

**Mr Clint Oellerman
Inquiry Director
Health Market Inquiry**

3 March 2015

By email:

Dear Mr Oellerman

**RE: ICON's response to Submission on the Inquiry into the Private Healthcare
Sector Board of Healthcare Funders of Southern Africa (BHF), p 44**

“The trend within the private sector is to outsource the responsibility of medicine selection to oncologist-run entities such as the South African Oncology Consortium (SOAC) and the Independent Clinical Oncology Network (ICON) should be frowned upon. The problem that arises is that participating oncologists become judge and jury over access to these high cost medicines that struggle to demonstrate true clinical value and are interventions that are often neither cost-effective nor affordable. Furthermore, these conglomerates develop so-called treatment guidelines that promote inequity through the application of a tiered approach to care (i.e. the richer you are the more medicines you are eligible to receive) and the basis on which all agents are included on specific tiers is unclear as the internationally accepted grades of evidence used for their inclusion are not listed. Conflicts of interest are not managed and cost utility analyses which form the basis for inclusion are not available for scrutiny. In the clinical setting, using these flawed tiers as the basis for treatment selection, there is a propensity to selectively interpret and apply the evidence to clinical situations that are beyond the scope of the environment in which the specific medicines were studied. This is particularly problematic in an environment of information asymmetry and patient vulnerability.”

ICON has taken note of the submission by the Board of Healthcare Funders (BHF) and believe that the opinions stated by the author(s) of the document are not based on fact. None of the

statements are referenced and purely based on speculation and a one sided interpretation. The statements stand in stark contrast to opinions expressed by world renowned experts in forums such as the 2014 UICC World Cancer Congress¹ which took place in Melbourne, Australia from 3-6 December 2014 and more recent World Innovation Summit on Healthcare² held in Doha, Qatar from 15-16 February 2015 and attended by the Honourable Minister of Health. In both of these forums it was stated on numerous occasions that it is vital to ensure the buy-in of the clinicians in any program aimed at reducing the cost of cancer care. Clearly a message that most medical schemes have taken to heart.

The Independent Clinical Oncology Network (ICON) would like to provide the Panel with an overview of the ICON value proposition that focuses on bridging the gap between Healthcare Funders and Oncologists, in line with expert international opinion, with the primary focus on providing high quality cancer care to patients.

ICON is a duly registered managed care organisation with a network of specialist oncologists on the one hand and a network of formally contracted funders on the other.

ICON bridges the gap between providers and funders by providing the following:

- **An aligned provider network**
- **Treatment protocols**
 - Contributed to by providers taking into account PMB legislation as appropriate
 - Setting standards of care to ensure patient safety and quality of care
 - Based on treatment intent- in itself unique in cancer treatment protocols in RSA and representing a major enhancement towards appropriate quality care
 - Taking cost into consideration, guided by recent ASCO³ and ASTRO⁴ guidance on the “Choosing Wisely” programs aimed at reducing costs and improving quality
 - Peer to peer interaction and management to improve quality
- **ICON Formulary**
 - Changing prescriber behaviour to the benefit of the patient and the payor.
 - Increasing generic medicine utilisation
 - NO co-payment to scheme members at point of service
 - Driving a decrease in oncology medicine prices
- **ICON Tariff Structure**
 - Predictability of cost
 - Ease of administration
 - Reducing “waste” and inefficiencies from the value chain.

¹ <http://www.worldcancercongress.org/melbourne-2014>

² <http://www.wish-qatar.org/>

³ <http://www.asco.org/practice-research/top-five-list>

⁴ <https://www.astro.org/News-and-Media/News-Releases/2014/ASTRO-releases-second-list-of-five-radiation-oncology-treatments-to-question,-as-part-of-national-Choosing-Wisely-campaign.aspx>

- **Accreditation of practices**
 - Accrediting of oncology practices, acknowledged by the South African Society of Clinical and Radiation Oncologists (SASCRO)
 - Ensuring self-auditing and external inspection of all ICON practices
 - Ensuring highest level of quality control

- **Online e-Auth® platform**
 - Driving alignment with protocols using a decision tree logic
 - Continued drive to integration with EMR and Billing

- **Business Intelligence**
 - Central Data Repository

BHF STATEMENT:

“The problem that arises is that participating oncologists become judge and jury over access to these high cost medicines that struggle to demonstrate true clinical value and are interventions that are often neither cost- effective nor affordable”

The ICON value proposition makes available a risk management benefit package for oncology, to assist participating Medical Schemes in the management of the financial burden and impact of cancer in Medical Schemes population.

