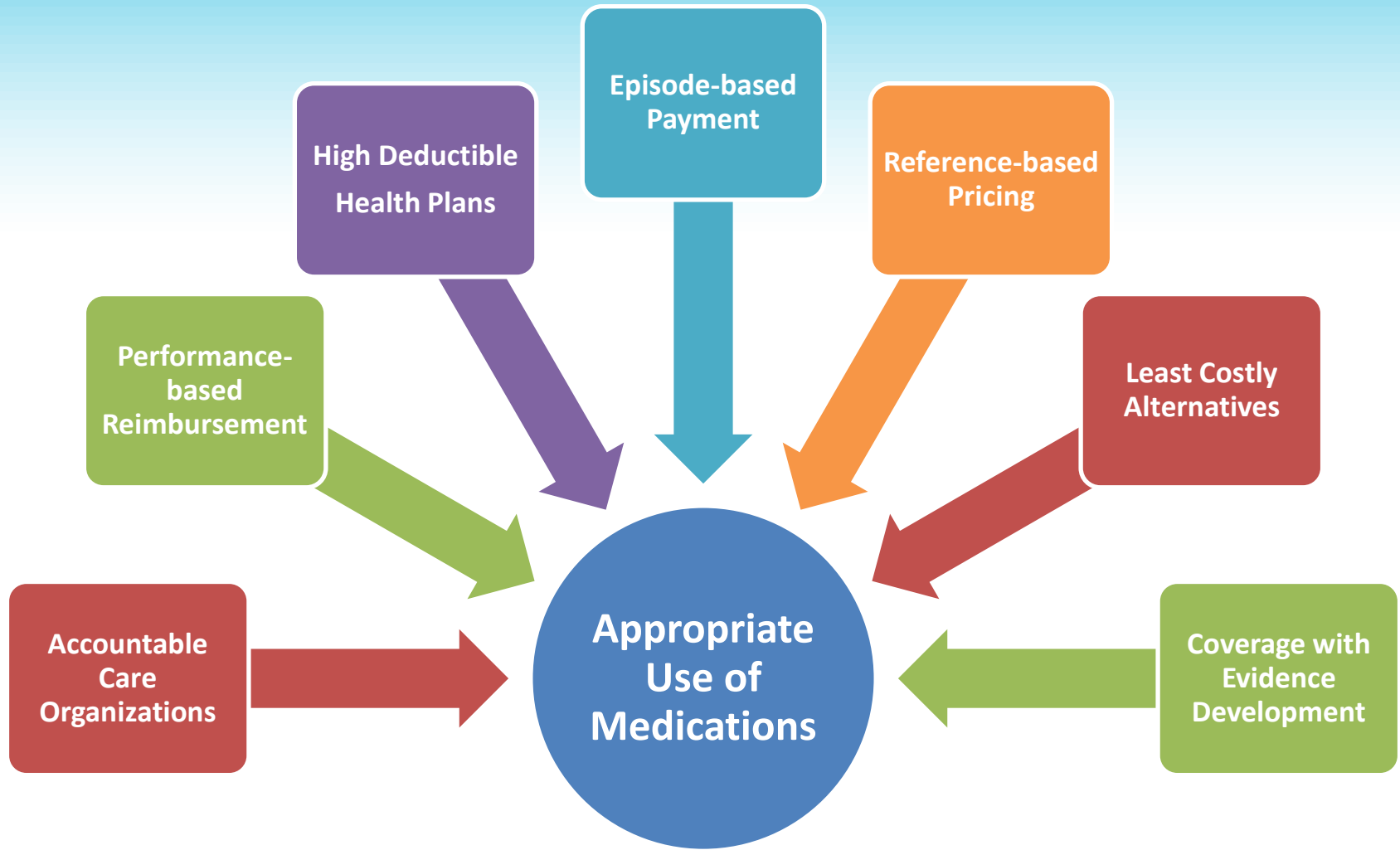


Establishing Medical Policies for Drugs and Biologics: What Will ACOs Do Differently and How will Manufacturers Respond?

