

THE ZITTER GROUP

## Market Research

33 Bleeker Street  
Suite 200  
Millburn, NJ 07041

*phone* 973.376.1300  
*fax* 973.376.1358

90 New Montgomery Street  
Suite 1430  
San Francisco, CA 94105

*phone* 415.547.1000  
*fax* 415.547.1001

*e-mail* [tzg@zitter.com](mailto:tzg@zitter.com)  
*web* [www.zitter.com](http://www.zitter.com)

# ***The 2009 Managed Care Oncology Index***

**Semi-Annual Primary Market  
Research on the Evolution of  
Oncology Management by  
Commercial Payers**

**Prospectus**





## ***The Changing Oncology Market***

Managed care has long avoided close scrutiny of oncology. Faced with well-organized specialists and lingering fear of the bad PR associated with “denying care”, most payers have concentrated on other categories. Several concurrent trends have begun to change that:

- ✓ The Medicare Modernization Act (MMA) initiated a significant shift in the way payers manage oncology by altering the payment methodology and provider incentives.
- ✓ A number of important chemotherapies, including several cytotoxics and all of the antihormonals, will see their patents expire by the end of the decade
- ✓ Specialty pharmacy providers (SPPs) have begun to offer oncology-specific services, including oversight of distribution and tighter management of supportive care products
- ✓ Sophisticated and highly sensitive genetic diagnostics offer payers additional opportunities to manage cancer medicine
- ✓ The targeted nature of new therapies facilitates tighter access management

## ***Unique Features of the Study***

- ✓ Only large ongoing research project focusing on both payers and oncology practices – two studies in one
- ✓ Timely analysis of payer-driven changes in access, coverage, and payment and their impact on oncology practice patterns
- ✓ Comprehensive analysis of evolving payer and provider management systems, including claims adjudication, coding, and payment
- ✓ Large sample ensures national representation and the ability to track key trends by payer and practice size, and by geography
- ✓ Survey conducted twice annually, ensuring accurate and up-to-date information

## ***You Will Learn***

- ✓ How changes in physician reimbursement and product sourcing will affect product use, site of care, and practice profitability
- ✓ How revenue-neutral prescribing decisions affects physician product selection
- ✓ How perceptions of oral and infused therapies affect their coverage, use, and reimbursement
- ✓ What implications route of administration and benefit classification have for patient access and physician profitability
- ✓ How specific formulary, reimbursement, and benefit designs will impact oncology products
- ✓ How payers and providers will manage cytotoxics, antihormonals, and targeted therapies in the wake of patent expirations and ASP-based payments
- ✓ How managed care organizations will pursue oncology cost-cutting and implications for product marketing

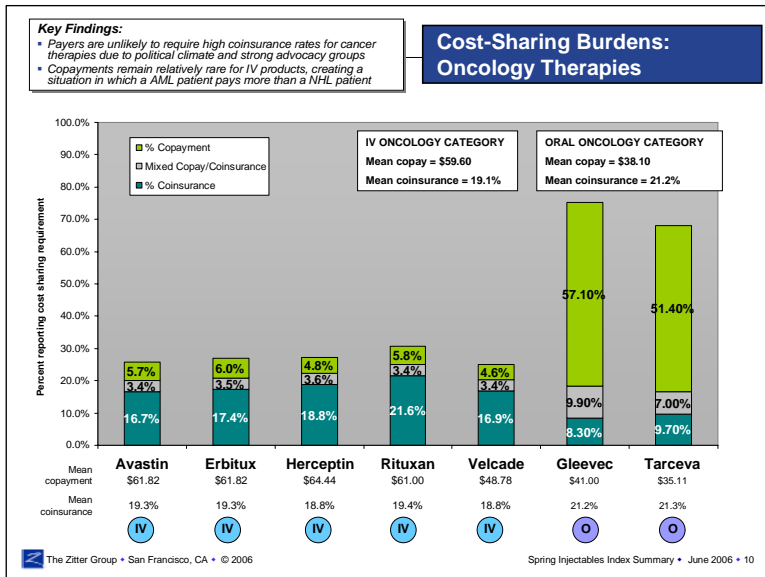


## Key Research Issues

The **Managed Care Oncology Index** is the most comprehensive and up-to-date analysis of the major trends underway in the evolving payer market for oncology. The Zitter Group works closely with clients and subscribers to frame research questions, and to ensure that each semi-annual issue provides detailed, intelligent analysis of the most important current trends.

- ✓ Will the commercial market follow Medicare's lead in managing oncology?
- ✓ What is the timeline for payer adoption of ASP-based payments in oncology?
- ✓ How will providers/practices react to declining reimbursement rates?
- ✓ Have changing payer coverage policies resulted in changes in off-label use?
- ✓ How will rising patient cost-sharing requirements affect utilization of targeted and biotech products?
- ✓ What impact does patient willingness-to-pay have on marketing strategy and objectives?
- ✓ Do payers' management systems have the ability to track utilization by line of therapy?
- ✓ How do payers' perceptions of a product's "value" affect coverage policy and payment – particularly for biologic or targeted therapies?

## Cost-Sharing Burdens: Select Biologic Therapies



The **Managed Care Oncology Index** tracks payer management of therapies for the most important solid and hematological tumor types. The study provides an accurate portrait of current coverage policies, cost-sharing burdens, and access rules, as well as their impact on utilization.

The **Index** also tracks management priorities, offering a portrait of the most likely oncology management strategies over the next 12-18 months, providing critical insight for product strategy. Because the study includes both payers and providers,

findings from one group can be balanced against those from the other, ensuring a more accurate picture of the evolving market.



