

TEXAS  ONCOLOGY

More breakthroughs. More victories.®



PUTTING PATIENTS FIRST

How Texas Oncology Delivers Quality and Value in Cancer Care

DEFINING VALUE

At Texas Oncology, delivering value to patients means, first and foremost, providing high quality care. Medically precise, evidence-based, leading-edge cancer therapies. Administered with compassion, follow up, and with respect for our patients' needs and values. Local expertise that enables patients to get needed support from loved ones and friends, and with less overall disruption to their lives.

We provide new types of treatment, such as breakthrough immunotherapies, precision medicine that personalizes treatment based on patients' specific genetic information, radiopharmaceuticals, technologically advanced radiation therapy, including proton therapy radiation, and innovative surgical techniques.

Our comprehensive care approach also includes a full range of supportive care, such as nutritional counseling, emotional well-being through support groups, genetic testing and counseling, survivorship programs, and more. Providing comprehensive and effective care is our central focus and the fullest expression of the value we provide to the thousands of patients we see each day – delivered in local clinics with significant cost-effectiveness.



“Putting patients first is not only the right thing to do, it delivers great value to all stakeholders.”

TEXAS ONCOLOGY *by the Numbers*



220 practice sites

85% of Texans live within 20 miles of a Texas Oncology location



525+ physicians

- **317** medical oncologists
- **68** radiation oncologists
- **124** surgeons



190+ Advanced practice providers

320 Oncology certified nurses

55,000+ new cancer patients treated annually



6,200 team members

RESEARCH & CLINICAL TRIALS

- **170+** open clinical trials
- Supporting **100+** FDA-approved cancer therapies

• **2,200+** patients enrolled in trials annually



Goal: *Treat the person, not just the cancer.*

How we define value in cancer care matters. Just as each patient's cancer case is clinically unique, so are the experience and journey in accessing needed treatment, paying for it, and assessing its impact – its overall value to the patient.

Value encompasses maximizing the best possible outcome for the patient at a lower cost. This entails much more than the cost of medical procedures or drugs, and necessarily takes into account each patient's total circumstances and priorities. At Texas Oncology, patients make specific healthcare decisions and choices in collaboration with an integrated, multidisciplinary team. Important value considerations include:

- **Clinical outcome.** Delivering clinically-tested and proven outcomes for the patient by providing a multidisciplinary treatment approach and support to optimize the patient's survival.
- **Quality of life.** Weighing the potential for a treatment regimen to disrupt “normal” life activities vs. allowing a patient to spend quality time with family, participate in hobbies or fitness routines, or continue to work.
- **Access to innovative, high quality care.** Having access to new therapies with fewer side effects, from a conveniently located provider, while enabling patients to be near loved ones and support systems. This includes the opportunity to participate in clinical trials, receive immunotherapy, technologically advanced radiation, precision medicine, and other innovative care.
- **Financial impact.** Understanding the financial impact of care on the patient and loved ones, and related options and opportunities to get assistance when needed – with support from a team of experts experienced in managing complex insurance approval and authorization processes.

As cancer care advances, more patients are surviving, living longer, with better quality of life. Addressing our patients' total needs – medical, emotional, financial – rather than focusing only on their disease is our priority and our responsibility.

Cycle of Value

Together these considerations comprise a cycle of value that highlights the benefits and advantages of Texas Oncology's comprehensive approach to care.

With patients' priorities and overall well-being as the true north, teams of physicians, advance practice providers (e.g., physician assistants, nurse practitioners), nurses, pharmacists, financial counselors, and social workers collaborate to address all facets of care delivery. Nutritionists, physical therapists, genetic counselors, and other support services also are available or recommended as needed – across our diverse sites in large cities, adjacent to major medical centers, freestanding clinics in suburbs, as well as small town and rural locations.

Our medically integrated pharmacy is a distinct advantage for patients, offering greater convenience and faster access to cancer drugs. With close, personal follow-up, our patients are far more likely to take powerful cancer medications consistently as directed – which supports the efficacy of the drugs and can result in better outcomes.