Participants

- Sharon Levine, MD, Associate Exec Director, Permanente Group
- Christin Solberg Strahl, PharmD, Specialty Pharmacy Program Manager, HealthPartners
- Erick Johnson, Senior VP, Avalere Health
- Greg Smith, Head, US Health Economics and Outcomes Research, Pfizer Oncology
- Bobby Dubois, MD, PhD, Chief Science Officer, National Pharmaceutical Council

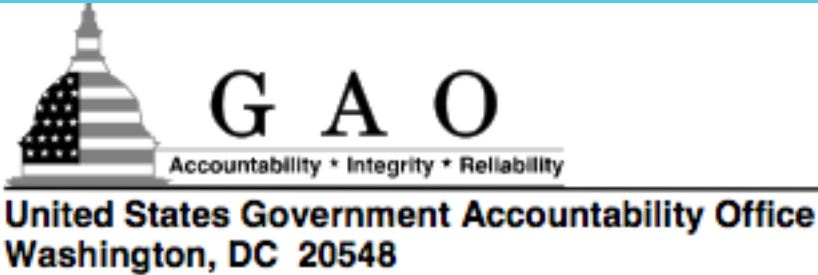
Payment Models Will Impact Care



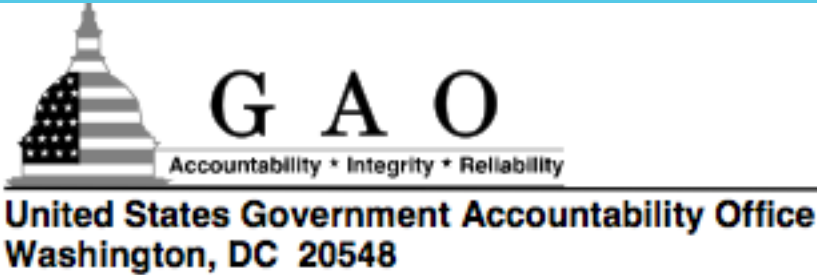
*“However beautiful the strategy,
you should occasionally look at the results.”*



—Winston Churchill



- 3 types of drugs accounted for 96% of Medicare ESRD drugs in 2010
 - ESAs accounted for 73% (\$2.2 billion)



Implementation of the new bundled payment system was consistent with our 2006 recommendation that the bundled payment be expanded to include payment for all ESRD services to improve efficiency and **remove financial incentives to provide more injectable drugs than necessary.**

