

PRESS RELEASE

Oncology Management for Soft Tumors Ramps Up

Payer management of soft tumors has intensified and now mirrors management of solid tumors.

Millburn, NJ – December 7, 2011: 2011 has seen expanded payer management of oncology for all cancer subtypes, though payers are still focused on managing utilization to label. While soft tumors have previously received less focus by payers than solid tumors, prior authorization rates for soft tumors—chronic lymphocytic leukemia (CLL), chronic myelogenous leukemia (CML), and Non-Hodgkin’s lymphoma (NHL)—have caught up to rates seen among solid tumors. This shift in management of soft tumors has been more pronounced among larger payers with greater financial and administrative resources.

These findings come from The Zitter Group’s *Prior Authorization Tracking Tool* which has been monitoring the evolving oncology marketplace since 2009. In tracking payer management of oncology, The Zitter Group has identified five key phases of management from relatively open access to a comprehensive PA impacting all agents. Through analysis of prior authorization (PA) policies from over 350 commercial and government payers, it is clear that management is increasing as payers continue to enter later phases of management with PAs covering a larger percentage of oncology agents.

In CLL, 22% of payers have moved into Phase III (of five) management covering 34% of lives. Nearly 70% of payers have PAs in place on all drugs in the CML category, and though most manage the category according to label specifications, several plans are moving to restrictions beyond the package insert – Sprycel is managed beyond its package insert by 13% of plans. Over half of covered lives are managed by plans with a fully developed Non-Hodgkin’s lymphoma policy for Rituxan, though no plans have developed criteria for Arzerra due to the lack of an FDA approved indication. The focus of PA policies for NHL on Rituxan is limiting inappropriate utilization rather than placing firm controls on the category. In an effort to hinder off-label use of Arzerra, several payers have prohibited its use for Non-Hodgkin’s lymphoma.

Given the current economic climate and increasing pressure to control growing costs in cancer care, payers will continue to increase their management of all oncology categories. Chronic myelogenous leukemia may see management increasing at a faster pace than other tumor types since all targeted agents compete directly in the same lines of therapy. In the absence of clinical data showing superiority, payers may begin selecting one agent over the others moving forward.

The *Prior Authorization Tracking Tool* is a detailed database of health plan prior authorization policies for more than 350 commercial and government payers. Key highlights from the most recent reports on oncology include:

- Unlike other oncology categories, few payers have placed prohibitions on concurrent treatment for Chronic Lymphocytic Leukemia (CLL) agents. As payers become more familiar with CLL treatment, use of more firm restrictions on combination therapy or recycling may increase
- Managed Medicare payers are further along the management continuum than Commercial payers for CML and are more likely to use a specialty tier
- Incorporation of Rituxan's new maintenance indication in follicular NHL has been slow with just 17% of payers having added this language to their policies despite approval on 01/31/2011
- With two oral breast cancer agents on the market, payers are utilizing various management tools such as cost sharing and mandatory SPP use to curb some of the expense associated with this high profile indication
- Though disadvantaging oral agents Xeloda and Tykerb through patient financial burden, commercial payers have fewer strict PA policies for these breast cancer drugs than for the IV agents Herceptin and Avastin
- Payers are preferring Xeloda over Tykerb via patient cost sharing with 69% covering Xeloda on Tier 2 and 46% covering Tykerb on Tier 3
- In an effort to hinder improper use of Avastin, Erbitux, and/or Vectibix with other agents for the treatment of colorectal cancer, several commercial and Managed Medicare payers have placed prohibitions on concurrent treatment with other targeted therapies
- Limitations on recycling impact 4% of plans for Avastin, 9% for Erbitux, and 11% for Vectibix as a way for payers to prevent physicians from reusing an agent following colorectal cancer progression

ABOUT THE ZITTER GROUP

The Zitter Group is a business intelligence firm that assists life science companies with issues related to product access, reimbursement, and managed markets. Founded in 1989, The Zitter Group provides data-driven business insights derived from the nation's largest payer research panel. The company produces the largest and most detailed database on prior authorization policies, several of the largest syndicated studies on payer management of specialty and oncology drugs, and the only service tracking messages account managers provide to payers. For additional information on The Zitter Group, please visit <http://www.zitter.com>.

ABOUT THE PRIOR AUTHORIZATION TRACKING TOOL

The *Prior Authorization Tracking Tool* is the largest database of detailed health plan prior authorization policies and metrics from more than 350 commercial and government payers. This comprehensive, interactive database employs a proprietary system to quantify the restrictiveness of each plan's PA to help pharmaceutical managed care marketing and sales professionals understand the scope of PA-influenced access across accounts, the impact of restrictiveness on geographic populations and market share, and the competitive climate of a given drug category.

PARTICIPATE IN FUTURE RESEARCH STUDIES CONDUCTED BY THE ZITTER GROUP

Are you an MCO professional interested in participating in The Zitter Group's research studies? Please contact Linda Dordevic at ldordevic@zitter.com for more information.

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