As per the seminal article – “A Strategy that will fix Healthcare” by Porter and Lee published in the Harvard Business Review ⁵ Value in Healthcare is defined as:

Outcomes **Cost**

Outcomes is a quality measure and more recently the international trend is to further define quality as outcomes that matter to patients. ICON adds value by addressing both outcomes and cost aspects.

1. Outcomes:

Improved access to care

- A countrywide footprint.
- No waiting lists in any of the 24 radiotherapy or 55 chemotherapy centres countrywide.
- No co-payment (and therefore a financial barrier to access) at point of service. This is a member-directed value seldom recognised by funders but certainly by members with cancer.
- Utilisation of Family Practitioner networks through ICON ICCCM⁶ to support the patient throughout the trajectory of care.

Improved quality of care

- A focus on the appropriate care throughout the continuum of care.
- Standard operating procedures implemented in all centres.
- Radiotherapy standards improved to international best practice in all centres, driven and supported by a national world-class oncology information system
- Stringent process of accreditation.

The most important quality of care enhancer, however, is the commitment by participating oncologists to an accurate assessment of the disease and subsequent expression of the intent of the treatment. The categories are as follows:

⁵ <https://hbr.org/2013/10/the-strategy-that-will-fix-health-care/>

⁶ Integrated Continuum of Care Model

Curative Intent

- Adjuvant- treatment after an operation.
- Neo-adjuvant- treatment prior to an operation.
- Radical- treatment to cure but without surgical intervention.

In our quest for improved outcomes and quality of cancer care we focus on both structural issues, for example inadequate benefits for terminal care or process issues in delivering care. This strategy requires the development and maintenance of a relationship of trust with medical schemes in order to address short-falls in quality through benefit design and delivery processes. To that extent we believe that our approach is transformational and indeed unique and unmatched in delivery of cancer care to medical scheme insured populations.

The value generated accrues firstly to patients in every respect within the ICON patient-centred model, funders in terms of predictability of managing the cancer burden in their population and cancer specialists who are unburdened from senseless, rule-based, 3rd party managed care encounter management interventions.

Non-curative Intent

- Non-curative treatment aimed at improved survival of the patient.
- Non-curative palliative treatment aimed at symptom control of the patient where the intention is to reduce costs as far as possible.

If the intent is to cure a patient, treatment protocols are available with specific indications for use. However, in the non-curative situation, the focus of the Treatment Protocols is on appropriate care and management of the patient with the emphasis on quality of life and reducing spend. The intention being to spend more in curative scenarios and less in the end-of- life scenario.

2. Cost:

A comparison with historic claims is problematic because it is difficult to predict retrospectively which members would have received palliation rather than continued aggressive chemotherapy where a palliative route would have been more appropriate.

ICON manages cost by doing the following:

Bundled treatment codes:

ICON Procedure Codes and global fees include:

- Consultations.
- Professional fees.
- Facility fees and technical fees.

- Basic Materials i.e. all fluids, standard IVI-lines and other consumables.
- Built-in efficiency-gains through elimination of itemised billing.

Improved effectiveness and efficiency of care:

- Care tailored to financial constraints.
- Maintaining highest quality of care within available resources.
- Cost conscious treatment protocols.
- Protocols provide protection against inappropriate use of expensive drugs without significant benefit.

ICON formulary:

- Increased use of generics or cheapest drug in class.
- Impact on market – significantly driving down generic prices.
- NO co-pay to patients at point of service

Reduction in administrative cost:

- Electronic generation of treatment plans.
- Business to business integration.
- Automated authorisation of agreed to in protocol treatments.
- Expert oncology opinion on all complex treatment plans.
- Integrated billing system that links claims to authorisations.
 - Quarterly reports

ICON has recently been recognised by the World Innovation Summit for Health (WISH) in a report⁷ for successfully driving down the cost of cancer care. It is reported that ICON has on average reduced the cost of treatment on average 43% for breast cancer patients, 22 % for colorectal cancer patients and 19 % for prostate cancer patients.

⁷ Thomas R et al; Delivering Affordable Cancer Care 2015, p22 -25. Available online <http://www.wish-qatar.org/summit/2015-summit/reports-en/delivering-affordable-cancer-care-en>

BHF STATEMENT:

“Furthermore, these conglomerates develop so-called treatment guidelines that promote inequity through the application of a tiered approach to care (i.e. the richer you are the more medicines you are eligible to receive) and the basis on which all agents are included on specific tiers is unclear as the internationally accepted grades of evidence used for their inclusion are not listed.”

