Financial Toxicity of Cancer
Challenges and Opportunities

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Financial Toxicity: the out-of-pocket expenses related to cancer treatment
Midwest Cancer Alliance
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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

<table>
<thead>
<tr>
<th>Population</th>
<th>Median Annual Household Income</th>
<th>Average Annual Cost of Cancer(^1)</th>
<th>Cost of Cancer as Percentage of Average Household Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 65 years</td>
<td>$57,353</td>
<td>$16,213</td>
<td>28%</td>
</tr>
<tr>
<td>65 and older</td>
<td>$33,848</td>
<td>$16,441</td>
<td>49%</td>
</tr>
</tbody>
</table>

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

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

- Medicaid: 6.5M
- Individual Marketplaces: 4.1M
- Nonmarketplace Individual Plans: 1.2M
- Other: 1.5M

Spiking Enrollment in Employer-Sponsored Insurance

9.6M

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


1) Children’s Health Insurance Program.
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

“Abdication”

No Health Benefits

Pros:
• Total escape from cycle of rising premium costs

Cons:
• Fine for violating employer mandate
• Loss of important labor market differentiator

Defined Contribution/Private Exchange

Pros:
• Health benefits still part of compensation package
• Predictable, controllable cost growth

Cons:
• Fundamental disruption in benefit design
• Employees may underinsure

Self-Funded Benefits

Pros:
• Full control over networks
• Exemption from minimum benefits requirements

Cons:
• Greater exposure to unexpected expenditures
• Complex network negotiations

Source: Health Care Advisory Board interviews and analysis.
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

Source: Oncology Roundtable interviews and analysis.
Consumer-Directed Health Plan Enrollment Continues to Grow

Encouraging Employee Price Sensitivity

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

Price Sensitivity in Action

*23%*

Percentage of consumers reporting they are postponing care after enrolling in a CDHP\(^1\)

*17%*

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


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

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

Source: Oncology Roundtable interviews and analysis.
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

- Program fails to identify underinsured patient
- Program fails to inform patient of financial obligation
- Program fails to educate patient on available assistance programs
- Program fails to develop realistic payment plan
- Program fails to tap into external sources of financial support

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
Tactic #1: Capture Patients from Multiple Channels

Connecting Patients to Financial Navigation

Three Approaches to Identify Patients with Need

1. **Educate Patients About Financial Resources**
   - Drives increased use of financial counseling by educating patients on program offerings and destigmatizing financial assistance

2. **Provide Multiple Access Points**
   - Creates multiple opportunities spaced across the care continuum for patients to access financial counseling

3. **Standardize New Patient Appointments**
   - Ensures all cancer patients exposed to financial counseling through one-on-one meetings with staff

Resource Intensity

Source: Oncology Roundtable interviews and analysis.
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

1) Lehigh Valley Health Network.

Reducing Patients’ Financial Burden

LVHN\(^1\) 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

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1) Lehigh Valley Health Network.

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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…

Source: Oncology Roundtable interviews and analysis.
Financial Distress Can Occur at Any Time

Financial Pain Points Along the Patient Pathway

- Unable to work
- Treatment change
- Insurance coverage lost

Diagnosis → Treatment → Survivorship

Patient meets with financial counselor

Insurance benefits change
Receipt of first bill
Caregiver income change

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

Over One-Third of Programs Lack Cancer Dedicated Financial Staff

Number of Staff Dedicated to Financial Counseling for Cancer Patients

- 34% of programs have 0 FTEs dedicated to financial counseling.
- 2% have 0.5 FTEs.
- 33% have 1.0 FTEs.
- 15% have 1.5 FTEs.
- 12% have 2.0 FTEs.
- 3% have 2.5 FTEs.
- 3% have 3.0 or More FTEs.

Average Cancer-Dedicated Financial Counselor FTEs by Analytical Case Volume

- 0.75 FTE for 0-1,000 cases.
- 0.81 FTE for 1,001-2,000 cases.
- 1.79 FTE for 2,001-3,000 cases.
- 3.57 FTE for 3,001-4,000 cases.
- 3.00 FTE for >4,000 cases.

Collects Financial Data to Successfully Secure FTEs

**FTEs Needed**

1. **Drug Reimbursement Specialist**

   - 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 a two-month period.

2. **Financial Resource Coordinator**

   - 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.

**The Business Case**

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Source: Oncology Roundtable interviews and analysis.
Failure to Educate Patients on Costs Has Serious Consequences

**Typical Patient Health Care Cost Responsibilities**

- Coinsurance
- Lodging
- Premium
- Down Payment
- Transportation
- Deductible
- Copay

**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

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
Midwest Cancer Alliance

Questions?
Thoughts?