THE CANCER LETTER

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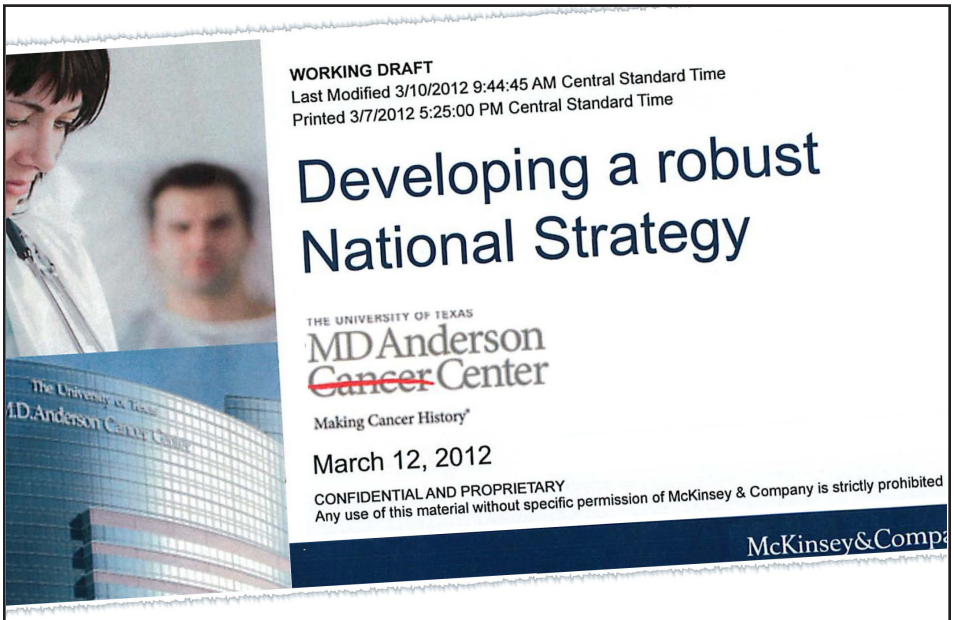

"Confidential and Proprietary" Document Proposes Plan for National Network

By Paul Goldberg

You might think of this as an event isolated to Columbus or central Ohio:

On Feb. 7, OhioHealth, a health system that operates not-for-profit, faith-based hospitals in central Ohio and competes with Ohio State University, said it would join the outreach network of MD Anderson Cancer Center, located almost 1,200 miles away.

(Continued to page 2)

CVS to Stop Tobacco Sales at Pharmacies

By Matthew Bin Han Ong

CVS Caremark plans to stop selling cigarettes and other tobacco products at more than 7,600 CVS/pharmacy stores by Oct. 1.

The country's largest drug store chain in overall sales estimated that it will forego approximately $2 billion—about 17 cents per share—in revenues on an annual basis from snuffing out Big T.

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In Brief

Selig Named President of NCCR Board

THE NATIONAL COALITION FOR CANCER RESEARCH elected members to its board of directors. **Wendy Selig** was elected president.

Selig is president and CEO of the Melanoma Research Alliance. Previously, she spent nearly a decade in leadership positions at the American

(Continued to page 11)

PowerPoint Offers a Glimpse Of MD Anderson Network Strategy

(Continued from page 1)

Yet, this seemingly local event is just the latest manifestation of an aggressive national strategy being executed by MD Anderson as it seeks to strengthen its brand, develop national reach, and grow its revenues by striking affiliation deals.

These efforts are guided, at least in part, by a business plan created under a $1.6 million contract with McKinsey & Company, a consulting firm often engaged by financial institutions, pharmaceutical companies, and various other multinational corporations.

In a PowerPoint presentation marked "CONFIDENTIAL AND PROPRIETARY" and obtained by The Cancer Letter, McKinsey described a "robust national strategy" aimed primarily at non-academic hospitals and health systems. The schema describes tiers of affiliation that has a clear take-home message: an MD Anderson network institution—possibly sporting the MD Anderson sign on the building—can pop up anywhere in the U.S.

The proposal would place four to eight new partner institutions into tier 1 and tier 2 markets, and up to 30 affiliates into tier 3 markets over a decade.

The business strategy presentation, dated March 12, 2012, is posted on The Cancer Letter website.

According to an MD Anderson spokesman, McKinsey was hired to "provide recommendations to enhance outreach efforts in which we have been involved for over 20 years."

The presentation doesn't represent the plan being executed today, officials say.

"The information in the PowerPoint is pretty dated and is not an accurate picture of the current program," Jim Newman, director of external communications at MD Anderson, said to The Cancer Letter.

"While we seek to be as transparent as possible, we can't give you a detailed explanation of the program, because it is proprietary. Part of our responsibility to those we serve is to protect resources, including those that help fund our mission, one that ultimately benefits patients."

Directors of several NCI-designated cancer centers said to The Cancer Letter that the MD Anderson affiliates could convince patients that they are getting care that is up to the standards of a comprehensive cancer center, and prevent them from going to a genuine comprehensive cancer center. Indeed, tables in the 45-page presentation cite NCI-designated cancer centers as "competitors."

This sets up competition similar to one that is about to unfold in central Ohio.

"Gold Standard"

Announcing the affiliation, Dave Blom, president and chief executive officer of OhioHealth, struck triumphant notes:

"This is groundbreaking for OhioHealth cancer patients," he said. "This selective relationship between OhioHealth and MD Anderson Cancer Network will allow our patients to receive leading cancer care from their OhioHealth physicians and caregivers.

"This gold standard of care can only enhance the patient experience while still keeping their care close to home. This is care that in the past, patients and their families may have had to travel to receive. OhioHealth and MD Anderson believe that keeping care local, whenever possible, is in the best interest of cancer patients and their families. We are committed to keeping cancer care in the patient's community."

How will cancer care at OhioHealth change as a result of this affiliation?

"As an MD Anderson Cancer Network certified member, OhioHealth will be part of a best practices and quality improvement program," the health system said in a statement. "The program will offer certified OhioHealth hospitals and their associated oncology physicians access to MD Anderson guidelines for the purpose of diagnosing and improving the quality of cancer care provided."

