

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



A differentiated strategy for cancer care

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We put people at the center of everything we do

This presentation
outlines how we can help
members and providers
optimize cancer care



A new strategy for cancer care

Today we are going to:

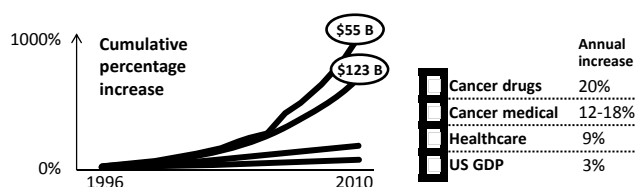
- Share current thinking of cancer care
- Discuss why we need a new strategy
- Propose a new strategy for cancer care to:
 - improve care for members with cancer
 - drive use of evidenced-based medicine through the use of a clinical decision support platform that provides administrative simplification
 - integrate and coordinate all components of cancer care to drive meaningful change in member's and provider's approach to cancer care
 - articulate a clear, powerful message to the market on Aetna's unique approach to cancer



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Cancer is the most costly medical item and increasing at 2-3x the rate of other costs

Cancer care is the leading edge of medical cost trend



Aetna's top cost drivers in cancer care

Medical Rx	Inpatient	Radiology	Specialist Physician
30.8%	23.3%	22.4%	9.4%
1.5 B	1.1 B	1.1 B	483 M

*2010 CY Claims; Commercial & Medicare; All Funding; Excludes AGB/SH/SRC

Plan Sponsor perspective

- "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 ...?"

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Oncology marketplace dynamics impact on private practices; migration to hospital systems

Community Oncology Cancer Care Impact Map



Source: COA Practice Impact Tracking Database

172 clinics closed

323 practices struggling financially

o44 practices sending ALL patients elsewhere for treatment

224 practices acquired by a hospital

102 practices merged/acquired

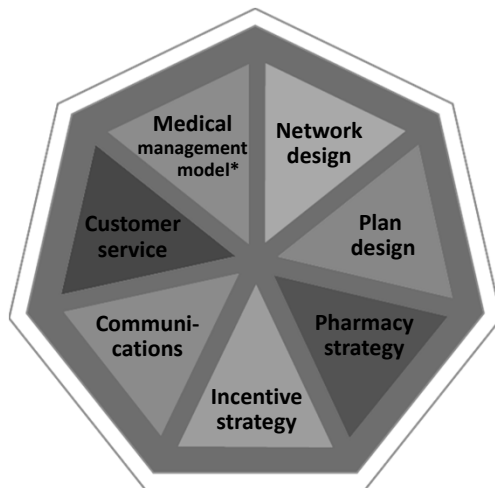
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Principles of our proposed strategy

- **Drive efficient use of Evidence Based Medicine**
 - platform that provides content and workflows
 - integrate into the Aetna and provider systems
 - simplify the administrative processes for providers
- **Avoid waste and misuse of medical services**
 - better provider alignment
(e.g., Oncology Patient Centered Medical Home),
 - better network (narrow, tiered)
 - better decision support strategies
- **Leverage and integrate the many current (and future) medical and pharmacy cancer-care initiatives**
 - seamless, end to end cancer experience for Aetna members and providers

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Optimizing quality and total cost for cancer care requires an integrated approach



*Key differentiator is a clinical decision support platform supported by a comprehensive set of medical management programs

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Medical management strategy

Our medical management strategy has two major components:

1

Efficient use of Evidence Based Medicine through a clinical decision support (CDS) platform that provides content and workflows that can be integrated into the Aetna and provider systems and simplifies the administrative processes for providers.

2

Leverage and integrate the many current (and future) medical and pharmacy cancer-care initiatives into a seamless, end to end cancer experience for Aetna members and providers



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Medical management | part 1

What are pathways?