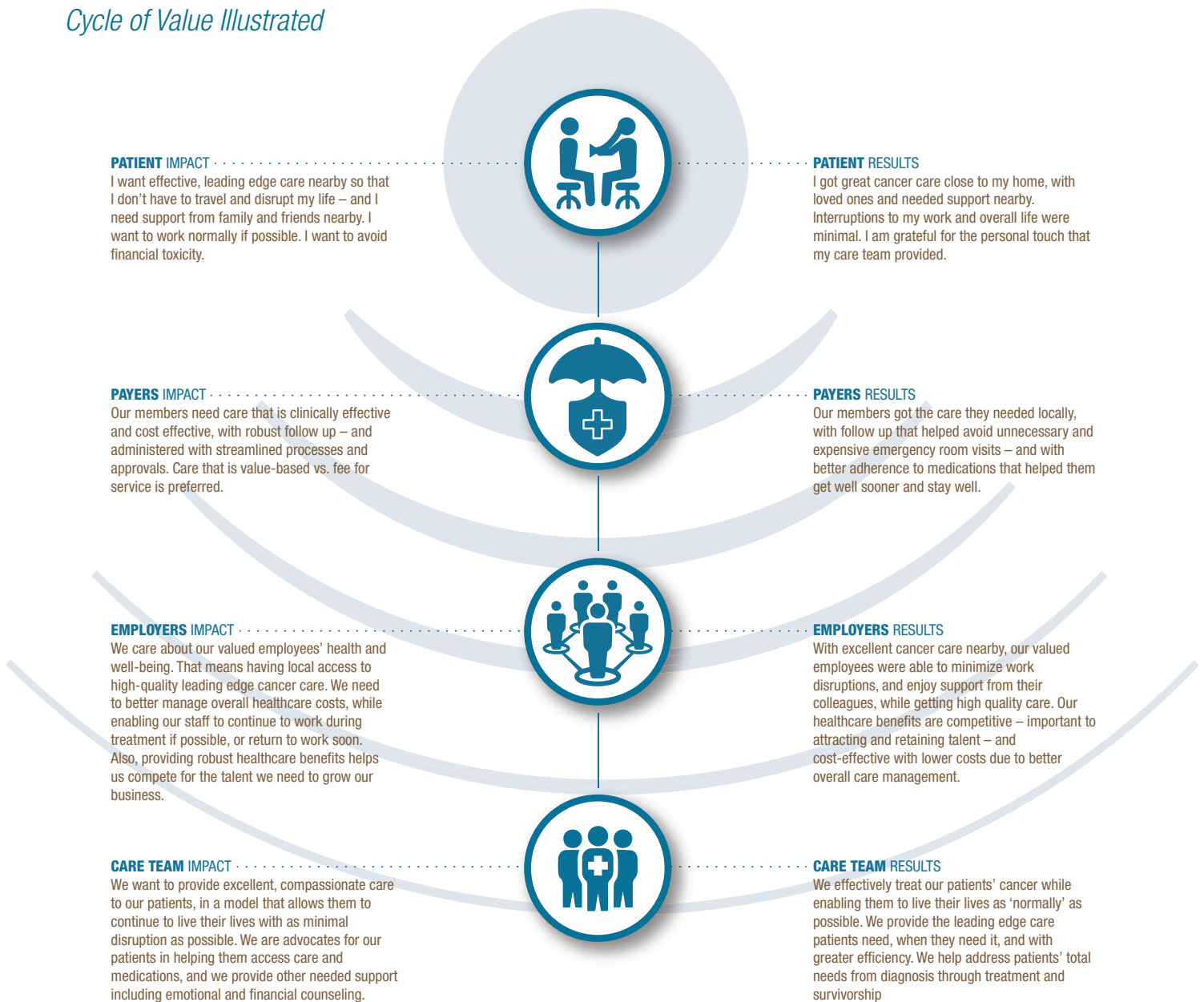
We also use digital technology including telemedicine, virtual care, and symptoms tracking and management applications to help patients get faster responses to medical issues they may

experience – helping them avoid hospitalization and unnecessary emergency department visits.