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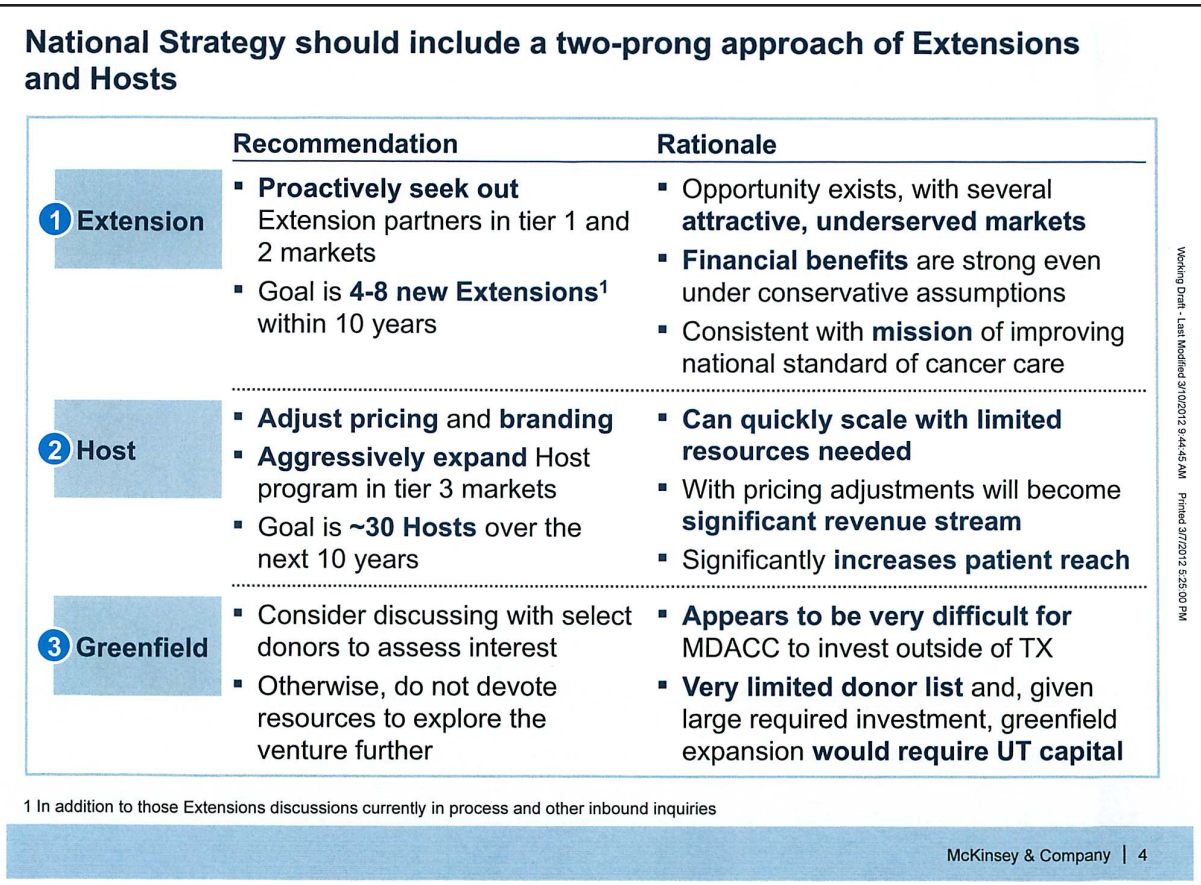


From a confidential report prepared for MD Anderson by consulting firm McKinsey & Company, detailing a nationwide expansion strategy.

Another hospital affiliated with MD Anderson described the benefits of its affiliation with the Houston institution:

• Regular video conferences with MD Anderson physicians

• Participation of MD Anderson physicians in tumor boards

• Consultative sessions

• Expanded educational opportunities

• Collaborative opportunities with other members of MD Anderson Cancer Network

This level of collaboration doesn't equal interdisciplinary care at a comprehensive cancer center, said officials at Ohio State.

After learning about the competitor's affiliation, Ohio State issued a statement, pointing out that their institution is the only NCI-designated center in the region.

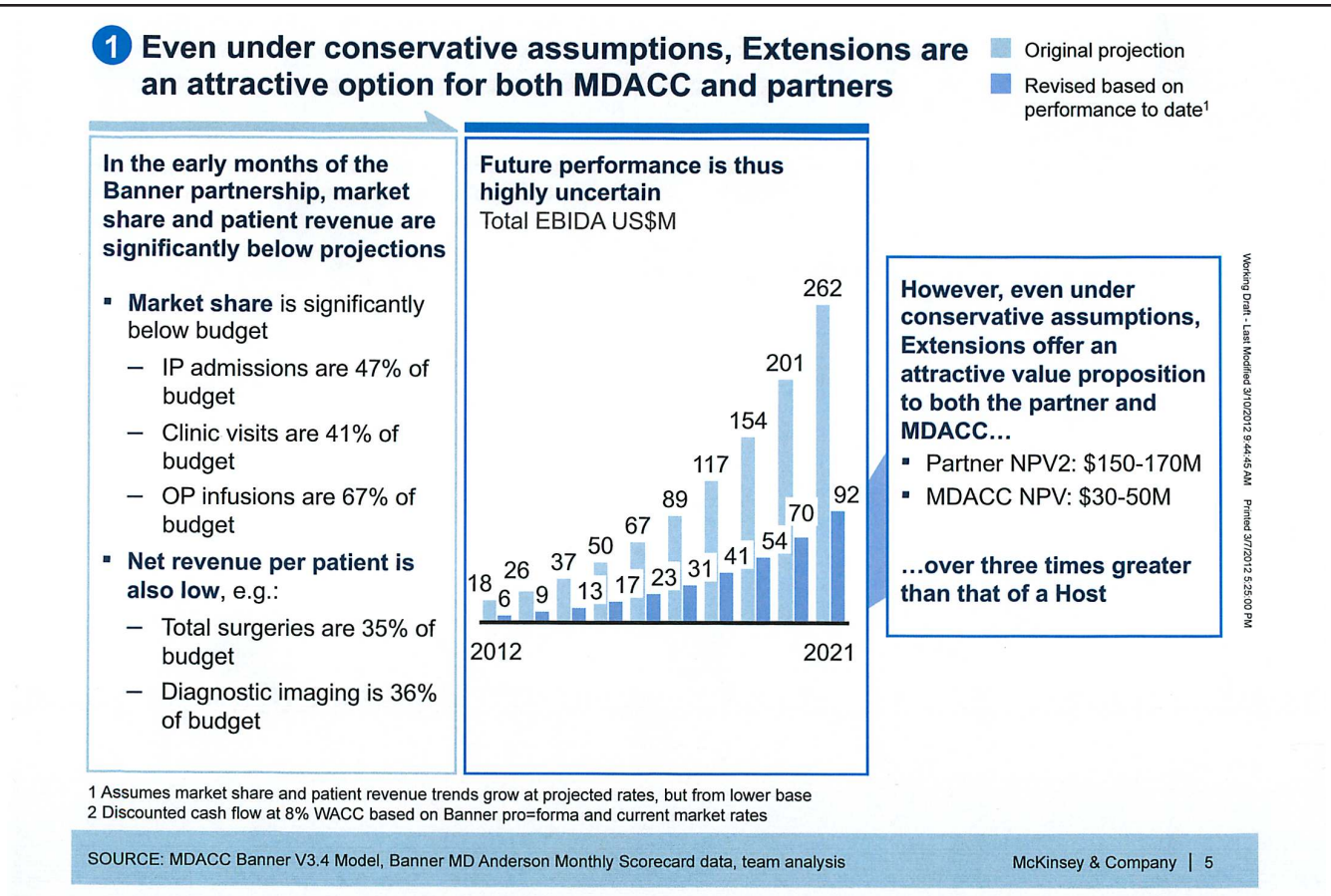
"Ohio State has a long history of collaborative cancer research with our peers at the MD Anderson Cancer Center in Houston," the statement reads. "Since 2006, fourteen internationally recognized cancer experts have actually left that institution in the Lone Star State to come to Ohio State and The James to both deepen and expand their research and patient care expertise.

