

## **Financial Toxicity of Cancer Challenges and Opportunities**

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# Midwest Cancer Alliance

**Financial Toxicity: the out-of-pocket expenses related to cancer treatment**



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More options, close to home.

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Costs Associated with Cancer Care: Treatment for Metastatic Melanoma

Four cycles of Ipilimumab and Nivolumab:

\$169,200\*

Nivolumab: given indefinitely

\$7,000\* per dose

Does not include administration fees

lab costs, provider charges

\*Amount billed-significantly higher--

What is the out-of-pocket expense for the patient?



# Helping Patients Manage the Financial Toxicity of Cancer

Excerpt from *Cancer Patient Financial Navigation*

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# Making a Bad Situation Worse: the need for navigation

## Cancer Patients Face High Out-of-Pocket Costs

| Population     | Median Annual Household Income | Average Annual Cost of Cancer <sup>1</sup> | Cost of Cancer as Percentage of Average Household Income |
|----------------|--------------------------------|--------------------------------------------|----------------------------------------------------------|
| Under 65 years | \$57,353                       | \$16,213                                   | 28%                                                      |
| 65 and older   | \$33,848                       | \$16,441                                   | 49%                                                      |

1) Measured by comparing direct medical costs and indirect morbidity costs between cancer survivors and individuals without a history of cancer.

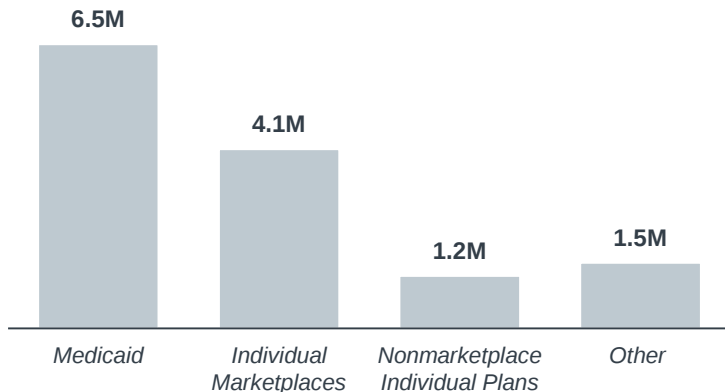
Source: Guy GP, "Economic Burden of Cancer Survivorship Among Adults in the United States," JCO, 31, no. 30 (2013): 3749-57; DeNavas-Walt C, et al., "Income, Poverty, and Health Insurance Coverage in the United States: 2012," US Census, 2013, <http://www.census.gov/prod/2013pubs/p60-245.pdf>; Ubel PA, et al., "Full Disclosure – Out-of-Pocket Costs as Side Effects," NEJM, 369, no. 16 (2013): 1484-1486; Oncology Roundtable interviews and analysis

# Increasing Access to Health Coverage

## Uninsured Rate Continues to Decline

### Estimated Number of Consumers Who Gained Coverage Under the ACA

*Ages 18-64, September 2013-February 2015*



### Spiking Enrollment in Employer-Sponsored Insurance

**9.6M**

Increased enrollment in employer-sponsored insurance plans from September 2013 to February 2015

# Exchange Plan Enrollees Creating New Risk

## Provider Reimbursement Not a Certainty

### Three Key Questions

1



#### Will Patients Continue to Pay Their Premiums?

- Exchange enrollees who pay one month's premium are permitted to have an unpaid premium balance for 90 days before plan termination
- However, payers are not required to pay for claims received in the last 60 days of the 90-day period, threatening provider reimbursement for services within that window

2



#### Will Patients Experience a Change in Eligibility?

- Millions likely to undergo shift in eligibility across Medicaid and exchange market across one year
- Transitions in coverage may disrupt provider networks and create fluctuations in reimbursement