From experience, we know that putting patients first is not only the right thing to do, it also ultimately delivers the greatest value – to all stakeholders.



Cycle of Value Illustrated



Cycle of Value In Action

Patients that get effective, evidence-based treatment, with complete and personal management of care – like reminders to take medicines properly and on time, advice on diet and exercise, digital symptoms tracking, and needed emotional support – are more likely to have a better experience. They are poised to better manage side effects, less likely to need emergency room care or in-patient hospital care, which can result in better outcomes and help patients achieve their goals.

Patients also benefit greatly when cancer care is nearby, resulting in less overall disruption, with access to needed support from family and friends, and opportunity to continue to work or return to work. Care in our community-based model that is significantly more cost-effective than other options adds more value.

Value then comes full circle for our patients, their loved ones and caregivers, as well as payers, employers, and our committed team of healthcare professionals.

MAINTAINING FINANCIAL HEALTH

The cost of care is a major challenge that confronts many cancer patients and their families – as well as healthcare teams, employers, insurance providers, and policymakers.

Texas Oncology's patients-first approach means that our commitment to delivering high quality cancer care is comprehensive. Our focus on treating the cancer and on the comprehensive needs of the person who has the disease includes helping address the financial impact. We do this in several ways:

- **Cost-effective care.** First and foremost, our community-based model overall is upwards of 38% less costly than hospital-based care, according to [research](#) by the Community Oncology Alliance. Texas Oncology offers multiple treatment modalities including infusion chemotherapy, oral oncolytics, radiation therapy, oncology-specific surgery, immunotherapy, and precision medicine. Most cancer care is administered on an outpatient basis, with hospitalization necessary mainly for highly specialized treatment such as blood and marrow transplants and complex surgeries. Numerous studies have confirmed the significantly lower overall costs for cancer care administered in physician practices as compared to hospitals.
- **High quality care with less disruption.** Delivering evidence-based care to patients near where they live can have a major positive financial impact. Patients who are able to continue to work, avoid travel, and access needed support from loved ones and friends often experience reduced overall financial impact.

- **Advocacy and assistance for patients.** We have a large, experienced team with expertise in managing complex health insurance authorization and approvals. We strive to ensure that patients get approval for the care they need as quickly as possible, and with as minimal out of pocket costs to patients as possible. In addition, we proactively support policy reforms at the state and federal government levels that benefit patients, including recent legislation in Texas regarding pharmacy benefits managers and prior authorization. Our clinical and administrative teams work in concert to clear the way for our patients to get needed treatment.

Our support teams have deep knowledge of the multitude of assistance programs for cancer patients. These include free or discounted drugs from pharmaceutical companies, and direct grants from various non-profit organizations for expenses like transportation, groceries, and other household costs. In addition, the Texas Oncology Foundation provides an array of support services including grants for household costs for eligible patients, transportation grants, as well as robust survivorship programs to help patients after treatment.

“Our commitment is to deliver high-quality, comprehensive cancer care.”



COMMUNITY-BASED CARE AND VALUE

From its founding more than 35 years ago, Texas Oncology has focused on delivering high quality care in the communities where people live. We bring cancer care to people versus requiring patients to further disrupt their lives and relocate for treatment.



As a physician-owned practice, we always have placed a high priority on efficient management of resources and cost-effective care. Here are some of the ways that we add value in our approach to patient care:

- Our treatment plans adhere to standard national guidelines.
- Our pharmacists provide extensive education and follow up so that patients are more likely to take medications as directed and better understand and manage side effects.
- Clinical teams help patients address acute side effects, providing clear direction on when to call us, and helping them to avoid unnecessary (and costly) hospital emergency room visits.

- We use technology such as a symptoms tracker application, for faster response to urgent patient needs.
- We advocate for patients with insurance providers, drug companies, and non-profit organizations to help reduce out of pocket costs.
- We provide financial counseling so that every patient understands their costs, and we offer flexibility in payment approaches as needed.