"Over the last several years, it has been demonstrated that the best cancer patient outcomes are achieved at National Cancer Institute-designated comprehensive cancer centers. Ohio State is proud to hold the distinction of being the only such center in central and southern Ohio. We look forward to the November opening of our new 21-floor James Cancer Hospital and Solove Research Institute, the third largest cancer hospital in the U.S."

Indeed, in recent years, some key faculty members have left that institution, and many—including former MD Anderson Chief of Surgery Raphael Pollock—ended up in Ohio. MD Anderson officials say the turnover is in line with what would be expected (The Cancer Letter, Jan. 17).

Pollock, a highly respected academic surgeon, was relieved of his administrative duties after challenging the increased financial targets demanded by MD Anderson President Ronald DePinho.

MD Anderson has had an outreach program for over two decades. The new systematic approach described in the McKinsey slides was spearheaded by



DePinho, whose signature Moon Shots program seeks to eradicate several cancers (The Cancer Letter, Jan. 10).

Directors of several comprehensive cancer centers who were asked by The Cancer Letter to review the McKinsey presentation said that they were concerned about the prospect of seeing an MD Anderson-sanctioned community hospital popping up in their market area.

"As a NCI Comprehensive Cancer Center Director, I would be concerned whether MD Anderson could suddenly show up in my back yard and compete for patients needed for clinical trials and income generated from patient care activities," said one former center director, who spoke on condition that his name wouldn't be used. "Moreover, each cancer center invests its margin in outreach and local efforts to educate the public in cancer control and prevention. I wonder if competing with MD Anderson-affiliated institutions on the local level would dampen these efforts and how much of the local revenue generated for patient care would be taken out of the state and end up in Houston."

Several directors of cancer centers said that it's commonplace—and appropriate—for a $3.7 billion corporation to hire McKinsey to execute a robust national strategy. However, MD Anderson isn't a $3.7 billion company. It's a $3.7 billion public institution run by the UT Board of Regents. It pays no taxes, receives state and federal funds, and is exempt from lower reimbursement based on DRGs.

"This appears to be a franchising strategy that most likely will be good for business, but not necessarily for patient care or the national cancer research effort," said the director of a cancer center located in one of the top-tier markets identified in the McKinsey presentation.

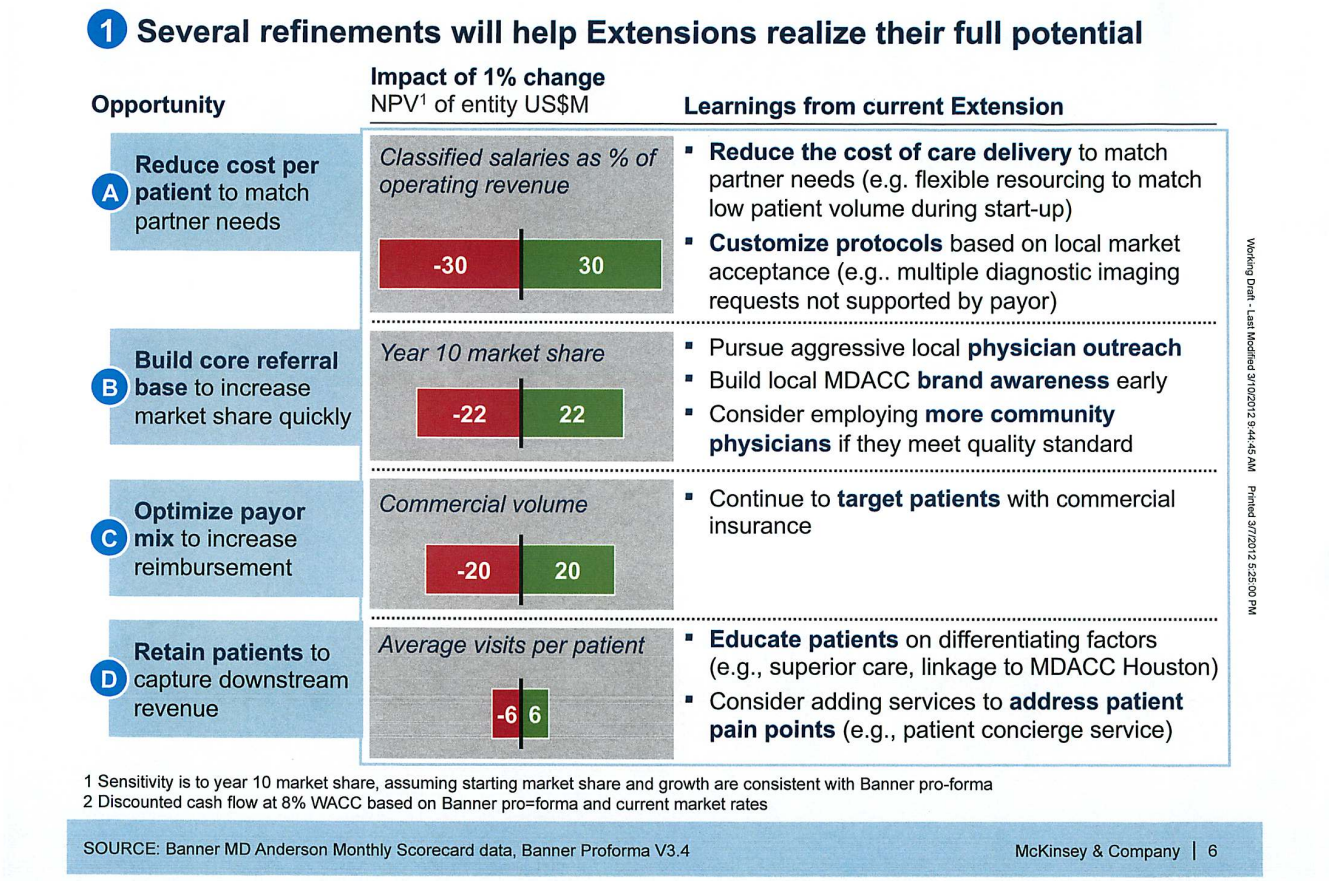
"Patients benefit most when they can make use of the full range of services that are only available at NCI-designated cancer centers. Franchises will likely enjoy a branding advantage that comes from a MD Anderson affiliation, and may be able to expand clinical research services, but at the end of the day, patients will not be at MD Anderson, nor will they be benefiting from the availability of their local NCI-designated cancer center.

