Health Economics in Oncology: A Necessary Tool for Value-Based Patient Care

Dalia Buffery, MA, ABD
Senior Editorial Director, American Health & Drug Benefits

Oncology continues to be a major focus for all healthcare stakeholders, attracting intense investments in drug development for new therapies and diagnostics that keep fueling innovation while increasing concerns for the ever-rising cost of cancer care. The call for value-based strategies in oncology has become mainstream, with providers, payers, drug manufacturers, and ultimately patients searching for ways to improve access to new therapies and best practices, implementing clinical pathways, new reimbursement metrics, and patient support services.

The growing economic challenges in oncology are taking center stage in medicine. The urgency to consider cost-effective strategies in cancer therapy is of top concern for payers, as is evident in this annual Hematology/Oncology Theme Issue from American Health & Drug Benefits. Therefore, health economics research features prominently in this issue.

Lorie A. Ellis, PhD, and colleagues present a cost analysis and utilization patterns associated with 2 new therapies for patients with metastatic prostate cancer, abiraterone acetate and enzalutamide, which were approved by the US Food and Drug Administration in the past 5 years. Although no head-to-head study has yet been conducted, the authors use real-world claims data to compare these novel therapies in a large patient population. Their analysis can help payers to evaluate differentiating characteristics related to these therapies and guide their “management strategies to promote the use of cost-effective treatment regimens,” suggests Matthew Mitchell, PharmD, MBA, FAMCP, in his perspective on this study. “The ability to evaluate...real-world data, such as in the article by Ellis and colleagues, help[s] payers evaluate coverage decisions for patients with prostate cancer,” he observes.

The growing need for economic modeling in oncology can provide insight into the complex pharmacoeconomic concerns in oncology and enhance clinical decision-making based on cost, quality, and value considerations, as was discussed previously in this journal.1 Perhaps responding to that call to action, Anuja Roy, PhD, MBA, and colleagues present a model framework for estimating the costs per patient with multiple myeloma using 7 common treatment regimens, to facilitate further budget impact analyses and cost-effectiveness comparisons with these regimens. As James T. Kenney, Jr, RPh, MBA, says in his perspective on this study, “The challenge for health plans is to apply the learning from this research, and to make an effort to assess treatment costs in clinical practice. As pointed out by the authors, clinical trial experience is a good starting point for this analysis; however, real-world evidence is needed to effectively validate the results.... The type of cost analysis presented in this article is critical to the management of future oncology treatments in managed care markets.”

Applying the implications of health economics research in oncology into everyday patient care provides new opportunities to improve access to, and affordable, therapies; enhance clinical outcomes; and reduce overall healthcare costs to patients, payers, and the healthcare system as a whole.

Also in this issue, Michael Kleinrock, of IMS Health, reflects on innovation in oncology and continuing challenges outlined in the 2015 oncology report from the IMS Institute for Healthcare Informatics. “Cancer is already the largest clinical area of drug spending in the United States, and a cluster of innovative medicines utilizing new mechanisms of action for patients with a wide variety of tumor types promise to further increase cancer-related spending,” he suggests. In its new report, IMS found that “the total global spending on cancer and supportive care medicines reached the $100 billion threshold globally in 2014,” a full 4 years ahead of its projections last year.

Finally, the oncology pipeline article in this issue highlights the many promising therapies in late-stage development that may soon become available for a variety of cancers and hematologic malignancies. Certain themes are apparent in the current oncology pipeline, all pointing toward continuing innovation in cancer drug development and a concomitant urgency to address value and cost-effective therapies on a national level. This theme issue is an invitation to all healthcare stakeholders to join this discussion.

Reference