A variety of research comparing the cost of community-based care to treatment from hospitals confirms that our care costs less while maintaining high quality. A 2015 [report](#) in the American Journal of Managed Care concluded the overall costs of chemotherapy treatment was 20% to 39% lower in community-based clinics as compared to hospital-based care.

A study published in the American Society of Clinical Oncology's Journal of Oncology Practice reviewed more than 6,000 breast, lung, and colorectal cancer cases. The study found that total costs were significantly lower in patients treated in a community-based practice as compared to those treated in a hospital-based outpatient practice. According to the research, the per patient per month cost for care at a community-based practice was \$12,548 compared to a \$20,060 in per patient per month cost for hospital-based outpatient treatment.

In addition, [researchers found](#) that patients treated at the community-based clinic were 29% less likely to seek emergency room care following chemotherapy treatment.

Other studies have found that chemotherapy infusions for Medicare patients cost 14% more in hospital-based outpatient centers vs. physician offices. A separate [study](#) of commercially-insured patients showed that the average cost per chemotherapy episode was 34% higher in a hospital setting.

PATHWAYS

Texas Oncology's Pathways program, launched 13 years ago, is a pioneering approach to blending quality care and cost-effectiveness.

In Pathways, physicians develop treatment plans using guidelines based on cumulative evidence from thousands of cancer cases. According to published research, this evidence-based approach led to a 35% reduction in oncology drug costs, while maintaining high quality and improved outcomes for patients.

More recently, a [study](#) published in the American Journal of Managed Care found that the total cost of care for patients receiving immunotherapy was “significantly lower” for patients treated in a community-based setting versus hospital-based care.

The cost differences are profound for patients, government and private insurers, and large companies that self-fund healthcare benefits for employees. These studies validate the clinical benefits and economic value of community-based care.

In some cases, effective treatment of cancer requires hospital-based resources and care. Texas Oncology works closely with leading hospitals across the state to ensure seamless, uninterrupted delivery of care to patients. Also, we collaborate with hospitals to perform complex surgical procedures and other specialized treatment such as blood and marrow transplants and cellular therapies such as CAR-T therapy.



Q & A



Our overall approach to community-based care

How does community-based care deliver value to patients?

Overall, there is less disruption to patients’ lives, with no compromise in quality of care. It brings care to patients in their communities versus requiring them to uproot their lives. Moreover, there is deep expertise near where patients live. It also allows for the advancement of cancer treatment through clinical trials – and gives patients access to innovations in treatment.

How does Texas Oncology’s approach uniquely provide value? What sets us apart?

Our teams form strong bonds with our patients – we live and work in their communities. We bring breadth and depth, with numerous subspecialties and an integrated, multi-disciplinary approach to care. We address patients’ total needs – with deep clinical expertise, and other support, e.g., emotional, nutrition, financial guidance, genetic testing and counseling, and more. Our care is significantly more cost-effective than hospital-based care.

How and why is care from Texas Oncology less costly than from hospitals?

As a physician-owned practice, our model is inherently less costly. Our facilities, staffing, and care model are organized and developed in manner that is more efficient. We adhere to Pathways/evidence-based care and National Comprehensive Cancer Network (NCCN) guidelines. Our integrated teams, including pharmacy services, conduct follow up to keep patients on track with treatment, manage side effects, and address other needs such as emotional support, financial issues. Our specialty focus means we do not have the large facilities costs that hospitals have.

R. Steven Paulson, M.D., is the president and chairman of the board of Texas Oncology.

VALUE-BASED CARE

The term “value-based care” is a buzzword in healthcare, but its meaning and impact are important. Value-based care programs are delivering higher quality care, with measurable value and benefits to patients and all stakeholders. That’s better care with better cost management.

Value-based care is a healthcare delivery model in which providers focus on taking care of the entire patient and on delivering positive overall outcomes – and not just providing treatment or services for fees. The “value” in value-based care relates to the emphasis on measuring results, not activities.