"You can eat, but can't get a gourmet meal at a McDonalds. And patients deserve the best we have to offer."

The presentation stops short of spelling out precisely how the pricing in the outreach deals works nationwide.

However, the presentation indicates that, at least in 2012, the MD Anderson partnership with Banner Health of Arizona was performing significantly below projections, both in terms of market share and patient revenues.

Clinic visits were 59 percent below budget, total surgeries were 65 percent below budget, and diagnostic imaging was 64 percent below budget.



Based on that poor performance, McKinsey revised projected gross to $92 million in 2021, down from the more optimistic $262 million.

The McKinsey presentation did not mention Cooper University Health System in New Jersey, which ended up completing a co-branded agreement with MD Anderson last year (The Cancer Letter, June 21, 2013). It's also not publicly known whether there was follow-up to McKinsey's recommendation to begin negotiations with Sutter Health of Sacramento, Calif., Inova Health System of Virginia, and Providence Health of Portland, Ore.

Such negotiations are usually conducted under confidentiality agreements. One of the prospects, Inova, has announced that it's developing its own cancer center.

Degrees of Affiliation

Recently, the MD Anderson sign went dark on top of the Orlando Health Charles Lewis Pavilion as the health system decided to start building a consortium center with the University of Florida.

According to MD Anderson officials, the Orlando hospital was paying MD Anderson $2.75 million to $3 million for a variety of services and the use of the name. The affiliation began 23 years ago, but recently, the two institutions went their separate ways.

"It was a simple contractual fee-for-service situation including the use of the name and the sort of things you would expect in a clinical support relationship: teleconferencing, multidisciplinary conferences between their physicians and our physicians, availability to consult with our physicians on particular patients cases," Dan Fontaine, MD Anderson senior vice president for business affairs, said to The Cancer Letter last month (The Cancer Letter, Jan. 10, 2014).

However, as Orlando's deal came up for renewal, MD Anderson developed a different structure for its network, presumably largely based on the McKinsey recommendations. These arrangements—with Banner Health in Arizona and Cooper University Health System in New Jersey—form closer alliances and have different price structures, Fontaine said.

"In the partner members that we have—without going into the actual numbers and the details—involves three components," Fontaine said. "There is reimbursement of expenses for those things that we do that are directly related to the supporting of the program in terms of physician time, business time, expertise. It's an expense reimbursement component from the partner back to us. There is also a program fee. And then there is some sort of a variable fee that is tied to expansion of participation of a larger number of patients, revenues, being treated within the program."

MD Anderson officials have said in the past their goal is to reach 3 to 5 percent of newly diagnosed cancer patients. Altogether, 5 percent of newly diagnosed cancer patients in the U.S. would add up to about 90,000 people (The Cancer Letter, Jan. 10).

MD Anderson Cancer Network co-branded affiliates are:

- Banner MD Anderson Cancer Center (Gilbert, Ariz.)
- MD Anderson Cancer Center at Cooper (Camden, N.J.)
- Centro Oncológico MD Anderson International España (Madrid, Spain)
- MD Anderson Radiation Treatment Center at Presbyterian Kaseman Hospital (Albuquerque, N.M.)

Certified members—a lower level of affiliation, which would include OhioHealth—are:

- St. Vincent's Medical Center (Bridgeport, Conn.)
- St. Francis Medical Center (Cape Girardeau, Mo.)
- Community Health Network (Indianapolis, Ind.)
- East Jefferson General Hospital (Metaire, La.)
- Providence Hospital (Mobile, Ala.)
- South Coast Health System (New Bedford, Mass.)
- Advocate Christ Medical Center (Oak Lawn, Ill.)
- Sacred Heart Health System (Pensacola, Fla.)
- Spartanburg Regional Healthcare System (Spartanburg, S.C.)
- DCH Regional Medical Center (Tuscaloosa, Ala.)

Regional care centers are:

- Within the greater Houston area: Bay Area (Nassau Bay), Katy, Sugar Land, and The Woodlands
- MD Anderson Radiation Treatment Center at American Hospital (Istanbul, Turkey)

Additional information is available on the MD Anderson website.

Rapidly Changing Market

The details of MD Anderson's plan emerge at a time of transformation in oncology.

Hospitals are buying private practices, and cancer centers are seeking affiliates. With new technology, distance is becoming less important.

In Charlotte, NC, Carolinas HealthCare is hybridizing academic and community oncology at a health system (The Cancer Letter, Jan. 4, Jan. 11, 2013).