3



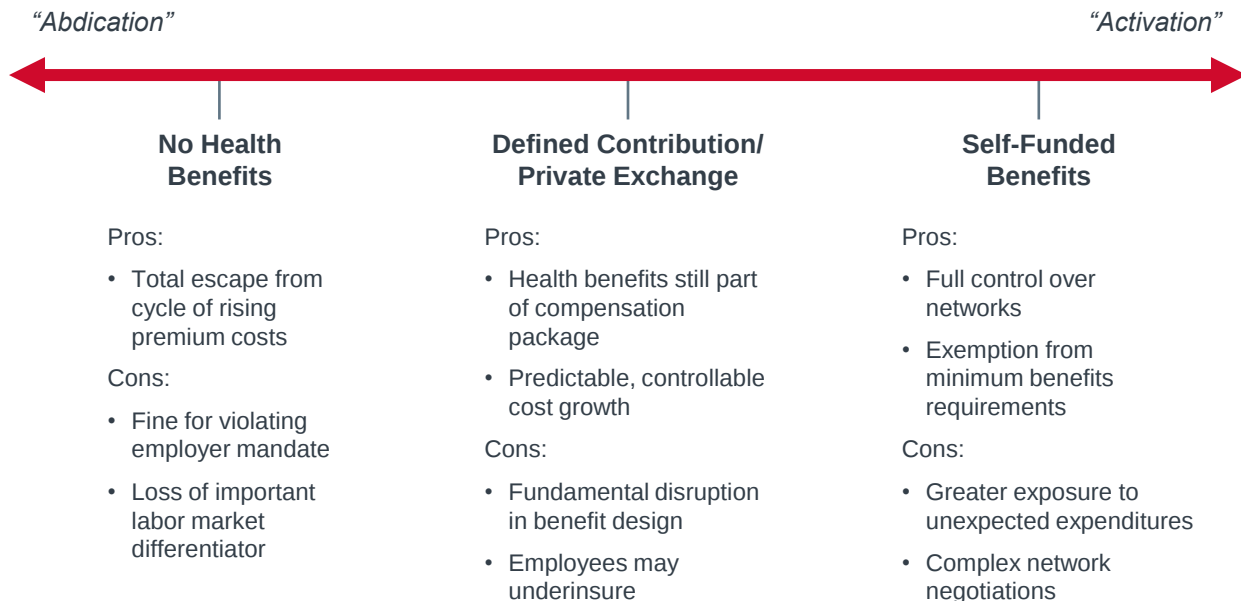
#### Will Patients Be Able to Pay Their Out-of-Pocket Costs?

- Most exchange enrollees opt for plans with lower premiums, higher out-of-pocket costs
- Inability to collect patient responsibility could add significantly to hospital bad debt

# Employer-Sponsored Coverage at a Crossroads

## Employers Choosing Between Abdication, Activation

### Spectrum of Options for Controlling Health Benefits Expense



# Employers Reining in Spending

## Levers for Employers to Address Health Care Costs



### Benefit Design

Evaluating and restructuring employee health plans to optimize utilization



### Contracting Strategy

Establishing relationships to control costs and ensure efficacy, for example:

- ✓ Narrow networks
- ✓ Specialty pharmacy



### Wellness

Promoting health and wellness among employees through voluntary awareness and preventative programs



### Cost Sharing

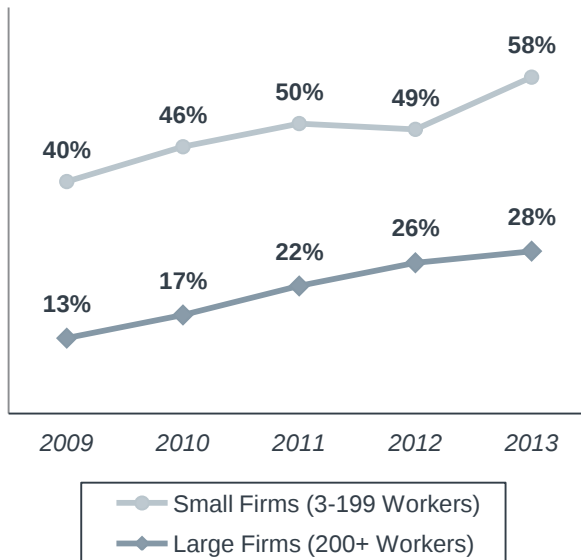
Encouraging increased employee accountability of health care utilization by shifting an increased portion of costs to employees

