

Hear from participants about their lessons learned and next steps

August 24, 2022
2:00-3:30 p.m. EST, Virtual

LEARN MORE

SUMMIT

2022 Service Line Summit

Discuss strategies for simplifying challenges health system leaders face today and explore the forces reshaping specialty care over the next five years

October 25-26, 2022
St. Louis, MO

REGISTER HERE

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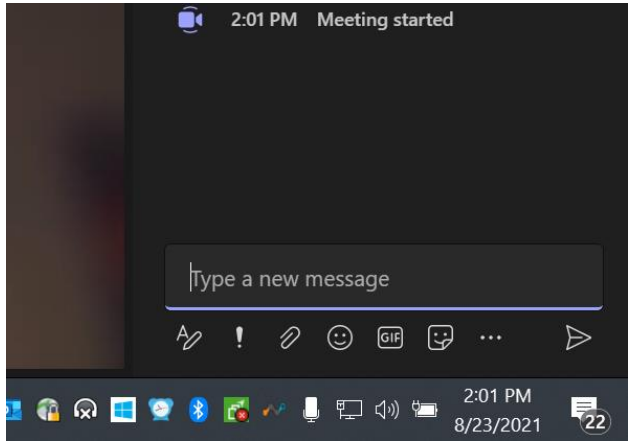

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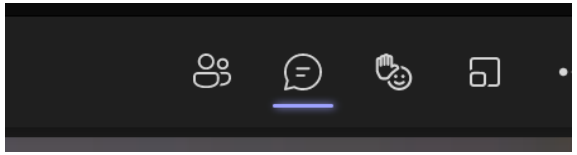

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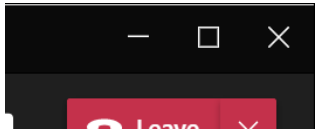

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