Last year, Memorial Sloan-Kettering Cancer Center formed an affiliation with Hartford HealthCare. The alliance, which isn't intended to generate revenues for MSKCC, is part of an effort for the cancer center to expand access to patients in order to explore targeted therapies (The Cancer Letter, Sept. 27, 2013).

Similarly, Georgetown Lombardi Comprehensive Cancer Center and Hackensack University Medical Center John Theurer Cancer Center recently announced plans to affiliate, aiming to create a single consortium.

The consortium would work across 200 miles, combining Georgetown's NCI-designation with Hackensack's expertise in hematologic malignancies. Hackensack's objectives in this collaboration include giving local residents an alternative to crossing the bridge to Manhattan to get care at an NCI-designated cancer center (The Cancer Letter, April 19, 2013).

Last month, Johns Hopkins Kimmel Cancer Center announced an affiliation with the Allegheny Health Network. The two entities signed a memorandum of understanding for clinical collaborations, medical education, and a broad range of cancer research initiatives. Hopkins is also in competition with the University of Maryland and Georgetown University.

Conversation with The Cancer Letter

McKinsey Charge: Create Plan To Expand MD Anderson's Reach

Responding to questions from The Cancer Letter, Jim Newman, director of external communications at MD Anderson, confirmed that the presentation obtained by The Cancer Letter was prepared under a contract by McKinsey & Company.

However, Newman said the document is a consultant's recommendation rather than a plan that's being implemented by MD Anderson. Newman declined to release the plan, stating that it's proprietary.

"We wanted some outside perspective and/or expertise, which is why McKinsey was hired to consult and present their data," he said in an email. The consulting firm was paid $1.6 million.

Newman responded to questions from Paul Goldberg, editor and publisher of The Cancer Letter.

Paul Goldberg: *I have a copy of a report generated for MD Anderson by McKinsey & Company. The report is dated March 12, 2012. What was the intent of this report and how much did this study cost?*

Jim Newman: The total cost of the consulting work by McKinsey was $1.6 million. The reason for the work was to continue our mission of expanding the reach of MD Anderson knowledge and care to help combat cancer in Houston, the state of Texas and beyond.

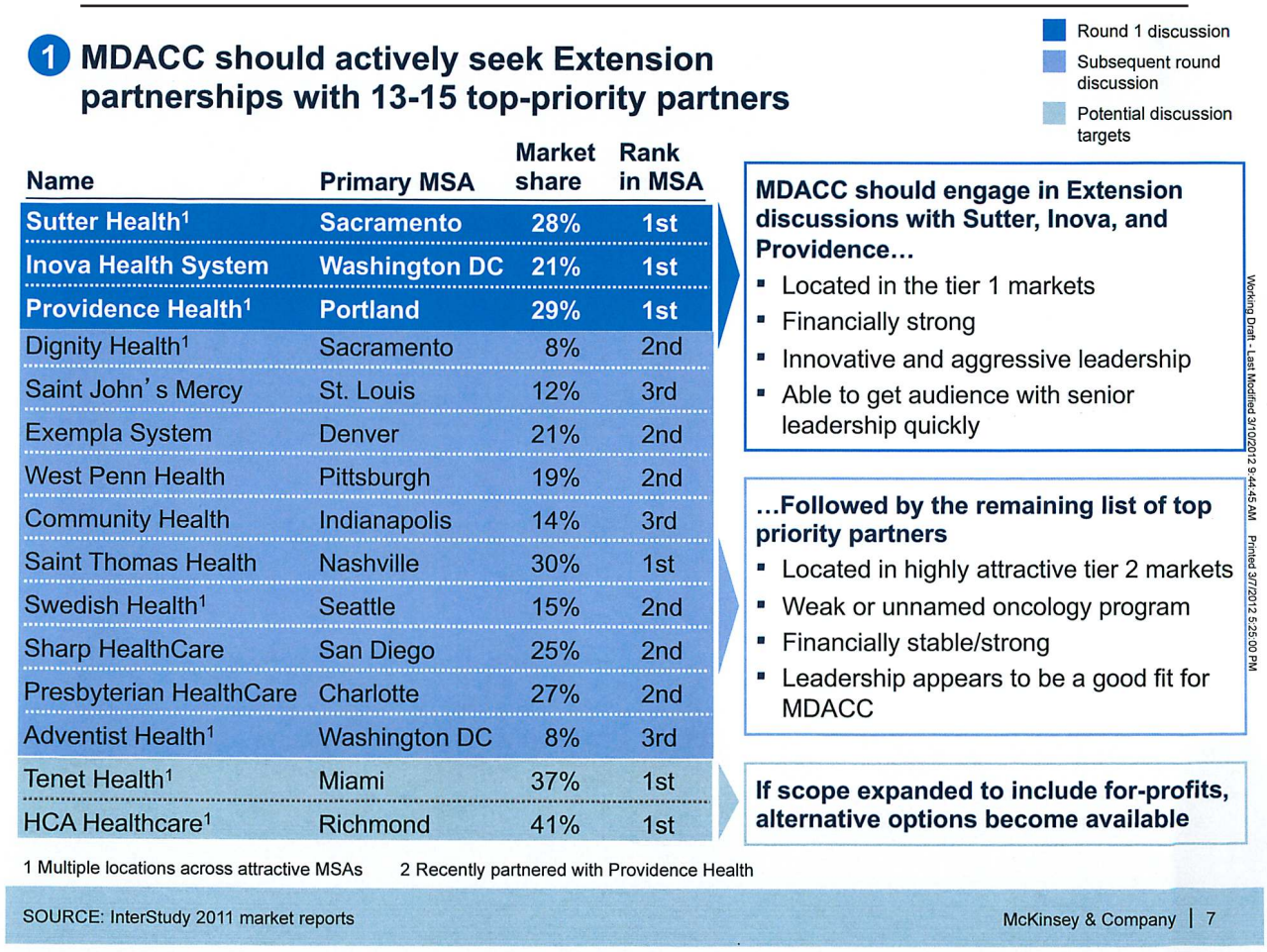
This was something we had been doing for a long time. This is nothing new: For example our relationships in Orlando and Madrid. Those affiliations traditionally began after organizations approached us to partner.

In late 2011/early 2012 we wanted to take a longer look at that system. We wanted to look at expanding affiliations through strategic investigations of our own to determine where we could do the most good and improve our outreach from a mission perspective while being mindful of being good stewards of public resources in a changing healthcare environment.