Clinical pathways are treatment roadmaps of best care practices

- Developed through research and medical evidence
- Provide physicians a more precise approach to cancer care
- Pathway treatment comparison
 - Efficacy
 - Toxicity (side effects)
 - Cost (utilizing generics)
- Pathway lines of therapy
 - Combination of drugs used and the sequencing of how they are given
 - Appropriateness of when to begin treatment and when to discontinue treatment
 - A new line of therapy is generally used when a pathway did not meet clinical outcomes or the cancer progresses



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Increased adherence to evidence based guidelines lowers cost without negatively impacting treatment efficacy

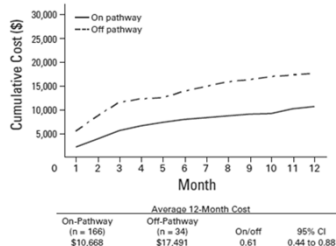
Study: "Cost Effectiveness of Evidence-Based Treatment Guidelines for the Treatment of Non-Small-Cell Lung Cancer in the Community Setting"

Published: Journal of Oncology Practice (ASCO Peer Reviewed Journal), 1/19/2010

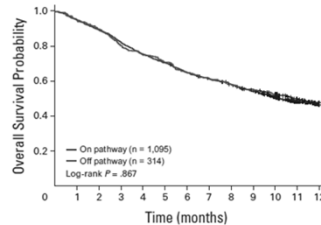
Purpose: Evaluate the cost effectiveness of evidence-based treatment pathways for NSCLC patients

Conclusion: Results of this study suggest that treating patients according to evidence-based guidelines is a cost-effective strategy for delivering care to those with NSCLC.

Significantly lowered cost in the case group vs. The control group



No change in overall survival between the study groups



Source: "Cost Effectiveness of Evidence-Based Treatment Guidelines for the Treatment of Non-Small-Cell Lung Cancer in the Community Setting". Journal of Oncology Practice, January 2010, Volume 6, No.1, p 12-18

Pathway status	Overall Survival Probability			
	3 month	6 month	9 month	12 month
All patients (n = 1,409)	0.82	0.64	0.53	0.46
On pathway (n = 1,095)	0.82	0.65	0.52	0.45
Off pathway (n = 314)	0.80	0.64	0.54	0.46

Overall survival by Pathway status.

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The platform for clinical decision support

Easy self serve navigation for the member and the provider

Provider gets

- Flexible clinical decision support platform that is multi-payor supportable
-
- Evidence based guidelines
-
- Network steerage preferences
-
- Online access to eligibility Data
-
- Precertification waived
-
- Applications that make it easier / fits their workflow

Member gets

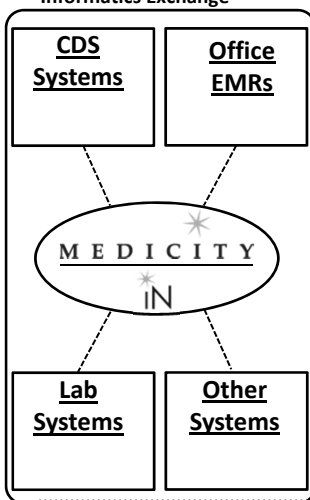
- Clinical information
-
- Social media
-
- Preferred physicians listing
-
- Culturally consistent content
-
- Seamless connection to benefit information
-
- Support services



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Level 1: Oncology Clinical Decision Support (CDS) seamlessly integrated at the point of care, to be followed by other provider facing technologies

1 Leverage Medicity's iNexx Platform as an Oncology Informatics Exchange



2 Integrate Technologies, Develop Superior Workflows

Develop & Deploy Oncology Apps on the iNexx Platform

- Enable physician access to:
 - CDS
 - EMR
 - order entry systems
 - lab systems
 - inventory management systems
- Seamlessly exchange
 - relevant patient demographics
 - Insurance information
 - clinical information
 - consults and other physician information

3 Study Impact of Metrics and Data Flows

1. Evidence-Based

Adherence: Measure increases in adherence to EBM/Aetna CPBs

2. Cost Reductions:

Compare geographically similar control-group practices:

- Therapy costs
- ER visits and hospitalizations

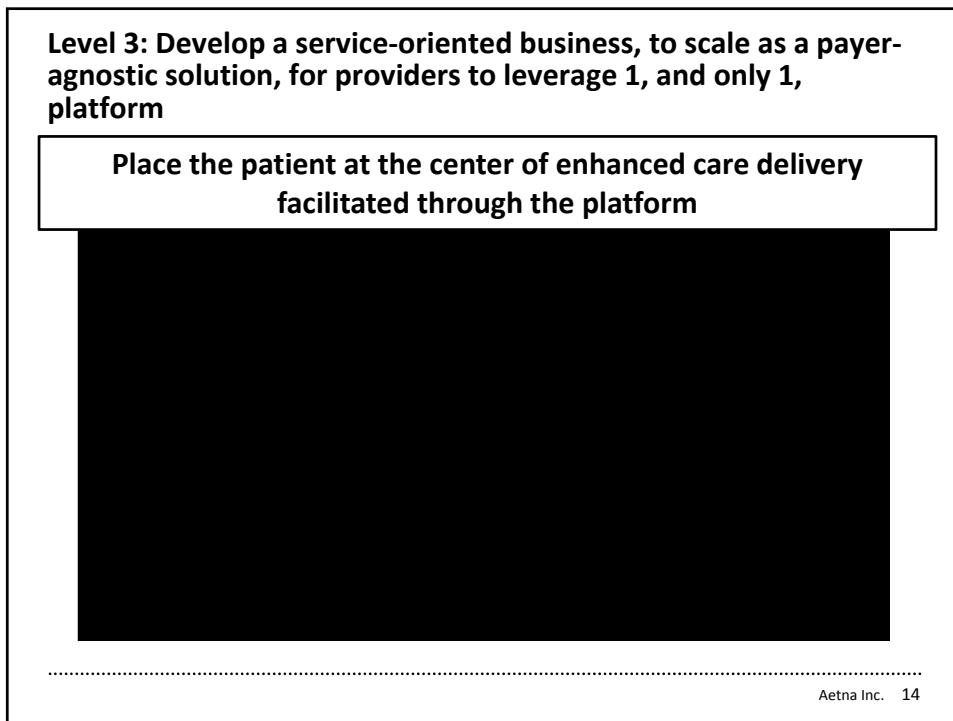
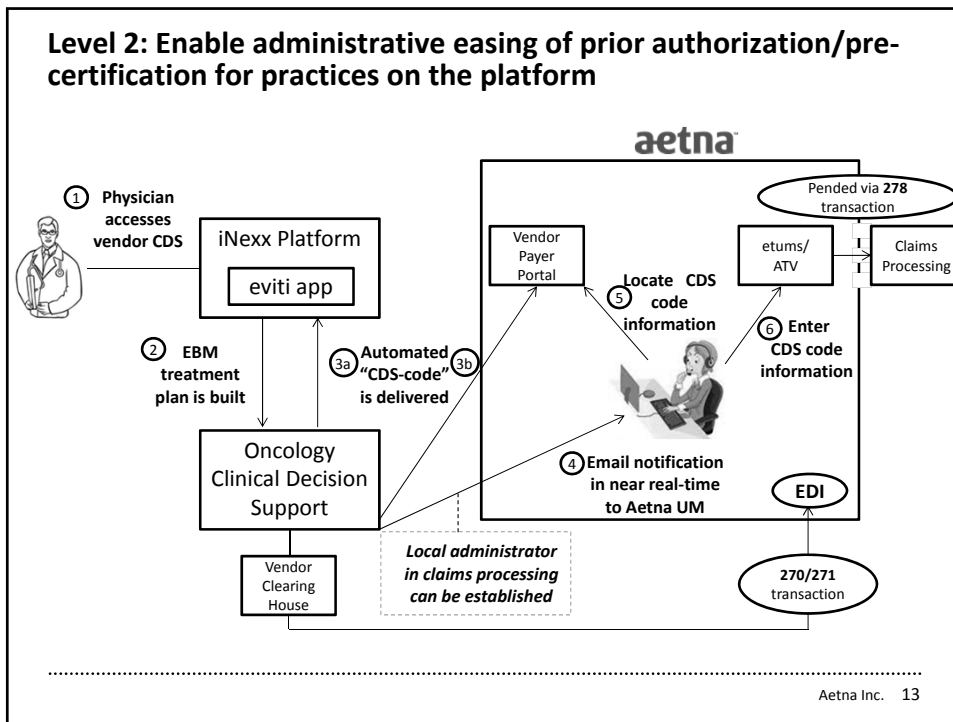
3. Administrative

Benefits: Survey to understand value of pre-auth automation

4. ↑ Data Capabilities:

Sub-stratify patient cohorts for future bundled payments

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Medical management strategy | part 2

