

# Medicare Reimbursement for CAR T & Geographic Access

Key Findings from Qualia Bio's April 2020 Medicare Reimbursement for New Oncology Therapies and Geographic Access to Care Brief<sup>1</sup>



## What's CAR T-cell Therapy?

Chimeric antigen receptor (CAR) T-cell therapy is a clinically proven, personalized and innovative treatment that harnesses the power of the immune system to treat cancer patients who otherwise have limited treatment options. CAR T therapies have been approved to treat both children and adults with blood cancers, such as lymphoma and leukemia.

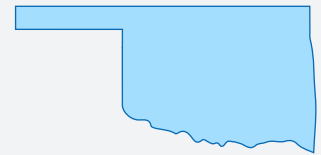
## Medicare Reimbursement Policies for CAR T Causes Geographic Access Concerns for Seniors

As it stands, Medicare's inadequate reimbursement for CAR T therapy have caused health care providers to lose nearly \$50,000 for each Medicare patient treated - forcing many hospitals to opt out of providing CAR T altogether.<sup>2</sup>

*A new analysis from Qualia Bio estimates that seniors may be experiencing unnecessary high travel burdens and limited access to CAR T-cell therapies as health care providers respond to inadequate reimbursement from Medicare.*



## Case Study: Oklahoma



## Geographic Barriers to CAR T

Seniors living in Oklahoma are estimated to have to travel almost 230 miles to get to the nearest treatment center that accepts Medicare patients seeking CAR T - as of 2019. By comparison, those with **commercial insurance** would only have to travel 56 miles to the nearest provider to receive the same treatment.

Medicare

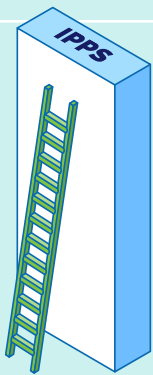
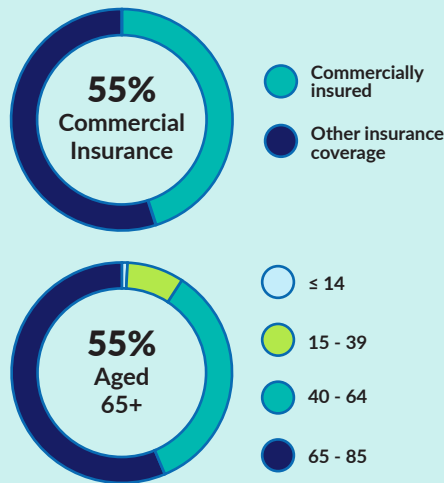


Commercially insured



## Unstable and insufficient reimbursement is a key contributor to the following access trends:

**Fewer than expected Medicare patients receive CAR T-cell therapy.** The average age of diagnosis for diffuse large B-cell lymphoma (DLBCL) is mid-60s, meaning many of these patients could be on Medicare, however, most patients receiving CAR T today are commercially insured.<sup>3</sup>

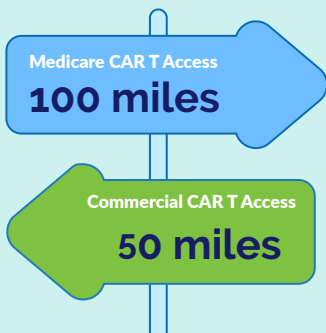


**Current IPPS reimbursement acts as a barrier to more widespread use of CAR Ts, especially among Medicare beneficiaries.** Medicare compensates hospitals for the cost of treating Medicare patients using the Inpatient Prospective System (IPPS). However, an analysis of Medicare claims for CAR T showed more than 40% of claims were from six IPPS exempt hospitals - suggesting that current IPPS reimbursement is a barrier to broader treatment of those seniors relying on Medicare.<sup>4</sup>

**A high number of Medicare CAR T patients are referred to clinical trials.** Around half of Medicare claims for CAR T treatment were from clinical trial cases, which can be hard for patients to access given restricting factors, including trial location and eligibility. This approach is not a sustainable option for long-term patient access.<sup>5, 6</sup>



**Medicare reimbursement challenges contribute to significant geographic disparities in access to CAR Ts.** Medicare patients travel an average of 50% further compared to commercially insured patients to access CAR T treatments. Increased travel has been associated with relatively poor patient outcomes, particularly among oncology patients.<sup>7</sup>



## Key Benefits of CAR T Therapy for Medicare Patients

**Just six months after receiving CAR T therapy, Medicare patients experienced:**

**↓ Patient costs decrease:** Just six months after receiving CAR T therapy, monthly health care costs **dropped 27% per patient** for those in both Medicare Part A and B.<sup>8</sup>

**↓ Emergency department visits drop:** Just six months after receiving CAR T therapy, **Medicare patient visits to the emergency department fell by 45%.**<sup>9</sup>

**↑ Health-related quality of life improved in a majority of patients:** In a recent study, lymphoma patients experienced **significant improvements** in their physical, social and emotional health after receiving CAR T treatment.<sup>10</sup>

Health care providers cannot be expected to assume sizeable losses on new therapies as they strive to provide promising treatment to their patients. If the Centers for Medicare and Medicaid Services does not swiftly act to fix reimbursement issues for CAR T, Medicare patients may continue to suffer undue travel burdens and limited access to CAR T-cell therapies.

<sup>3</sup> Hartsell A. Emerging Trends in Chimeric Antigen Receptor T-Cell Immunotherapy in Adults from the Vizient Clinical Database. Biol Blood Marrow Transpl. 2019

<sup>4</sup> Majhail N. RE: CMS-1716-P; Medicare Program; Hospital Inpatient Prospective Payment Systems for Acute Care Hospitals and the Long-Term Care Hospital Prospective Payment System and Proposed Policy Changes and Fiscal Year 2020 Rates. 2019.

<sup>5</sup> Thompson A. Re: Follow-up to August 30, 2018 Meeting; Proposed CAR-T Coverage and Payment Options. 2018.

<sup>6</sup> Majhail N. Re: Options for CAR-T Inpatient Payment for FY 2021. 2019.

<sup>7</sup> Issue Brief: Medicare Reimbursement for New Oncology Therapies and Geographic Access to Care; Qualia Bio. April 2020.

<sup>8</sup> Kilgore K, et al. Medicare patients receiving chimeric antigen receptor T-cell therapy for non-Hodgkin lymphoma: a first real-world look at patient characteristics, healthcare utilization and costs. Avalere Health; Dec 7-10, 2019

<sup>9</sup> Kilgore K, et al.

<sup>10</sup> Richard T, Maziarz, et al. Patient-reported long-term quality of life after tisagenlecleucel in relapsed/refractory diffuse large B-cell lymphoma. Blood Advances. 19 Feb. 2020.