In doing so, we wanted some outside perspective and/or expertise, which is why McKinsey was hired to consult and present their data.

PG: *Is the strategy described in this report being implemented? If there is a more recent version of this report, would you be willing to release it?*

JN: The PowerPoint presentation you were furnished with is quite dated and does not reflect the



current program. There is not a more recent version of that presentation.

Unfortunately, we can't give you a detailed explanation of the program because it is proprietary. Part of our responsibility to those we serve is to protect resources, including those that help fund our mission, one that ultimately benefits patients.

I can tell you that a few portions of the current MD Anderson Cancer Network are similar to sections of the proposal from March 2012. One example: Our decision to offer affiliations at different levels (EX: certified members, partner members). In many ways, however, it does not provide an accurate picture of the current program, nor would you expect it to as it is a presentation of McKinsey's recommendations, not an MD Anderson document.

PG: *Are there any other institutions embarking on such national strategies?*

JN: Indeed there are. As we said, affiliations such as these are very common.

PG: *How will this plan affect other NCI-designated cancer centers?*

JN: Our commitment is to help as many patients as we can. This same commitment to patients is shared by every other NCI-designated center.

Even here in the Texas Medical Center, we work side-by-side and collaborate with another NCI–designated center, The Dan L. Duncan Cancer Center at the Baylor College of Medicine.

Our proximity to each other has enhanced the care we deliver to patients in Houston and we see no reason why that would be different in any other geography.

PG: *MD Anderson is a publicly funded institution. It is DRG-exempt and it received state and federal funds. Is it appropriate for it to pursue an expansion strategy that would seem more characteristic of a for-profit enterprise?*

JN: As a publicly funded organization, we don't believe there is anything inappropriate about transferring our knowledge to other communities.

Our outreach efforts to advance our mission have been consistently supported by The University of Texas System and other supporters, as well as those in the communities in which we have a presence.

As we have noted above, we are aware of other efforts both in the United States and abroad to expand knowledge delivery in a financially responsible manner by other not-for-profit or charitable health care organizations, including other NCI-designated centers.

PG: *I see the list of three potential partners identified in this report to be approached (Sutter Health, Providence and Inova). Were they approached? Also, I don't see Camden on the list. Why not?*

JN: Again, these quality partners were included in a list of suggestions by McKinsey. The document you are referring to is not an MD Anderson business plan. It is a presentation of proposals by a consultant hired by MD Anderson.

McKinsey's input helped us further develop our program. Since that process, we have approached a number of high quality affiliate partners.

Drug Development

Tivozanib Trial Discontinued Due to Insufficient Enrollment

AVEO Oncology and Astellas Pharma Inc. discontinued a phase II study of tivozanib in locally recurrent or metastatic triple-negative breast cancer due to insufficient enrollment.

According to a December 2012 press release describing the initiation of the trial, named BATON-BC, it would have evaluated a combination of tivozanib and paclitaxel, compared to paclitaxel and placebo, in patients who had received no prior systemic therapy for advanced or metastatic breast cancer.

AVEO planned to enroll approximately 147 patients across 50 sites, with a primary endpoint of increasing progression-free survival. The trial would also have evaluated biomarkers related to clinical response.

BATON-BC is the third in a series of disappointing tivozanib trials, which tested the drug in advanced renal cell carcinoma and metastatic colon cancer.

In May 2013, the FDA's Oncologic Drug Advisory Committee voted 13-1 that tivozanib did not demonstrate a favorable risk-benefit profile in the treatment of advanced RCC (The Cancer Letter, May 3, 2013).

The following month, FDA decided not to approve the company's new drug application, stating inconsistent progression-free and overall survival results, and recommended that AVEO conduct an additional study in advanced RCC. The Securities and Exchange Commission has subpoenaed documents and information concerning the company's application.

In December 2013, AVEO announced that a phase II study in metastatic colorectal cancer would be unlikely to reach its primary endpoint in the intent-to-treat population, following an interim analysis. BATON-CRC evaluated the superiority of tivozanib in combination with modified FOLFOX6, compared

to bevacizumab in combination with modified FOLFOX6, as a first-line treatment.

AVEO's cofounders include Ronald DePinho, president of MD Anderson Cancer Center, and his wife Lynda Chin, a senior scientist at the center. In 2012, DePinho recommended investing in AVEO stock on CNBC.

Over the past year, AVEO's stock price has fallen 80 percent from its highest point. DePinho has stepped down from AVEO's board of directors, but Chin remains on its scientific advisory board. DePinho has apologized for offering investment advice.

Tobacco

Cancer Groups Hope CVS Decision Marks a Trend

(Continued from page 1)

"Given the anticipated timing for implementation of this change, the impact to 2014 earnings per share is expected to be in the range of 6 to 9 cents per share," the company said in a statement Feb. 5. "The decision to exit the tobacco category does not affect the company's 2014 segment operating profit guidance, 2014 EPS guidance, or the company's 5-year financial projections provided at its Dec. 18 Analyst Day."

The decision makes CVS the first national drug store chain to stop selling tobacco products. The Target Corporation made a similar decision regarding their retail chain in 1993.

"Ending the sale of cigarettes and tobacco products at CVS/pharmacy is the right thing for us to do for our customers and our company to help people on their path to better health," CVS Caremark President and CEO Larry Merlo said in a statement. "Put simply, the sale of tobacco products is inconsistent with our purpose."

In addition to removing tobacco products, the company will undertake a national smoking cessation program. Smoking is the leading cause of premature disease and death in the U.S. with more than 480,000 deaths annually. Some 18 percent of Americans smoke, down from 42 percent in 1965.

"CVS Caremark is continually looking for ways to promote health and reduce the burden of disease," said CVS Caremark Chief Medical Officer Troyen Brennan. "Stopping the sale of cigarettes and tobacco will make a significant difference in reducing the chronic illnesses associated with tobacco use."

Merlo and Troyen have been working on the policy change for two years, said Otis Brawley, chief medical officer of the American Cancer Society.

"You have a CEO and CMO at CVS, who are good human beings, who want to do the right things," Brawley said to The Cancer Letter. "They have been convincing the board of directors that it's the right thing to do.

"ACS has encouraged all drug and convenience stores to do this, but ACS cannot claim credit. I'm thrilled to see that they have brought this to fruition.