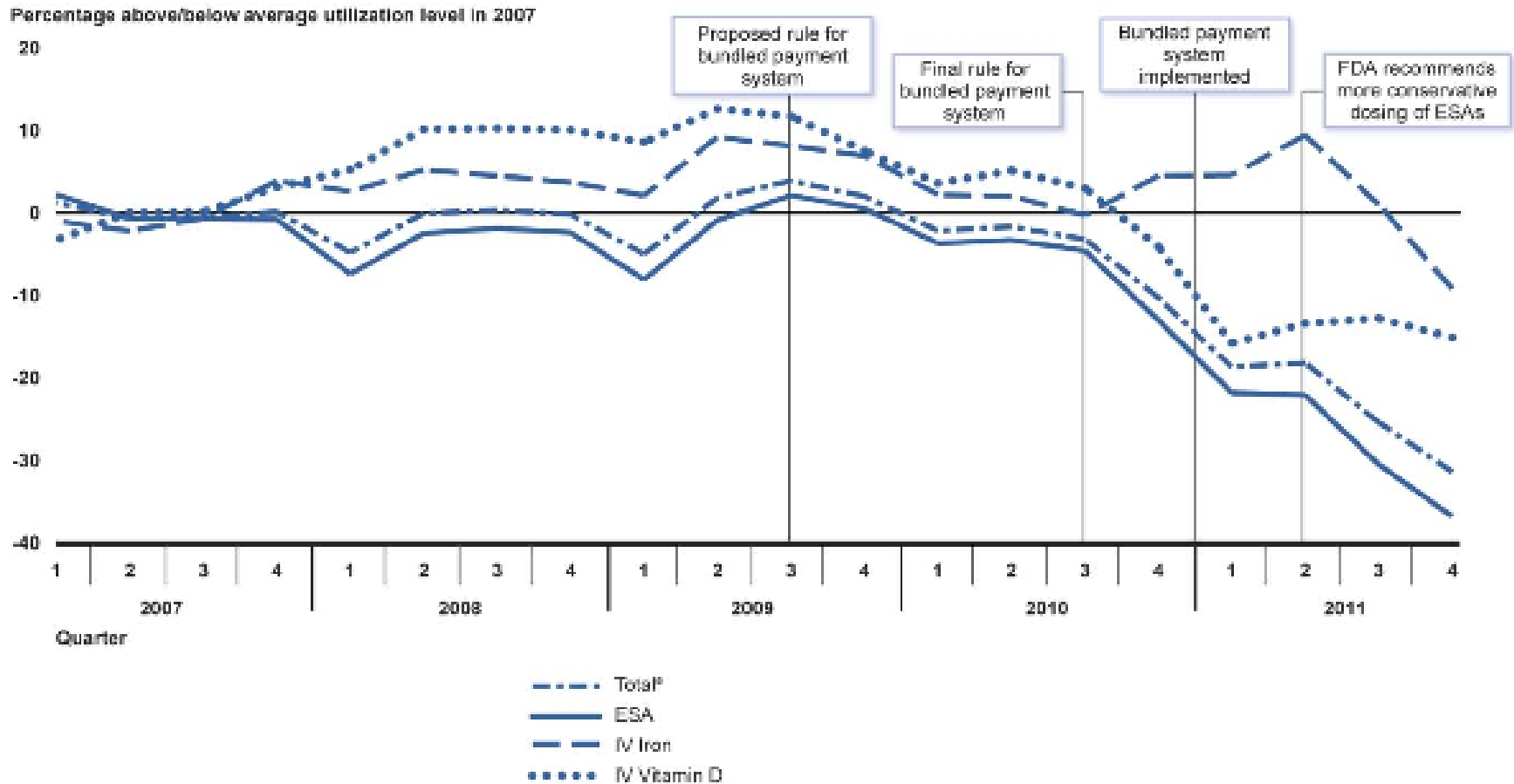
“The Pink Sheet”

GAO Tracks Decline in ESA Use Following Regulatory Changes

Executive Summary

A Government Accountability Office report finds that use of erythropoiesis-stimulating agents in dialysis decreased 31% from 2007 to the end of 2011 after Medicare’s bundled dialysis payment was changed to include drugs and FDA revised dosing recommendations.

Figure 1: Utilization of ESRD Drugs per Beneficiary per Quarter through 2011, Relative to Average Level in 2007



