

## STAKEHOLDER PERSPECTIVE

## Economic Impact of Using Tests to Guide the Treatment of Patients with Ovarian Cancer

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**PLAN SPONSORS:** There is no question that earlier and more accurate diagnosis can help to determine the appropriate treatment and, therefore, makes sense. The budget impact study by Brodsky and colleagues in the current issue of the journal<sup>1</sup> provides yet another example of literature that supports common sense. For example, it is no surprise that there is greater economic value of testing in commercial health plans than in Medicare plans, considering that testing is more likely to identify cancer cases earlier, which will usually result in increased savings compared with a late diagnosis. The ability of testing (and early diagnosis) to enable providers to more effectively manage patients with cancer opens the conversation to a more extensive look at care-delivery efficiency, as well as at ethical questions and our moral compass on compassionate coverage.

As the authors point out, however, there are limitations to the value of a budget impact study,<sup>1</sup> and, ultimately, we are left with continuing the conversation. Modest cost-savings alone are not motivating enough to cost-conscious plan sponsors, but improved outcomes could maintain the focus on addressing coverage strategy changes and outcomes-based benefit designs.

**PATIENTS:** Reviewing research such as a budget impact model presented by Brodsky and colleagues<sup>1</sup> elicits mixed-value messages to patients as consumers. On the one hand, there is a rapid growth in high-deductible health plans and coinsurance, which drive increases in out-of-pocket costs onto the consumer. A modest or insignificant economic savings may not be meaningful or understandable by patients (or consumers), unlike the achievement of improved health outcomes.

On the other hand, any attributable savings identified in a budget impact study rarely result in a change in premiums or in out-of-pocket costs to the consumers (ie, patients), as long as they remain with the middleman, such as third-party health plans, health systems, or, in some cases, pharmacy benefit managers. Similarly, any gained efficiencies rarely result in lower care costs to the consumer. Although some care-providing organizations or care groups may negotiate lower care costs with a third-party payer, whether any of the savings trickle down to the consumer is questionable and has been minimal, at best, to date.<sup>2</sup>

Finally, consumers are seeking a more holistic value that starts with improved health outcomes from the care delivery system through their various insurance plans. To the extent that an earlier diagnosis leads to better care management, effective and appropriate treatment resulting in a “cure” rather than in symptomatic relief has a substantial value.

How different healthcare stakeholders view who “wins” from the economic analysis of care delivery is increasingly coming into focus, as healthcare continues on a transformational path. Improved transparency regarding economic and clinical metrics to outcomes that can be understood by consumers will speed up the transformation, as new entities disrupt the traditional secrecy and flow of money in healthcare. ■

1. Brodsky BS, Owens GM, Scotti DJ, et al. Economic impact of increased utilization of multivariate assay testing to guide the treatment of ovarian cancer: implications for payers. *Am Health Drug Benefits*. 2017;10(7):351-359.

2. Midwest Business Group on Health. *Drawing a Line in the Sand: Employers Must Rethink Pharmacy Benefit*. September 12, 2017. [www.mbgh.org/blogs/mbgh-information/2017/09/12/mbgh-calls-on-employers-to-rethink-pharmacy-benefit-strategies](http://www.mbgh.org/blogs/mbgh-information/2017/09/12/mbgh-calls-on-employers-to-rethink-pharmacy-benefit-strategies). Accessed September 12, 2017.