"The solution to controlling tobacco requires a whole bunch of social interventions. One of them is: companies that sell tobacco, like drug stores, need to be socially responsible. They need to jump on the social bandwagon of health promotion.

"It is inconsistent for a company that promotes health to at the same time sell a product which, when used as intended, leads to the premature death of more than half of its consumers.

"We are trying to bring about societal change and awareness," Brawley said. "Can these folks go down the street and buy tobacco somewhere else? Yes.

"The fact that a large company like CVS is willing to make a statement that, even though it's going to hurt their bottom line by $2 billion a year, that's important."

HHS Secretary Kathleen Sebelius commended the company's decision, saying it will have a considerable impact.

"Last month, I called on all sectors of the United States—from businesses to local and state governments to the faith community—to join in the Obama Administration's sustained effort to make the next generation tobacco-free," Sebelius said in a statement Feb. 5. "Smoking takes an enormous toll on our friends, families and communities.

"As we know from the recently released 50th Anniversary Surgeon General Report on smoking and health, nearly 500,000 Americans die early each year due to smoking, and smoking costs us $289 billion annually.

"Each day, more than 3,200 youth under age 18 in the United States try their first cigarette and more than 700 kids under age 18 become daily smokers. If we fail to reverse course, 5.6 million American children alive today will die prematurely due to smoking. This is unacceptable.

"We need an all-hands-on-deck effort to take tobacco products out of the hands of America's young generation, and to help those who are addicted to quit.

"Today's CVS Caremark announcement helps bring our country closer to achieving a tobacco-

free generation," Sebelius said. "I hope others will follow their lead in this important new step to curtail tobacco use."

President Barack Obama also applauded the company's decision.

"As one of the largest retailers and pharmacies in America, CVS Caremark sets a powerful example, and today's decision will help advance my Administration's efforts to reduce tobacco-related deaths, cancer, and heart disease, as well as bring down health care costs—ultimately saving lives and protecting untold numbers of families from pain and heartbreak for years to come," Obama said in a statement.

"I congratulate—and thank—the CEO of CVS Caremark, Larry Merlo, the board of directors, and all who helped make a choice that will have a profoundly positive impact on the health of our country."

Walgreens is "Evaluating"

The Walgreen Company, the largest retail drug chain in the U.S. by number of stores, said it is still evaluating its tobacco sales, offering instead programs aimed at changing consumer behavior.

"We have been evaluating this product category for some time to balance the choices our customers expect from us, with their ongoing health needs," the company said in an email to The Cancer Letter. "We will continue to evaluate the choice of products our customers want, while also helping to educate them and providing smoking cessation products and alternatives that help to reduce the demand for tobacco products.

"Over the past year, Walgreens has partnered to conduct broad-based, in-store smoking cessation campaigns to provide consumers with educational health support. For example, last month we launched a free, online quit-smoking program (www.sponsorshiptoquit.com) that incorporates social media and allows tobacco users to personalize their program with customized tools.

"These campaigns demonstrate the value and benefits of smoking cessation by providing consumers incentives to start a smoking cessation program and also support caregivers," the company said. "With this approach we are able to address the root cause and offer customers solutions to help change behavior."

As of Aug. 30, 2013, there are 8,541 Walgreens stores nationwide; 8,116 of those are drug stores.

There is ample evidence that in-store advertising is important in getting teenagers and young adults to buy tobacco, said Brawley.

"These people see the ads, start smoking and become adult smokers who have all of these problems," Brawley said. "This is a really a battle to prevent easy access to tobacco and tobacco ads for teenagers and young adults.

"I'm hoping that there will be a domino effect; that drug stores, and big box stores will join in CVS's decision."

Cancer Groups Express Support

The American Society of Clinical Oncology urged all pharmacies and other businesses that sell tobacco products to follow CVS Caremark's lead.

"CVS Caremark should be commended for its courageous decision to stop selling tobacco products in all of its pharmacy stores," said ASCO President Clifford Hudis. "The oncology community is extremely grateful that CVS Caremark recognized that support for tobacco use has no place in any health care facility and took action. We hope this is an inspirational example of corporate responsibility for others to follow."

All health care providers, including pharmacies, have a role in preventing tobacco use, and encouraging current users to quit, said Margaret Foti, CEO of the American Association of Cancer Research.

"If we are to move forward as a society that promotes health and eradicates disease, we must take steps to eliminate the use of tobacco by all means possible," Foti said. "The announcement by CVS Caremark Corp. to remove tobacco products from its stores is an extraordinary step that sends a critical message in helping to combat this enormous public health problem, which causes significant morbidity and mortality in many diseases, including 18 different types of cancer."

The company's decision has real potential to impact public health, said Barbara Duffy Stewart, executive director of the Association of American Cancer Institutes.

"CVS Caremark has taken a brave stand against the leading preventable cause of disease, disability, and death in America," Steward said. "AACI urges other businesses that sell tobacco products to follow CVS Caremark's bold leadership."

MD Anderson Cancer Center President Ron DePinho said in a statement: "We're incredibly pleased with CVS Caremark's decision and applaud their bold move to combat cancer and the many other serious diseases caused by smoking. We urge other pharmacies, grocery stores and retail outlets to follow suit. Decisions such as this will help save lives, reduce heartbreak for countless American families and save health care dollars."

A day before CVS's announcement, FDA announced its first national tobacco public education campaign—titled "The Real Cost"—to prevent and reduce tobacco use in youth aged 12 to 17.

"We know that early intervention is critical, with almost nine out of every ten regular adult smokers picking up their first cigarette by age 18," FDA Commissioner Margaret Hamburg said in a statement.

Created by Draftfcb, a global marketing communication agency, the campaign will use television, radio, print, online, and out-of-home advertising. Ads will run in more than 200 markets throughout the U.S. for at least 12 months.

The $115 million campaign is funded by industry user fees and launches Feb. 11.

In Brief

Wendy Selig Elected President Of NCCR Board of Directors

(Continued from page 1)

Cancer Society and its advocacy affiliate, the American Cancer Society Cancer Action Network. Most recently, she served as ACS CAN's vice president of external affairs & strategic alliances.

In addition, the following were elected to the board of directors: **Robert Clark**, director of government affairs at St. Jude Children's Research Hospital; **Anne Levine**, vice president of external affairs at Dana-Farber Cancer Institute; **David Pugach**, director of federal relations at the American Cancer Society Cancer Action Network; and **Jon Retzlaff**, managing director of science policy and government affairs at the American Association for Cancer Research.

