



2016-2017 Oncology Management & Benefit Design Supplemental Survey Findings

Benfield, a division of Gallagher Benefit Services, Inc.

INTRODUCTION, METHODOLOGY & PANEL

This report of supplemental survey findings is the final deliverable in our 2016-2017 Employer Oncology Management & Benefit Design Research. In March of 2017, Benfield-Gallagher conducted an online survey of 80 jumbo employers as an extension of the qualitative interviews completed in late 2016. The majority of participants have more than 15,000+ employees and in total represent 4.6 million active employee and dependent covered lives.

The purpose of this research was to test and validate qualitative research findings and to gain further understanding of how employers are managing the complexities of oncology care and their future approaches to cancer benefit design.

Supplemental Research Panel

80 Employer Survey Participants

4.6 M Active Covered Lives Represented

Respondent Organizational Position:



Director of Benefits | 36%
Benefits Manager | 24%
VP of Benefits | 23%
Medical Director | 10%
Benefits Specialist | 7%

KEY TAKEAWAYS

The survey results in this supplemental report confirm the key findings of the qualitative interviews, while also delivering additional insights and detail. The results point to a market environment that is relatively benign due to perceived constraints employers face in managing oncology medications and other aspects of cancer care. However, employers approaching a critical inflection point in their cancer benefits and programs, which will inevitably lead to changes in the oncology market environment for manufacturers. The key question is, which types of interventions will predominate? There is opportunity for manufacturers to help shape the direction of the market by promoting solutions that are patient-centered and emphasize improvements to the quality and value of cancer care.

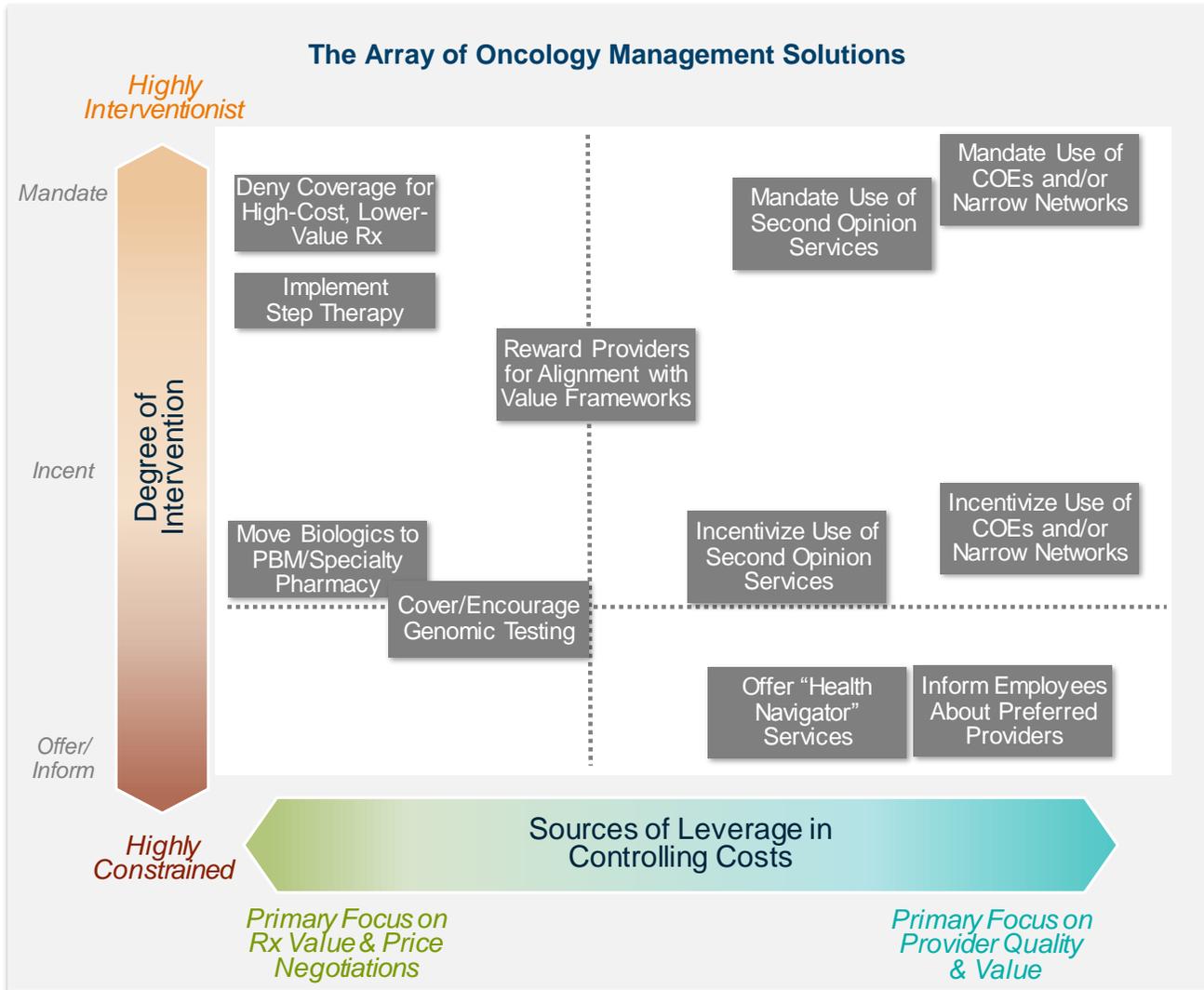
The following key takeaways emerge from the survey results:

- » *There is a major disconnect between employers' increasing concern about cancer and their relatively low-intervention approaches to cancer management and benefit design.*
- » *Employers are especially focused on breast cancer and other common solid tumors.*

- » *By far, most employers identify increasing prescription drug costs and the shift toward biologics as the most important factors in driving the growth in costs for cancer care, but they also recognize the importance of other factors.*
- » *Most employers rely on PBMs to help them manage prescription drug costs for cancer, but they also feel quite constrained in the tactics they can adopt due to the emotional nature of the disease and the high stakes for patients and their families.*
- » *After early detection, employers believe that the most important opportunities to control costs involve steps to improve the quality of care, and many of them are taking action consistent with this belief.*
- » *Value-based approaches to cancer management are becoming increasingly important tools in providing better care and controlling costs, but quality measurement challenges are a significant constraint.*
- » *Most employers are not currently using mandates or incentives to drive employee adoption of cancer management programs and initiatives, but there are some exceptions.*
- » *The segmentation framework presented in the qualitative report is a robust way to segment employers.*
- » *Over the next 5 years, an increasing share of employers will adopt an array of more restrictive measures in order to control costs—and the numbers will grow dramatically if the rate of cancer cost inflation accelerates.*

The segmentation model in the report provides real world examples of how employers can and do manage cancer along the spectrums outlined in the segmentation grid. Efforts on the bottom half of the interventionist axis are focused on making services available on an optional basis, such as offering navigation or second opinion services or covering genomic testing. As employers move up the vertical axis toward a more assertive approach, they use financial incentives such as rewarding employees for using Centers of Excellence. The most interventionist employers mandate use of services or specific providers for benefits coverage. These employers may also deny coverage for certain medications if they are deemed low value relative to their cost.

Employers that fall on the left-hand side of the x-axis rely heavily on their PBM to manage costs through efforts like moving biologic medications from the medical to the pharmacy benefit and implementing step therapy. Employers in the middle of this spectrum are looking to genomic testing where applicable, and use of value frameworks to ensure healthcare dollars are being spent wisely. Employers more heavily focused on managing costs through directing employees to high-value providers utilize second opinion and health navigation services, Centers of Excellence and narrow provider networks.



The full qualitative Oncology Management & Benefit Design report includes an Executive Summary and 75-page report of findings from jumbo employer interviews. The supplemental survey report contains over 20 pages of quantitative employer results including the employer segmentation framework of management and intervention approaches, scenario planning and implications for biopharmaceutical manufacturers.

JACK NIGHTINGALE
 Area Vice President
Jack_Nightingale@ajg.com
 P: 703.847.0272

SARAH DALEY
 Research Director
Sarah_Daley@ajg.com
 P: 314.656.2384

Benfield | Arthur J. Gallagher & Co., St. Louis, MO 63119
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