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Market Research

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The 2011 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.
- ✓ 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 the promise of 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 payers, clinical oncologists, and oncology practice managers – three 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 oncology practice management systems, including claims adjudication, prior authorization, 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 oncology practice profitability
- ✓ How specific formulary, reimbursement, and benefit designs will impact oncology products
- ✓ How payers and oncology practices 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 the implications for product marketing



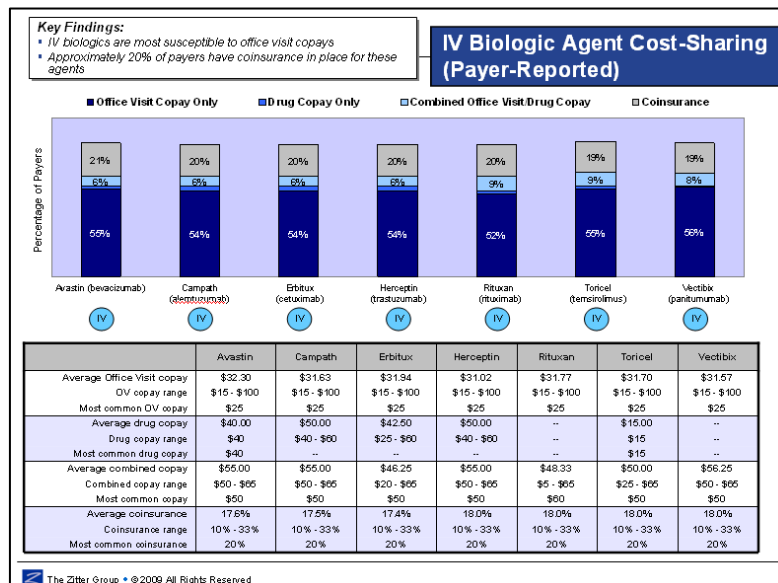
Key Research Issues

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

- ✓ How much of a payer management priority is oncology?
- ✓ How are employers influencing oncology management?
- ✓ Under what methodology, and at what rates, are oncologists being commercially reimbursed for office administered therapies?
- ✓ How has the adoption of ASP reimbursement affected the oncology landscape?
- ✓ What is the role of prior authorization within cancer management?
- ✓ How do oncologists and office managers work together to address payer issues?
- ✓ How are payers using compendia requirements to manage oncology?
- ✓ What is stakeholder reaction to evolving site-of-care dynamics?
- ✓ How do stakeholders assess the drug distribution landscape?
- ✓ How do stakeholders choose between oral and infused therapeutic options?
- ✓ How do stakeholders evaluate current therapeutic options?
- ✓ How do patient cost-sharing requirements impact the oncology landscape?
- ✓ How are stakeholders reacting to NICE's efforts to control access to cancer therapies?
- ✓ What management changes will impact the oncology landscape?
- ✓ How should manufacturers optimize their response to payer interventions?

Cost-Sharing Burdens: Select Cancer Therapies

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





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 study consists of three key components: a web-based survey of 100 top decision-makers in large national and important regional managed care plans, a survey of 100 clinical oncologists, and a similar survey of 100 oncology practice managers.
- ✓ By comparing the insight and experience of payers, oncologists, and practice managers, the Oncology Index offers a full understanding of the rationale behind payer policies, how those policies shape practice dynamics, and the impact payer policies have on oncologist decision making.

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 Oncology Index is conducted semi-annually:

Winter 2011: 10th Edition – February/March 2011

Summer 2011: 11th Edition – August/September 2011

Subscription Options

There are two ways to subscribe to the Oncology Index.

The **Live Subscription** includes:

- ✓ Two semi-annual editions
- ✓ Up to five printed copies of each edition
- ✓ Up to four formal presentations of findings (two on-site, two webcasts)
- ✓ Up to three customized reports/data cuts per edition (each containing up to five unique data cuts), and access to the research team for follow-up questions, data clarification, or additional insight (up to ten hours of telephonic support per edition)

The Live Subscription is available for \$97,950 annually.

Alternately, there is a basic subscription available that includes:

- ✓ Two semi-annual editions
- ✓ Up to five printed copies of each edition
- ✓ Two formal presentations of findings (one on-site, one webcast)

The basic subscription is available for \$85,950 annually.



Contents

Current and Anticipated Product and Category Management

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

- ✓ Top payer management priorities
 - By cancer type
 - By product type
- ✓ Supportive care therapies
 - Anti-emetics
 - Red blood cell growth factors
 - Colony stimulating factors
 - Pain medications
- ✓ Chemotherapeutics
 - Alkylating Agents
 - Antimetabolites
 - Cytotoxics
 - Anti-hormonals
 - Targeted/molecular/biologic therapies
 - Immunotherapies and vaccines

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, and payer/practice size
- ✓ Anticipated timeline for ASP adoption
 - Adjustments to non-drug fees
- ✓ Impact on drug mix and regimen selection
- ✓ 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

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
 - Oncology practice management of payer policies
- ✓ 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
- ✓ Payer/Provider/Practice Manager assessments of potential impact



The Zitter Group

History of Proven 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.