DANA-FARBER CANCER INSTITUTE was awarded a $900,000 grant from the **Ovarian Cancer Research Fund** to test new combinations of targeted drugs against the disease.

Ursula Matulonis, the director of the Gynecological Cancer Treatment Center in the Susan F. Smith Center for Women's Cancers at Dana-Farber, is the principal investigator of the project. This grant helped mark the OCRF's 20th anniversary, for which the fund awarded $6.9 million in gynecologic cancer research and program grants.

Researchers will explore a number of strategies that combine drugs that simultaneously target several abnormal biologic pathways in ovarian cancer cells. In one project, researchers will test the effectiveness of a PARP inhibitor and another targeted therapy in blocking the abnormal PI3-kinase signaling pathway in ovarian tumors.

A second project will combine two drugs—a heat shock protein inhibitor and a PARP inhibitor—aimed at preventing damaged ovarian cancer cells from repairing themselves. The third project will use a technique called BH3 profiling, which measures how close cancer cells are to destroying themselves, to evaluate targeted drug combinations.

RICHARD FOLKERS was named director of communications **for the Foundation for the NIH**.

Folkers was NCI's director of media relations since 2005. Before that, he spent 20 years at U.S. News and World Report in technology writing and media relations.

NORMAN PAYSON was selected to become chair of the **City of Hope** board of directors. He began his three-year term on Jan. 1.

A senior advisor at Apria Healthcare Group since November 2012, Payson is former CEO of Oxford Health Plans Inc. and Healthsource Inc. He also served as chairman and CEO of Apria Healthcare, as chairman of Viant Holdings and its predecessor Concentra, and as CEO of Hawthorne Community Medical Group. He succeeds outgoing chair Sheri Biller.

Payson joined the board in 2004 and has served as chair of its finance committee and strategic planning ad hoc committee. He is also the chair of the City of Hope Medical Foundation board of directors and, together with his wife, Melinda Payson, helped establish City of Hope's Graduate Studies Center as well as a graduate fellowship at the school.

SARAH CANNON CANCER CENTER and **HealthONE hospitals** launched an initiative to fully integrate their cancer programs by the end of 2014.

The Denver-area hospitals include The Medical Center of Aurora, North Suburban Medical Center, Presbyterian/St. Luke's Medical Center, Rose Medical Center, Sky Ridge Medical Center and Swedish Medical Center.

Sarah Cannon at HealthONE physician workgroups have developed breast and lung cancer programs, and the Colorado Blood Cancer Institute is also enrolling patients in Sarah Cannon clinical trials.

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AMGEN and **MERCK** announced an agreement to evaluate the safety and efficacy of talimogene laherparepvec, an investigational oncolytic immunotherapy, combined with MK-3475, an investigational anti-PD-1 immunotherapy, in a phase Ib/II study in mid- to late-stage melanoma.

"Talimogene laherparepvec has shown encouraging phase III clinical results as a monotherapy in patients with metastatic melanoma," said David Chang, vice president of global development at Amgen.

The multicenter, open-label clinical trial will be conducted in two parts and is planned to begin in the fall of this year. Phase Ib is designed to determine the safety and tolerability in patients with previously untreated, unresected, stage IIIB to IVM1a melanoma. Phase II will evaluate the confirmed objective response rate with talimogene laherparepvec in combination with MK-3475 versus MK-3475 alone in patients with previously untreated, unresected, stage IIIB to IVM1c melanoma.

The study will also evaluate the efficacy of treatment with talimogene laherparepvec in combination with MK-3475 following disease progression on MK-3475 alone.

Talimogene laherparepvec, sponsored by Amgen, is designed to selectively replicate in tumor tissue and to initiate a systemic anti-tumor immune response. It is injected directly into tumor tissue and is intended to cause lytic cell death, releasing an array of tumor-derived antigens. It is also engineered to express granulocyte-macrophage colony-stimulating factor, a white blood cell growth factor.

MK-3475, developed by Merck, is an investigational, highly selective anti-PD-1 immunotherapy designed to restore the natural ability of the immune system to recognize and target cancer cells by selectively achieving dual ligand blockade of the PD-1 protein.

THE UNIVERSITY OF PITTSBURGH selected **GenomOncology's GenomAnalytics platform** and services to explore and mine the data in **The Cancer Genome Atlas**.

The platform will be used to investigate and visualize cancer genomic research data as a part of the university's personalized medicine research initiative.

To date, the atlas has focused on more than 20 cancer types and amassed thousands of samples. These samples will be further characterized to include single nucleotide variants, copy number variants, expression level changes, methylation and clinical phenotype data. The University of Pittsburgh is one of the largest contributors to TCGA.

HEALTH CANADA approved the Aptima HPV 16 18/45 genotype assay for use on the Panther system, both developed by Hologic Inc. The assay is the only approved test for genotyping human papillomavirus types 16, 18 and/or 45 in Canada.

Although HPV genotype 45 is fairly uncommon, identified in only 0.4 percent of women with normal cytology, it is the third most common HPV genotype associated with invasive cancer. The addition of HPV genotype 45 is designed to help identify more women at risk for adenocarcinoma, with minimal impact to colposcopy rates.

Health Canada has approved the test for two uses: in patients 21 years and older with atypical squamous cells of undetermined significance cervical cytology results, the assay can test samples from women with Aptima HPV assay positive results to assess the presence or absence of high-risk HPV genotypes 16, 18 and/or 45. The assay can also test samples from women 30 years and older with Aptima HPV assay positive results.

The assay received FDA approval on Hologic's Tigris system in October 2012 and the Panther system in November 2013.

DEFINIENS and **Clarient Diagnostic Services Inc.** signed an agreement to extend the use of Definiens' automated image analysis software and solutions in Clarient's validated clinical applications for immunohistochemistry testing in breast cancer.

Definiens' Cognition Network Technology was invented by 1986 Nobel prize winner Gerd Binnig and is unique in its ability to extract information from tissue images.

"Our work with Definiens will enable us to offer high quality, robust readouts with fast turnaround time," said Kenneth Bloom, Clarient's chief medical officer.

"Running thousands of patient slides through our algorithms and seeing the computer-aided diagnosis in action is really gratifying," said Thomas Heydler, CEO of Definiens. "No one else has done this on such a large scale."