Leveraging current efforts

Clinical Policy Bulletins

Claims Xten software

Disease Management program actively manages cancer patients

Benefit Design Advantages in Institutes of Quality / Institutes of Excellence (IOQ/IOE) program (no precert needed)

Women's Health / Genetic Testing

Genomics/Proteomics—clearly this will become a larger part of cancer care

Corporate Appeals includes outside review for opinions

Stem Cell and solid organ transplants

Clinical Policy Bulletins (CPB's) for new technology

Compassionate Care Program

Radiology Benefits Management

Cover clinical trials and complications that might result from the trial

All drug management handled by Aetna Specialty

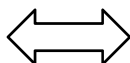
National Comprehensive Cancer Network (NCCN) Relationship and in the future broadening American Society of Clinical Oncology (ASCO) and Quality Oncology Practice Initiative (QOPI) National Committee on Quality Accreditation (NCQA) relationships



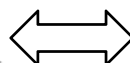
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SHCM: Expanded Patient Support

Aetna Specialty Health Care Management Nurse



Referrals based on Aetna-defined protocols and analytics



Referrals based on patient needs



- Care Management
- Disease Management
- Behavioral Health
- Women's Health
- Healthy Lifestyle Coaching
- Aetna One
- Active Health

It is important that patients get the level of care they need when they need it. The bi-directional referrals allow patients to talk to an Aetna nurse to further review their Specialty drug challenges and this nurse to refer to pharmacies or other Aetna programs as appropriate. Holistic approach.

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Network design *future state*

Network/ provider strategy	Designation	Payment strategy
Level three Non par Oncologist		Fee for service
Level two In-network Oncologist	Listed in DocFind	Fee for service
Level one A In-network Oncologist that is using a CDS platform and/or is QOPI certified	Special designation in DocFind	Fee for service plus P4P payment
Level one B In-network Oncologist using CDS platform and in certified OPCMH (when available)	Special designation in DocFind	Modified fee for service plus P4P payment



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Network Criterion *proposed*: Improvement Metrics

- % of chemotherapy treatments that have adhered to NCCN guidelines or pathways.
- # of hospital admissions per chemotherapy patient per year / Chemotherapy-sensitive Inpatient Admissions/1,000
- # of emergency room visits per chemotherapy patient per year / Chemotherapy-sensitive ER Utilization/1,000
- % of cancer pts with documented clinical or pathologic staging prior to initiation of 1st course of treatment . (QOPI 2011#2)
- % of chemotherapy patients with curative treatment (QOPI 2011#10)
- % of chemotherapy patients with performance status documented on the day of treatment
- % of patients/families that have received self-management resources/materials
- % of patients that have Stage IV disease that have end-of-life care discussions documented
- % of Patients introduced to Advance Care Planning, % of Patients participated in Advance Care Planning Facilitation

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Strategic Diversification *Aetna tools vs. everyone else* iNexx and Medicity

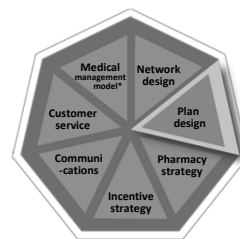


- Medicity = largest HIE company
- iNexx = apps that interoperate
E.g. accept a referral → autoload into oncology
clinical decision support → autosend your decision & quality measures to referring MD, EMR & payer
- **Payer-agnostic** & patient-centric

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Plan design *future state*

Benefit design	Coinsurance level	Tiered networks
Tier three Non par Oncologist	Member pays 50%	
Tier two In-network Oncologist	Member pays 20%	
Tier one In-network Oncologist using CDS platform and/or in OPCMH (when available)	Member pays 10%	Lowered premiums or only option for certain network products

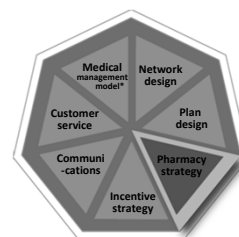


An important component of our overall approach is to systemically study the clinical and cost outcomes of cancer care management

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Pharmacy strategy

- Tight coupling with medical management teams
- Specialty Healthcare Management Nurses
- Enhanced Generic Reimbursement at practice level
- Oncology Drug Shortage Program
- Precertification
- Split Fill - Oral Oncolytics
- AST ICD-9 code validation
- Claims edits
- Identifying hospitals and physicians with above average billing for oncology drugs



