



March 4, 2016

Senator Charles Grassley
Senate Finance Committee
135 Hart Senate Office Building
Washington, DC 20510

Senator Ron Wyden
Ranking Member, Senate Finance Committee
221 Dirksen Senate Office Building
Washington, DC 20510

Dear Senator Grassley and Senator Wyden,

The US Oncology Network, comprised of over 1,000 oncology physicians nationwide, appreciates the opportunity to provide feedback on issues related to the financial impact of breakthrough drugs and to ensure patient access to appropriate therapies. As providers treating one of the most common and costly medical conditions today, we have seen firsthand the immense impact breakthrough therapies can have on our patients' quality of life. We also witness the financial strain these high cost treatments impose on our patients' pocketbooks. The physicians of The US Oncology Network are dedicated to practicing with a balanced approach through the use of physician-led evidence-based pathways that drive value, produce positive patient outcomes and help control the cost of cancer care.

The US Oncology Network is the nation's largest and most innovative network of community-based oncology physicians, treating more than 750,000 cancer patients annually in more than 350 locations across 19 states. The Network unites physicians around a common vision of expanding patient access to the highest quality, most cost-effective integrated cancer care to help patients fight cancer, and win.

The Cost of Cancer Care

Cancer continues to be one of our nation's most costly, serious, and prevalent chronic conditions. Today there are over 14 million Americans with a history of cancer and more than eight million of those people are currently over the age of 65, resulting in approximately half of all cancer spending going towards care for Medicare beneficiaries¹. The National Cancer Institute states that the U.S. spent over \$125 billion on cancer care in 2010 and projects that cancer care costs will increase to \$156 billion by 2020².

Exacerbating cancer's financial impact on the U.S. health care system is the exponential rise in cost of oncology drugs. The average cost of cancer treatment is highly variable, but some newer cancer drugs can range from \$10,000 to \$30,000 per month, and rarely costs can be even higher. Add in co-payments, coinsurance and deductibles and it is easy to see how patients can become overwhelmed with the cost of treating and fighting cancer.

The oncology community has seen a flood of new treatments come to market. Some of these drugs have transformed the treatment of certain cancers and resulted in patients surviving and thriving in circumstances that were not possible before. As an example, inhibitors of BCR-ABL tyrosine kinase have revolutionized the outcomes of patients with a form of chronic leukemia. Developments like these are what the cancer community is striving to achieve. However, the market has also seen instances where new drugs have come to market with a high price tag and marginally beneficial or duplicative outcomes.

¹ The National Cancer Institute <http://www.cancer.gov/about-cancer/what-is-cancer/statistics>

² The National Cancer Institute <http://www.cancer.gov/about-cancer/what-is-cancer/statistics>

With the deluge of treatment options available, The US Oncology Network looked to harness innovative technology and strengthen standards in evidence-based, high-quality cancer care.

Focusing on Quality and Value

Nearly a decade ago, physicians in The US Oncology Network recognized an opportunity to strengthen relationships with patients and payers by selecting regimens that demonstrate value over volume and reduce non evidence-based variability in treatment. The result was the development of Level I Pathways, evidence-based guidelines that re-direct the wide range of treatments into more precise, clinically proven treatment options.

The US Oncology Network invested a significant amount of resources developing the original Level I Pathways and, more recently, Value Pathways in partnership with the National Comprehensive Cancer Network (NCCN). Community oncologists work together and develop these pathways based on significant evidence reviews, best practices, and outcomes. The cornerstone of our success remains the thorough review of treatment options, first considering efficacy and toxicity of each regimen. In addition to the effectiveness and toxicity of each regimen considered, evaluation of the cost of the intervention in proportion to the outcome is reviewed. These value assessments allow our clinicians to include pathways that will improve outcomes and are higher value. This commonsense approach to fighting cancer reduces costs while utilizing evidence-based medicine and protecting the physician-patient relationship. For example, the committee chose to add nivolumab to the lung cancer pathway due to doubling of survival for patients with previously treated advanced lung cancer and chose not to add a novel therapy recently approved for the same indication since the median survival was only improved by about six weeks compared to standard treatment. Both drugs are very expensive (over \$10,000 per month) but the results are differentiating for the first drug compared to the second.

Improving Cancer Care through Evidence-Based Medicine

Pathways were developed to proactively drive value— more specifically to improve the quality of patient care, which leads to better outcomes and lower costs. In two separate studies, the value of Level I Pathways has been proven to maintain equivalent health outcomes with lower costs.

A joint study with Aetna published in the January 2010 *Journal of Oncology* found that costs were 35 percent lower for non-small cell lung cancer patients treated according to Level I Pathways while maintaining equivalent health outcomes³. A similar study published in a special joint issue between the peer-reviewed *Journal of Oncology Practice* and the *American Journal of Managed Care* in May 2011 found that evidence-based care for patients with colon cancer results in equivalent health outcomes and a total cost savings of more than 30 percent, \$53,000 for the treatment of adjuvant colon cancer and \$60,000 for the treatment of metastatic colon cancer⁴.

It is important to remember that pathways are designed to guide physicians to the best treatment options; however, there are some patients who are best treated outside of the pathway in question. For Value Pathways powered by NCCN, the expectation is that compliance should be about 80%. Most pathways have mechanisms to allow for these warranted variations from the pathways process. We

³ Neubauer MA, Hoverman JR, Kolodziej M, et al. (2010) Cost effectiveness of evidence-based treatment guidelines for the treatment of non-small-cell lung cancer in the community setting. *J Oncol Pract* 6:12–18. <http://m.jop.ascopubs.org/content/6/1/12.abstract>

⁴ Hoverman JR, Cartwright TH, Patt DA, et al. Pathways, outcomes, and costs in colon cancer: retrospective evaluations in two distinct databases. *J Oncol Pract*. 2011;7 (suppl 3S):52s-59s.

must not tie the hands of physicians who are looking to do what is the best interest of individual patients. The ultimate decision for the appropriate course of treatment should always be left to the physician and patient.

As Congress and the Administration continue to examine and debate ideas for controlling the escalating cost of health care, it's important to acknowledge opportunities to improve upon strategies that are already working to hold down costs. There is great potential in the further development of pathways but we must ensure that as new drugs are introduced to the market, physicians are taking the lead in designing, initiating, and updating pathways. If physicians are not able to determine the value of these therapies for their patients, payers will and it may not be in the best interest of patient care.

On behalf of the nation's leading community cancer care providers, we appreciate the opportunity to share our experience in the development and utilization of clinical pathways in oncology practice. We look forward to working with you to ensure patients have access to treatments that result in better outcomes and more predictable costs. Feel free to use us as a resource throughout this process as we are happy to provide any additional insight.

Sincerely,

A handwritten signature in cursive script, appearing to read "Michael V. Seiden".

Michael V. Seiden, M.D., Ph.D.
Chief Medical Officer, McKesson Specialty Health