# Encouraging Employee Price Sensitivity

## Consumer-Directed Health Plan Enrollment Continues to Grow

### Percentage of Covered Workers Enrolled in a Plan with a \$1,000+ Deductible, by Firm Size

Single Coverage



### Price Sensitivity in Action

23%

Percentage of consumers reporting they are postponing care after enrolling in a CDHP<sup>1</sup>

17%

Percentage of consumers reporting they are sacrificing care after enrolling in a CDHP

Source: "Employer Health Benefits 2013 Annual Survey," Kaiser Family Foundation and Health Research & Education Trust, August 20, 2013, <http://kff.org/private-insurance/report/2013-employer-health-benefits/>; "The Consumer Health Mindset," Aon, 2013, [http://www.aon.com/attachments/human-capital-consulting/2013\\_Consumer\\_Health\\_Mindset\\_Survey\\_Final\\_1-2-13.pdf](http://www.aon.com/attachments/human-capital-consulting/2013_Consumer_Health_Mindset_Survey_Final_1-2-13.pdf); Oncology Roundtable interviews and analysis.

1) Consumer-directed health plan.

# Preserving Access to Care Critical

## Bolster Patient Assistance Through Financial Counseling



### Financial Counseling Services

- Building or expanding financial counseling resources
- Ensuring high-risk patients, such as the uninsured and those with high deductibles, receive financial counseling

Source: "Post-ACA, Hospitals Rethink How to Offer Charity Care to Uninsured," The Advisory Board Company, <http://www.advisory.com/daily-briefing/2014/03/11/post-aca-hospitals-rethink-how-to-offer-charity-care-to-uninsured>; "Man Has \$900 in Weekly Copays. Will the ACA Help?" The Advisory Board Company, <http://www.advisory.com/daily-briefing/2014/03/28/man-has-900-in-weekly-co-pays-will-the-aca-help>; Oncology Roundtable interviews and analysis.

# Patient Financial Navigation

## 1

*Connect Patients to Financial Navigation*

1. Capture patients from multiple channels
2. Hardwire financial checkpoints

Make the case to expand financial navigation

## 2

*Educate Patients About Their Financial Responsibility*

3. Conduct comprehensive benefits review
4. Provide patients with out-of-pocket cost estimates
5. Script compassionate conversations

## 3

*Optimize Patient Coverage*

6. Screen patients for coverage eligibility
7. Enhance partnership with external Medicaid assistance agency
8. Coordinate treatment start with clinical team
9. Hardwire monthly insurance checks

## 4

*Maximize External Assistance*

10. Screen for assistance program eligibility up-front
11. Automate patient eligibility screening
12. Assign billing point person for copay assistance
13. Foster best practice sharing among financial navigation staff

## 5

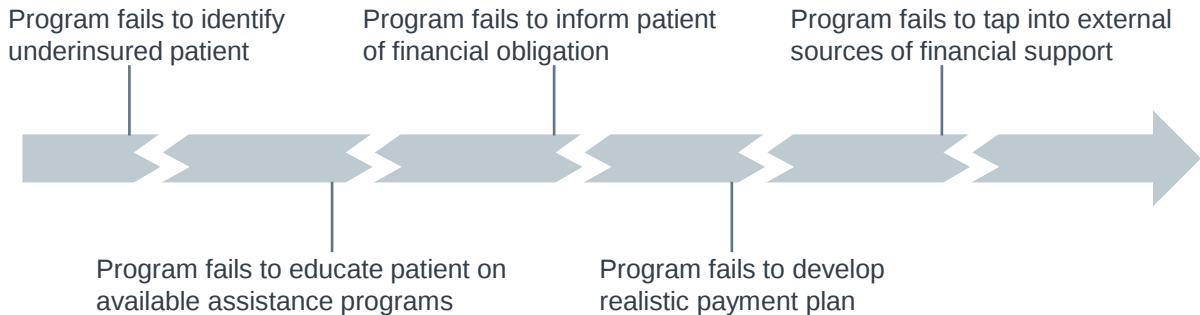
*Improve Patient Collections*

14. Increase patient awareness of point-of-service collections
15. Train staff for point-of-service collections
16. Develop staff incentive program for point-of-service collections
17. Build realistic payment plans