Under value-based care agreements, providers are rewarded for helping patients with better education, communication, and monitoring, providing easier access to the clinic for urgent care, and better anticipation and management of problems. A hallmark of value-based care is that providers are paid based on patient outcomes, not on the volume of services delivered. These improvements help reduce the complications of treatment, reduce hospitalizations and symptoms burden, all of which improves overall quality.

Value-Based Care at Texas Oncology

In 2016, Texas Oncology was selected as a participant in the Oncology Care Model (OCM) program, a new payment and delivery model from the Center for Medicare and Medicaid Innovation (CMS Innovation Center), designed to provide higher quality, more coordinated oncology care. The focus of the OCM is to improve patient care and enhance the patient experience for Medicare patients undergoing chemotherapy, hormonal therapy, and immunotherapy treatments. CMS has rewarded Texas Oncology for meeting stringent, comprehensive standards for quality care, cost management, and reporting in the OCM program.

Over the most recent nine performance periods in OCM, Texas Oncology achieved approximately \$134 million in savings for Medicare. Hospital admissions have dropped from 25 percent to 16 percent. Visits to the emergency room by our patients declined from 24 percent to 18 percent.

Texas Oncology also has engaged with commercial insurance companies, including Aetna, United Healthcare, Cigna, and Humana, on value-based programs – with proven results in maintaining outcomes and reducing costs. The impact of these programs includes:

- An emphasis on patient-centered care and collaborative, integrated multi-disciplinary care teams
- More frequent, focused patient follow-up to better manage cancer treatment side effects – to help avoid emergency room visits
- Enhanced coordination with key patient support services such as financial benefits counseling and assistance; nutrition and wellness, and survivorship programs



The “value” in value-based care emphasizes measuring results, not activities.

Q & A



Our point of view on value-based care

What is Texas Oncology's point of view on value-based care?

We embrace value-based care on behalf of our patients. We want them to get well as quickly as possible with fewer complications and disruptions. Value-based care programs keep patient needs and outcomes front and center. We were perhaps the largest practice to participate in OCM, and delivered consistent results to our Medicare patients – resulting in significant cost savings to Medicare. We extended these approaches to all of our patients.

How do value-based care programs help patients, as well as other stakeholders, e.g., payers, employers?

Value-based care focuses our efforts on patients' needs with the outcomes in mind – which helps us deliver care more effectively, but also more efficiently. Patients get the care they need, more effectively managed through improved follow up. Employers and payers see better results for their employees or subscribers, as well as cost savings.

How do value-based care programs impact quality of care?

With patients' total needs driving the care model, we help them better manage their treatment – such as staying on track with medications, managing side effects more closely to avoid unneeded trips to the hospital. Overall, patients stay on course and ostensibly get well sooner with fewer problems.

What are the key learnings or positive outcomes from the OCM?

Use of cost-effective medications such as biosimilars realized significant savings without compromising results. Close follow-up of patients decreased hospitalizations and emergency department visits. Monitoring pain and depression more closely allows earlier intervention.

Susan M. Escudier, M.D., FACP, is Texas Oncology vice president of Valued-Based Care and Quality Programs, and medical director for the Gulf Coast region.



PATIENTS AND CANCER CARE COSTS

Outside of the serious health risks of cancer, perhaps nothing is more impactful to patients, their families, their livelihood, and overall quality of life than bearing the financial burden of care. Indeed, the term “financial toxicity” captures the essence of this problem.

Every patient that we treat has a financial counseling meeting with our patient benefits representatives. This includes a detailed review of applicable commercial or government insurance benefits, as well as expected out of pocket costs.

We work diligently to help ensure patients get the treatment they need. In many ways, and on a daily basis, Texas Oncology is engaged with patients and other stakeholders to manage and mitigate the cost of cancer care.

This includes outreach and advocacy to identify and secure resources for patients in need – whether in appealing adverse decisions by insurance companies, seeking out coupons and discounts from pharmaceutical companies for cancer drugs, or connecting patients with non-profits and foundations that provide grants or other assistance.

