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**Personalized Medicine Coalition Workgroup Issue Brief Highlights Need for
Updates to Diagnostics Reimbursement System**

*Current Reimbursement Framework Hinders Development and Adoption of Personalized
Medicine*

Washington, DC and Boston, MA (December 8, 2010) – The Personalized Medicine Coalition (PMC) and Boston Healthcare Associates today announced the release of an issue brief that outlines the scope and nature of problems with the U.S. reimbursement system for personalized medicine diagnostic tests and proposes points to consider for policymakers at the Centers for Medicare and Medicaid Services (CMS) and on Capitol Hill.

“PMC has recognized that the reimbursement framework created decades ago is ill-equipped for an era of personalized medicine,” said Edward Abrahams, PMC President.

“Reimbursement and coding policies should be redesigned to facilitate the further development and adoption of innovative diagnostic tests that can improve patient outcomes and we believe, lower long-term health care costs,” added Amy Miller, PMC Public Policy Director and the report’s study director.

The issue brief discusses the implications for personalized medicine of problems with diagnostic test coding, coverage and evidence standards for reimbursement, and payment for personalized medicine diagnostics.

Written by David Parker, Ph.D., Vice President of Boston Healthcare Associates, the issue brief is the product of a working group that met during the summer of 2010 to focus on Medicare reimbursement issues. The working group, co-chaired by Scott Allocco of BioMarker Strategies and Steve Phillips of Johnson & Johnson, included representatives from more than 30 diverse PMC member organizations ranging from development stage diagnostic test companies, to large multinational biopharmaceutical companies, to industry trade associations.

“The reimbursement system for advanced personalized medicine diagnostics – including the way tests are coded and the evidence currently needed to obtain coverage – does not recognize the clinical utility or economic value of these tests, or the realities of the niche markets they serve,” said David Parker, the study author. “As a result, patient access to these tests is obstructed, and innovation in personalized medicine is stifled.”

“This report clearly shows that the current reimbursement system for personalized medicine diagnostics is broken,” said task force co-chair Scott Allocco. “We must now find ways to fix the system in a way that promotes, rather than hinders, the development of personalized medicine.”

The report is available for download [here](#).

About the Personalized Medicine Coalition

The Personalized Medicine Coalition (PMC), representing a broad spectrum of academic, industrial, patient, provider, and payer communities, seeks to advance the understanding and adoption of personalized medicine concepts and products for the benefit of patients. For more information on the Personalized Medicine Coalition, please visit www.PersonalizedMedicineCoalition.org.

About Boston Healthcare Associates

Boston Healthcare assists emerging and established biopharmaceutical, medical device, and diagnostic companies worldwide in gaining a competitive advantage in the health care marketplace by helping them unlock the value of their innovations. These companies rely on Boston Healthcare to create opportunities, navigate complexity, grow their businesses, and achieve objectives through reimbursement and market access strategy services, health economics and outcomes research, market analytics and pricing strategy, and business development support services. Clients draw on Boston Healthcare’s unique approach to gain a real-world edge in a highly competitive health care environment. For more information, visit www.bostonhealthcare.com.