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Aetna's Population and Spend - 2011

Oncology - 291,018 unique members

- Medical and Pharmacy spend (Includes Inpatient / Outpatient Spend)
 - Antiemetics- \$66,635,631
 - Chemotherapy- \$2,020,398,025.00
 - Hypercalcemic- \$46,544,179.00
 - Oral oncolytics- \$200,098,278

PMPM

- Chemotherapy- \$5.38
- Hypercalcemics-\$0.18
- Oral Oncolytics- \$1.00
- Antiemetics-\$0.33



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Precertification- Medical... *transparent*

- **Points of Differentiation**

- Aetna has the ability to coordinate pre-cert under both the Medical and Pharmacy benefit
- Drugs are pre-certed for diagnosis, lab results and diagnostic companion tests when available
- Clinical Policy Bulletin's are coordinated between the two benefits
- Documentation is performed in the Aetna clinical systems

- **Oncology Drugs Pre-certed under both the Medical and Pharmacy benefit**

- Erbitux
- Vectibix
- Jevtana
- Provengle
- ESAs, (Procrit, Epogen, Aranesp, Omontys)
- Yervoy
- Adcetris
- IV Antiemetics (IV Aloxi, IV Emend, IV Anzemet)
- Xgeva

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Precertification- Pharmacy... *clinically smart*

- **Points of Differentiation**

- Drugs are precerted for diagnosis, lab results and diagnostic companion tests when available
- Cumulative Refill to soon, looks at prior year of prescription fills before current fill
- Smart Editing
 - Pre-cert without the hassle
 - Medical data is provided to the Pharmacy claims platform and allows the Pharmacy / patient to bypass the pre-cert process if the appropriate diagnosis, physician specialty and lab results are available
 - Edits also include Pain Management Medication where a bypass is provided to patients with an Oncology diagnosis

- **Drugs (Oral Oncolytics)**

- Gleevec, Nexavar, Sutent, Tarceva, tretinoin, Temodar, Xeloda, Affinitor, Caprelsa, Erivedge, Hycamtin, Jakafi, Inlyta, Oforta, Sylatron, Sprycel, Revlimid, Tasigna, Tykerb, Vandetanib, Vesanoid, Votrient, Xalkori, Zelboraf, Zolanza, Zytiga.

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Incentive strategy

- **Plan design and network offerings** are key to driving patients early on in their cancer journey to optimal providers and care settings
- **Active incentives and disincentives** can be used by plan sponsors to promote the use of optimal providers
- **They key is for us to be consultative for large accounts** and proactively give them solutions for improving the outcomes of their cancer care patients
- **For the individual and small group markets,** the key will be offering products that not only improve quality, but allow us to offer lower premiums in exchange for a select set of oncology providers



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Communications

- **A robust set of member and plan sponsor communications** will be required to drive members to the right setting of care
- **Enhancements to DocFind and iTriage** will be critical components
- **A comprehensive provider communication campaign** will be needed to get oncologists to support and embrace the approach
- **Finally, a robust marketing campaign** demonstrating the differentiated value of our cancer care approach is critical to our overall membership efforts



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Customer service

- **Cancer care is complex.** We must have a customer service model that can support the member throughout his/her journey and do so in an efficient manner
- **The default for a member must be to call 1-800 Aetna** when they have questions about their cancer care journey



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We expect the integrated approach will deliver savings

Expected savings may range from 2-7% on a total spend of \$5B*

1. **Evidence based medicine usage** will drive better outcomes for patients undergoing cancer treatment (*see slide 21 for details*)
2. **Eliminate waste in the system** through administrative efficiencies gained by streamlining payment for EBM treatment plans, etc.

*We need to further test these estimates in pilot studies. Our Innovent pilot, in place since 2010 has already shown strong ROI. The 2-7% range is from a number of data points, including physicians practicing as certified medical homes, international consulting firms, and Aetna experience. Further exploration is ongoing.



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Three models (examples) of collaboration

	Model	Description
A	Oncology vendor solution Aetna as Payer	<ul style="list-style-type: none"> • 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)	<ul style="list-style-type: none"> • Utilize oncology clinical guidelines <u>and</u> 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	<ul style="list-style-type: none"> • 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)

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Our Value Proposition

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

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Thank you

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