# Helping Patients Manage Financial Toxicity Many Patients Falling Through the Cracks

Cancer Costs Impact Access to Care, Long-Term Financial Health

## Common Breakdowns in Patient Access



**32%**

Percentage of cancer patients reporting cancer-related financial problems

**23%**

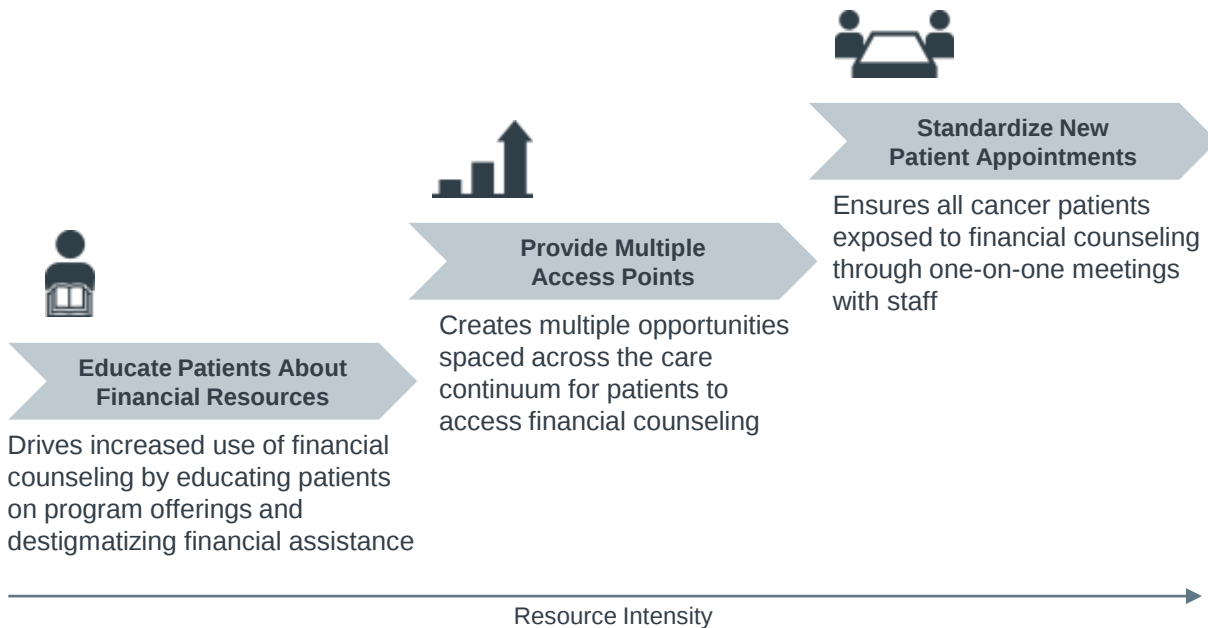
Percentage of cancer patients reporting that they postponed recommended health care due to cost

**2.65x**

Times more likely cancer patients are to go bankrupt than people without cancer

# Connecting Patients to Financial Navigation

## Three Approaches to Identify Patients with Need



# Casting a Wide Net

## Five Channels Connect Patients to Financial Coordination Team

### Self-Referral

Patients receive brochure introducing them to financial coordination services, providing contact number for questions and concerns



### Staff Referral

All new cancer program staff educated about financial services, encouraged to refer any patient at any time



### Multidisciplinary Conferences

Financial coordinators review weekly multidisciplinary conference schedule, attend conference if patient indicates financial concerns



### Infusion Schedule Review

Financial coordinators review schedule three days in advance to identify and reach out to high-risk patients, including:

- ✓ Self-pay
- ✓ Medicaid
- ✓ Medicare only



### Distress Screening

Patients screened at every visit, referred to financial coordinator if they indicate financial concern