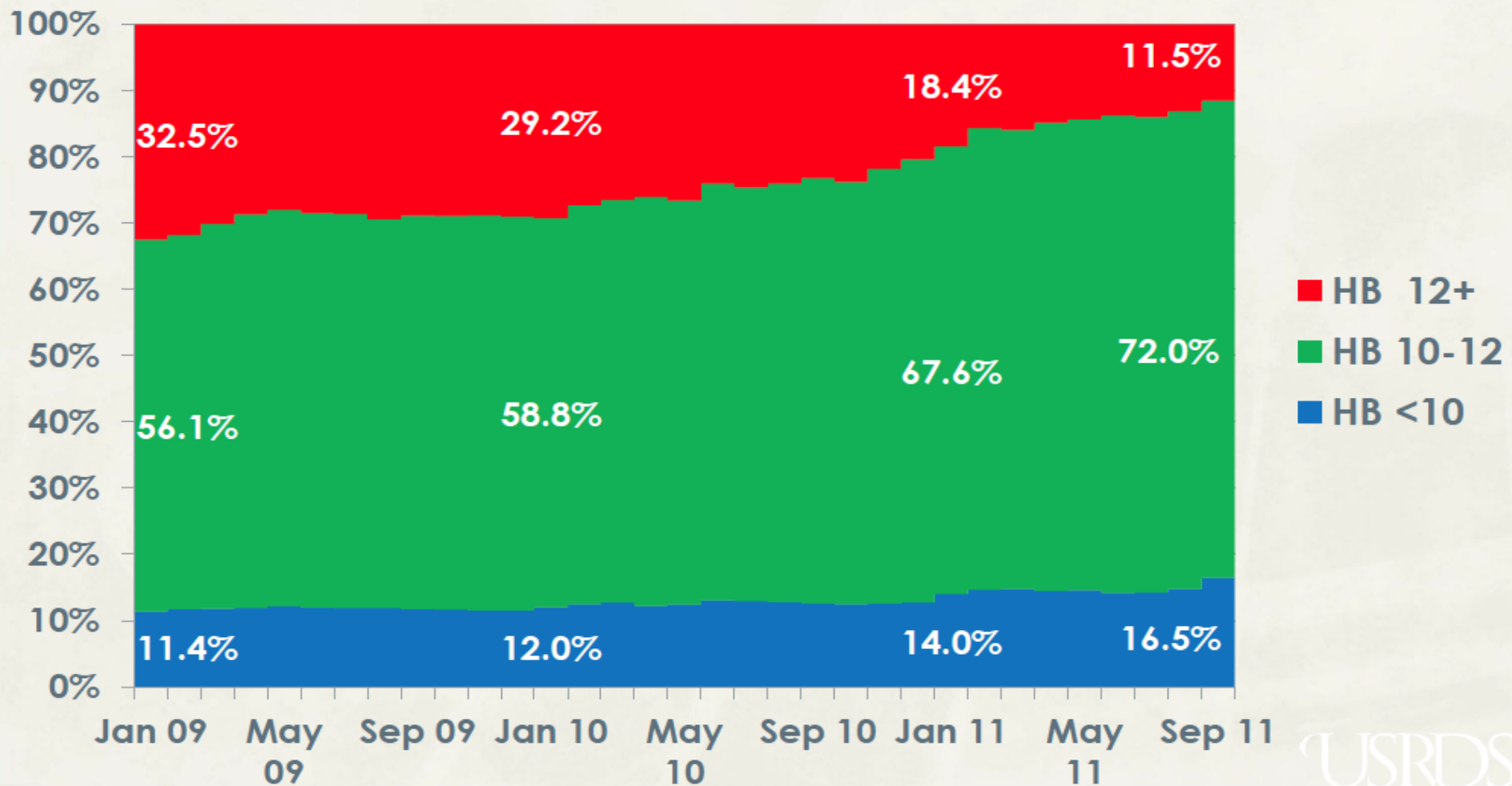
Source: GAO analysis of Medicare data.

Notes: Utilization was expressed in dollars by multiplying the number of units per beneficiary of a drug administered in a given quarter by Medicare's Average Sales Price (ASP) for this drug in the first quarter of 2011.

ESA = erythropoietin stimulating agents; IV = intravenous.

³Includes utilization of ESAs, IV iron, and IV vitamin D.