Our patient benefits team, available at all of our locations, is empowered to work with patients on flexible approaches to paying out of pocket costs, which can be considerable in cancer treatment.

Also, the Texas Oncology Foundation provides an array of direct support to patients such as transportation assistance, household financial grants, and robust patient and survivorship education programs.

The High Cost of Cancer Drugs

One aspect of cancer care costs that Texas Oncology has limited control over is the price of drugs. Many of the most promising innovations in cancer care are quite expensive. CAR-T, immunotherapies, and targeted therapies are examples. The extensive research required to prove the safety and efficacy of these breakthroughs is an important ingredient in the pricing models. Still, cost-benefit analyses raise profound ethical questions.

Even established treatment protocols often include costly – yet lifesaving – medications. At Texas Oncology, our physicians have led the way in helping reduce drug costs by adhering to evidence-based treatment guidelines in our established Pathways program (see sidebar above) and through adoption of lower cost medications such as biosimilars [link to biosimilars study]. Many patients experience a combination of therapies that may include surgery, chemotherapy, and radiation. It’s a fact that this type of intensive, multi-faceted specialty care can be expensive. Likewise, a multi-faceted approach is needed to address the financial impact on patients.

Q & A



Our point of view on financial toxicity

What is financial toxicity and how does Texas Oncology help patients address it?

Financial toxicity describes the challenges that patients and their families experience from the monetary burden of treatment. While modern cancer therapy brings amazing potential for good outcomes, treatments can be expensive for patients and their families and managing financial toxicity can be a burden of care.

How do you balance the reality of costs, ability of patients to pay, with desired outcomes and patient care needs?

As an organization we think a lot about the value of cancer care that we provide. We consider clinical efficacy, toxicity and cost as we make therapeutic decisions with patients. We are aligned in finding the best outcome for patients and have significant resources that can assist patients in getting the help they need.

Debra Patt, M.D., Ph.D., MBA, FASCO, is Texas Oncology executive vice president of Policy and Strategic Initiatives.

I LOVE MY JOB – BECAUSE I GET TO HELP PEOPLE.



For some patients, including those with commercial insurance benefits and Medicare recipients, out of pocket costs for cancer medicines can be too high to bear, without help.

That's when drug coordinator Dee Smith goes to work, finding a way to get discounted or donated medicines to patients. From keeping up with ever changing non-profit foundation funds to understanding the varied requirements of pharmaceutical company coupon, hardship, and free drug programs, Dee is relentless.

Like when she helped a 60-year-old Flower Mound school teacher obtain Palbociclib, a protein inhibitor drug for breast cancer that costs upwards of \$16,000 per month. The patient's 20 percent co-pay, over many months of treatment, was simply not affordable. Dee quickly enrolled the patient in the drug manufacturer's assistance program ensuring that treatment would continue uninterrupted.

"It feels good to know that I've helped someone," says Dee.

Dee Smith

Drug Coordinator, Texas Oncology–Charles A. Sammons Cancer Center, Dallas

When Patients Come First, Everyone Benefits

Our vast network of physicians, researchers, advance practice providers, nurses, and support staff comprises one of the largest oncology practices in the U.S. Though our teams are, by design, dispersed in communities across Texas, we are connected and collaborative. We share clinical expertise, a commitment to quality care, and a culture that unites us around a promise to do the right thing for our patients, each other, and the communities we serve.

No patient – and no oncology team – puts the price of care before the desire to treat and heal. But that does not absolve us of the responsibility to capably manage the care we provide. That's essential

to enabling our dynamic practice to continue to grow so that we can serve more patients in the future with leading-edge cancer care that is both clinically effective and cost-effective, and administered locally.

Ultimately, we deliver value in the form of high quality, cost-effective care without compromise that is planned and provided with patients' goals and values in mind.

We provide care that meets our patients' needs where they live, enabling them to live their fullest possible lives while being treated and beyond – lives that are more "normal" and less defined by cancer.

Ultimately, we deliver value in the form of high quality, cost-effective care without compromise.

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