# Reducing Patients' Financial Burden

## LVHN<sup>1</sup> Secures Significant Assistance, Patient Satisfaction



### Program Successes Across 2013

**\$1.3M** Amount secured from drug replacement programs

**\$4.3M** Amount of free or reduced self-administered medications secured via pharmaceutical assistance programs

**749** Number of patients who received discounted or free care from internal assistance

**93.3** Patient satisfaction score (out of 100) for financial coordination services



### Case in Brief: Lehigh Valley Health Network

- Health network based in Allentown, Pennsylvania; includes three hospitals, community health centers, a health plan, and primary care and specialty physicians
- Created robust financial assistance program with goal of improving patient access to care while protecting cancer program's revenues
- Through patient education and collaboration with clinical staff, financial coordinators recover significant assistance for patients through drug replacement, pharmaceutical assistance, internal assistance programs, and community resources

1) Lehigh Valley Health Network.

# Expand Service to All Patients

## All Cancer Patients Stand to Benefit from Financial Navigation

### Patient Barriers to Using Financial Resources



Unaware of their financial need



Embarrassed to ask for help



Unaware that cancer program has resources to help

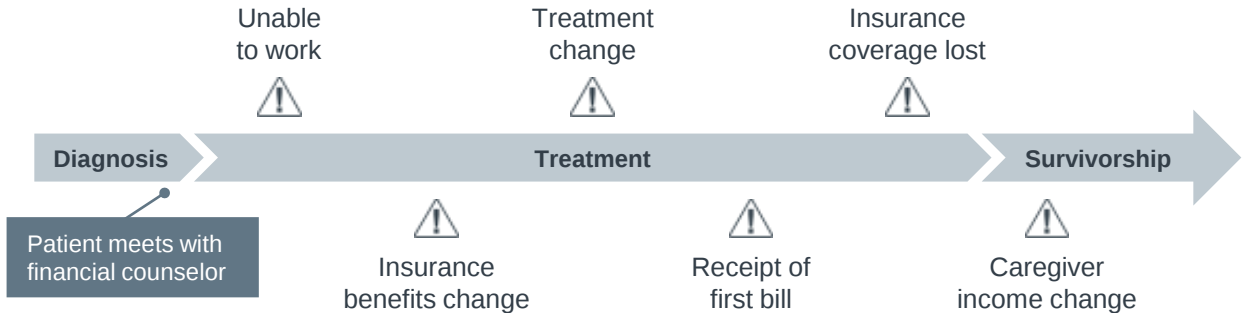


Scared that treatment will be interrupted or withheld

In this day and age, every cancer patient is going to need a meeting with a financial counselor...

# Financial Distress Can Occur at Any Time

## Financial Pain Points Along the Patient Pathway



## Impacting Patients' Ability to Earn a Living

**40%-85%**

Percentage of cancer patients who stop working during initial treatment

**1.37x**

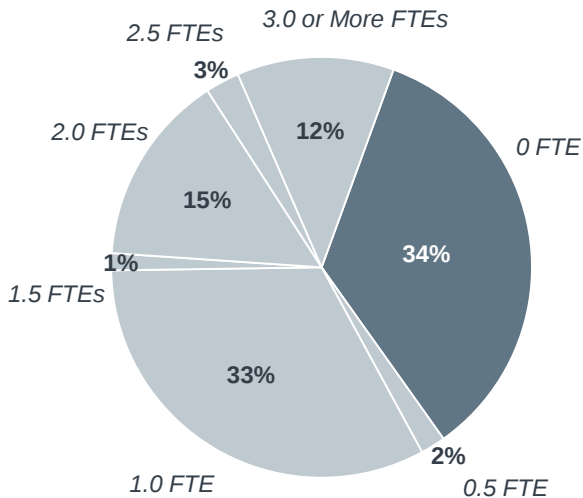
Times more likely cancer survivors are to be unemployed compared to people without cancer