## **Methodology**

Valuable market research is accurate and actionable. That requires methodological rigor and an understanding of how pharmaceutical marketers develop and implement strategies and tactics. The Zitter Group has surveyed managed market executives to understand their perceptions, needs, and decision-making criteria across numerous product categories and strategic issues. Now you can access this sophisticated intelligence with a special focus on oncology in the managed care world.

- ✓ The study consists of two key components: a web-based survey of 100 top decision-makers in large national and important regional managed care plans, and a similar survey of 100 oncology providers and practice managers.
- ✓ This two-armed approach provides a unique level of understanding about ongoing changes in oncology management.

The Zitter Group uses multiple analytic methods, including rank-order (ordinal), Likert scales, discrete-choice analysis (including conjoint designs), and other techniques in order to produce reliable quantitative results. Quantitative data are augmented with extensive open-ended, qualitative information, included to enrich the understanding of this dynamic market.

## **Timing**

The Study will be conducted semiannually.

Upcoming editions:

**Winter 2009: 5<sup>th</sup> Edition** – March, 2009

**Summer 2009: 6<sup>th</sup> Edition** – August, 2009

## **Pricing**

The price for The Zitter Group's *Managed Care Oncology Index* is \$67,950, for two issues. The Zitter Group will provide an electronic copy of each semi-annual report along with a limited license to reproduce and distribute the content within your organization. The report will detail the study methodology, describe study participants, outline conclusions, and present an executive summary of the research findings. In addition, in order to limit our carbon footprint, TZG allows customers to opt-in to receive up to five (5) bound copies of each semi-annual report, at no additional cost.

## **For More Information**

The Zitter Group is pleased to provide the following proposal to you. To discuss this proposal, please contact The Zitter Group at 415-547-1000 or 973-376-1300.



## Contents

### Overview and Background

Includes a top line review of key events and trends, including recent market data.

- ✓ Current cancer statistics and epidemiology
- ✓ Near-term market events
  - Launches and expirations
- ✓ Top payer management priorities
  - By cancer type
  - By product type
- ✓ Review of payer and provider knowledge, attitudes, and practices

### Current and Anticipated Product and Category Management

Provides a detailed analysis of current and planned payor management of each key category, including coverage policies, OOP costs, benefit classification, and prior authorization rules.

- ✓ Supportive care therapies
  - Anti-emetics
  - Red blood cell growth factors
  - Colony stimulating factors
  - Pain medications
- ✓ Chemotherapeutics
  - Alkylating Agents
  - Antimetabolites
  - Plant Alkaloids
  - Other cytotoxics (including anthracyclines and topoisomerase inhibitors)
  - Antihormonals
  - Targeted/molecular/biologic therapies
  - Immunotherapies and vaccines
- ✓ Current use of specialty pharmacy providers (SPPs)
- ✓ Anticipated changes in 2009-2010

### Reimbursement and ASP Adoption

Explores the scope and pace of payer changes in reimbursement, and their impact of regimen selection, patient access, and site of care.

- ✓ Current use of AWP, ASP in commercial market, by geography, payer size, and practice size
- ✓ Anticipated timeline for ASP adoption
  - Adjustments to non-drug fees
- ✓ Changes to drug utilization
- ✓ Impact on drug mix and regimen selection
  - Impact on generic utilization
  - Impact on biologic utilization
  - Impact on off-label use
- ✓ Changes to site of care

### Benefit Design and Cost-Sharing

Reviews current and planned cost-sharing burdens for oncology products, by benefit class and route of administration, as well as key benefit design issues.

- ✓ Current Cost-Sharing Requirements
  - Supportive care products
  - Chemotherapeutics
- ✓ Anticipated changes to cost-sharing
  - Coinsurance
  - Changes to benefit classification
  - Impact on providers and patients
  - Role of Specialty Pharmacy Providers
- ✓ Planned changes to benefit design
  - Coinsurance and copays
  - CDHPs
  - OOP maximums and Deductibles



## Payer Management Systems and Practices

Focuses on the evolving management systems payers use to manage access, track utilization, adjudicate claims, and pay providers.

- ✓ Current Management Systems
  - Data and claims management
- ✓ Prior authorization/utilization management
  - Current PA systems
  - Step edits
  - Data/evidentiary requirements for off-label use
- ✓ Biomarkers and Diagnostics
  - Provider use
  - Payer coverage and reimbursement
- ✓ Distribution Systems and Arrangements
  - Buy-and-bill
  - Specialty pharmacy arrangements
- ✓ Planned Management Changes
  - Mandatory distribution arrangements
  - Reimbursement reductions
  - Capitation/risk-sharing arrangements
  - Preferred drugs/category management
    - Supportive care
    - Chemotherapeutics
    - Generic utilization
- ✓ Payer/Provider assessments of potential impact

## Conclusions

Provides a summary of the key findings, a detailed analysis of impact, by category, and identifies key issues for future analysis.



## ***The Zitter Group***

### ***Nearly Two Decades of Success Stories***

Since 1989 The Zitter Group has worked with life science product manufacturers and managed care organizations to strengthen relationships, enhance appropriate product use, dramatically improve treatment results, and build brand allegiance.

### ***Unmatched Payer Market Insight***

Since its founding, The Zitter Group has worked in the payer market, developing unmatched domain expertise. Unlike other companies that dabble in the managed care world, we have lived there since the beginning, and that experience and insight informs everything we do.

### ***Combining Insight and Expertise***

Blending best-in-class expertise in the delivery of health care with rigorous and reliable analytic methods, The Zitter Group provides clients with the most actionable and reliable strategic insight possible. Whether you are launching a new product or seeking to maximize the performance of an existing product, The Zitter Group is uniquely qualified to provide the insight you need to ensure optimal decision-making.