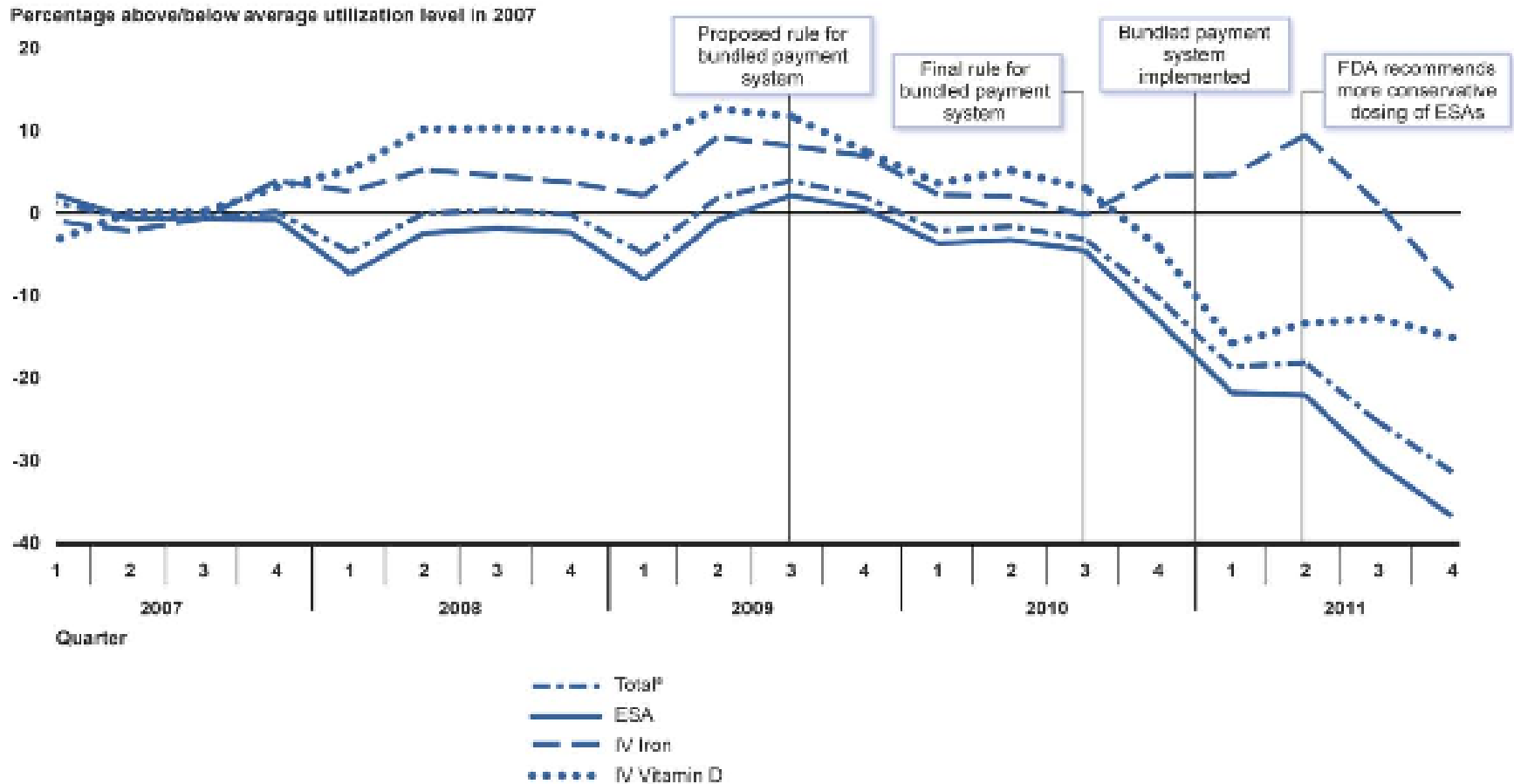
Hb Distribution before and after the New Bundled Dialysis Payment System



ESRD Payment policy changes: the new “bundled” dialysis prospective payment system in the US; Allan Collins, MD
 Director, United States Renal Data System Coordinating Center;
www.usrds.org/2012/pres/USDialysisBundle_impact_NKFCM2012.pdf

USRDS

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Renal & Urology News

April 05, 2013

GENERAL NEWS

Transfusions On the Rise in Dialysis Patients

Analyses of data from the U.S. Renal Data System, which includes information on prevalent dialysis patients covered by Medicare, show that the **proportion with a transfusion increased from 2.4% in September 2010 to 3.0% in September 2011 (a 24% increase)**, the researchers pointed out.