The ICON Treatment Protocols were developed by the ICON Therapeutic Committee and ICON disease focus expert panels of oncologists and agreed to at workshops held with most of the participating ICON oncologists.

ICON has a Standard protocols set containing treatment regimens are evidence-based and in compliance with Prescribed Minimum Benefit (PMB) Regulations in terms of conditions that qualify as PMB as well as level-of-care..

ICON subsequently has also developed an Enhanced protocol set on the request of Medical Schemes, aimed at top end benefit options. Non-PMB treatment regimens are included e.g. targeted (also called biological) therapies and more expensive radiotherapy modalities. The existence of these options with differentiated benefits are sanctioned by the Medical Schemes Act and the ICON Treatment Protocols in this regard make sure that only appropriate and not futile molecules are included in the Protocols and Formulary.

Patients on lower end benefit options still has access to these treatments if a motivation by the treating oncologist is submitted to the ICON Treatment Plan Review Committee (TPRC). The TPRC will review clinical evidence, consider cost implications and make a funding recommendation to the medical scheme, with the scheme making the final funding decision.

ICON protocols are all duly referenced. All Network oncologists have more than one opportunity to submit evidence based motivations to the ICON therapeutic committee for review. The ICON Treatment Protocols support cost-effective options as the first line of treatment. Access to higher cost treatment regimens is limited to instances where contra-indications for drugs or other co-morbidities exist that need to be considered clinically. In many instances approval of such higher cost treatments are associated with direct outcomes reporting.

A draft of the protocols are circulated to Oncologist members, contracted medical schemes and managed care organisation for final review and input. Once agreement has been reached based on the input of all parties above, the final, referenced ICON protocols are circulated to all member oncologists and contracted schemes.

The ICON Treatment Protocols are supported by an ICON Medicine Formulary. Lower cost drugs and generic alternatives are given preference in the formulary. The formulary serves to create competition amongst the pharmaceutical companies to have their drugs listed on the Formulary. ICON has seen the prices of certain categories of chemotherapy drugs come down by as much as 400%. This allows previously very expensive treatment regimens to be included in the ICON protocols and therefore improve the access to care for patients even further.

A copy of the ICON treatment protocols and ICON formulary is available on request.

BHF STATEMENT:

“Conflicts of interest are not managed and cost utility analyses which form the basis for inclusion are not available for scrutiny. In the clinical setting, using these flawed tiers as the basis for treatment selection, there is a propensity to selectively interpret and apply the evidence to clinical situations that are beyond the scope of the environment in which the specific medicines were studied. This is particularly problematic in an environment of information asymmetry and patient vulnerability.”

ICON works closely with its funding partners to constantly measure the impact of the ICON program. Quarterly reports measuring incidence, prevalence and cost of cancer is submitted and analysis is done on chemotherapy utilisation, radiotherapy utilisation, protocol compliance and cost impact. The reports contain a combination of claims data and authorisation data. ICON discusses the methodology with medical scheme and managed care partners in regular workshops and presents the reports to various Boards of Trustees when required.

Examples of ICON Medical Scheme reports are available on request.

ICON provides utilisation reports to provider practice groups and to individual providers on a quarterly basis. These reports focus on the incidence and prevalence of cancer, treatment modalities used and protocol compliance.

Examples of Practice reports and individual reports are available on request.

ICON is working with our funder partners and oncologist members to expand reporting to capture and include clinical outcomes data in all our reports.

ICON believes strongly that outcomes data should be made available to patients to reduce information asymmetry, once the methodology around the gathering and analysis of this very sensitive data has been finalised and agreed upon by all stakeholders.

All network participants are contractually bound to ensure that patients sign informed financial consent, a first in the oncology market and aligned with current trends as advocated at the recent WISH summit session on accountable care⁸ and outcomes that matter (to patients).

⁸ <http://www.wish-qatar.org/> - Focusing Accountability on the Outcomes that Matter - Report of the Accountable Care Working Group 2013 - Dr Mark McClellan et al

Conclusion:

ICON is of the opinion that BHF unfortunately made reckless claims without any substantiation in their submission to the Panel. We believe that the response from ICON convincingly refutes these claims. ICON bridges the gap between funder and provider, ensuring cost effective high quality care to the benefit of all patients.

As stated, ICON would be happy to provide further supporting documentation if required by the panel.

Yours faithfully



Dr Ernst Marais
ICON Operations Executive

(021)9443750
ernst.marais@cancernet.co.za