# Programs Struggle to Support Financial Navigation

## Over One-Third of Programs Lack Cancer Dedicated Financial Staff

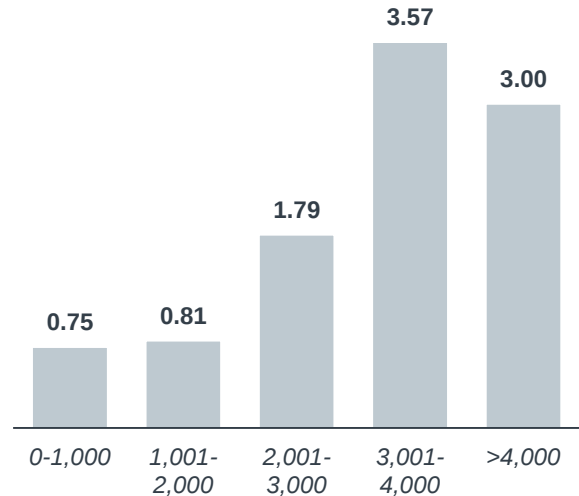
### Number of Staff Dedicated to Financial Counseling for Cancer Patients

n=157



### Average Cancer-Dedicated Financial Counselor FTEs by Analytical Case Volume

n=123



# Retrospective Analysis Helps Make the Case

## Collects Financial Data to Successfully Secure FTEs

### FTEs Needed

1



Drug Reimbursement  
Specialist



2



Financial Resource  
Coordinator



### The Business Case

- Cancer leader collected two months' worth of data to determine how much **money was lost due to failure to secure preauthorizations and off-label drug use**
- Amounted to over **\$500,000** during two-month period
- Cancer leader collected data from one month to determine how much money was **lost from self-pay patients unable to pay for their treatment**
- Amounted to over **\$1.1M** during one month

# Educating Patients About their Financial Responsibilities

## Failure to Educate Patients on Costs Has Serious Consequences

### Typical Patient Health Care Cost Responsibilities



### Potential Consequences When Patients Are Unprepared for Health Care Costs

- Fail to adhere to treatment
- Borrow money or use credit
- Use all or most of savings
- Sell possessions or property
- Work more hours
- Reduce spending on food and clothing
- Fail to pay medical bills
- File for bankruptcy



**>60%**

Percentage of Americans filing for bankruptcy who claim medical debt as cause of bankruptcy

# The Push for Price Transparency

## Patients Want to Know Costs, Need to Know Costs



### Growing Interest in Health Care Costs

84%

Percentage of patients reporting that out-of-pocket cost estimates before treatment would have a **positive impact** on their decision to use a provider

68%

Percentage of **cancer** patients reporting that they wanted to know their total out-of pocket costs before being treated



### A Patient Caught Unaware

“Some of the most angry patients were not patients without the ability to pay but [those who] didn’t understand the enormity of the responsibility they would have. One patient bought a new car, for example. They said to me, ‘We never would have bought the car if we had known that our 20% would be \$20,000.’”

*Director of Oncology Services,  
Cancer Center in the Northwest*

Source: Bullock AJ, et al., “Understanding Patients’ Attitudes Toward Communication About the Cost of Cancer Care,” *Journal of Oncology Practice*, 8, no.4 (2012): 50-58, <http://www.jop.ascopubs.org/content/8/4/e50.full>; Budryk Z, “Providers Fall Short on Price Transparency,” *Fierce Health Finance*, July 23, 2014, <http://www.fiercehealthfinance.com/story/providers-fall-short-price-transparency/2014-06-23>; Oncology Roundtable, *Addressing Patients’ Financial Obligations*, Washington, DC: The Advisory Board Company, 2009; Oncology Roundtable interviews and analysis.

# Easier Said Than Done

## Challenges to Developing Cancer Out-of-Pocket Cost Estimates



Lack of standardized treatment



Complexity of treatment



Lack of clear cost information



Inability to predict payer actions



Frequency of treatment change

# Key Takeaways

- 1. Establish multiple mechanisms to capture patients**
  - 2. Cancer patients likely to experience financial distress at predictable points along the care continuum**
  - 3. Financial navigation presents significant opportunity to protect revenue and preserve patient access to care**
- .

# Key Takeaways

- 4. Most patients are poorly informed about health benefits and have unrealistic expectations about their out-of-pocket costs**
- 5. Providing out-of-pocket estimates ensures patients are better prepared for medical bills**
- 6. Lead every financial counseling conversation with compassion**

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Questions?  
Thoughts?

