

The Financial Burden of Cancer Care



Ronald Barkley, MS, JD
Executive Director, NH Oncology-Hematology



Diane Lanahan, MBA, RN
Director, Managed Care Contracting, Dana-Farber Cancer Institute



Lise Mendham, MPH, RN, OCN
Director of Oncology Services, Elliot Hospital



Moderated by: Laura Knoy
Host, NH Public Radio's "The Exchange"

**What happens when you get
the wrong insurance
&
the wrong disease
at the same time?**

**You get a
Really Ugly Financial
Can of Worms**



“RUF COW”

Why do we even care about this subject?

- 47 million Americans (16% of the population) are uninsured.
- 49 million Americans (17% of the population) are vulnerable to financial hardship as a result of long-term illness.
- 31% of families lose most of their savings when caring for a family member with cancer.
- 40,000 families per year in the U.S. file for bankruptcy due to medical costs.

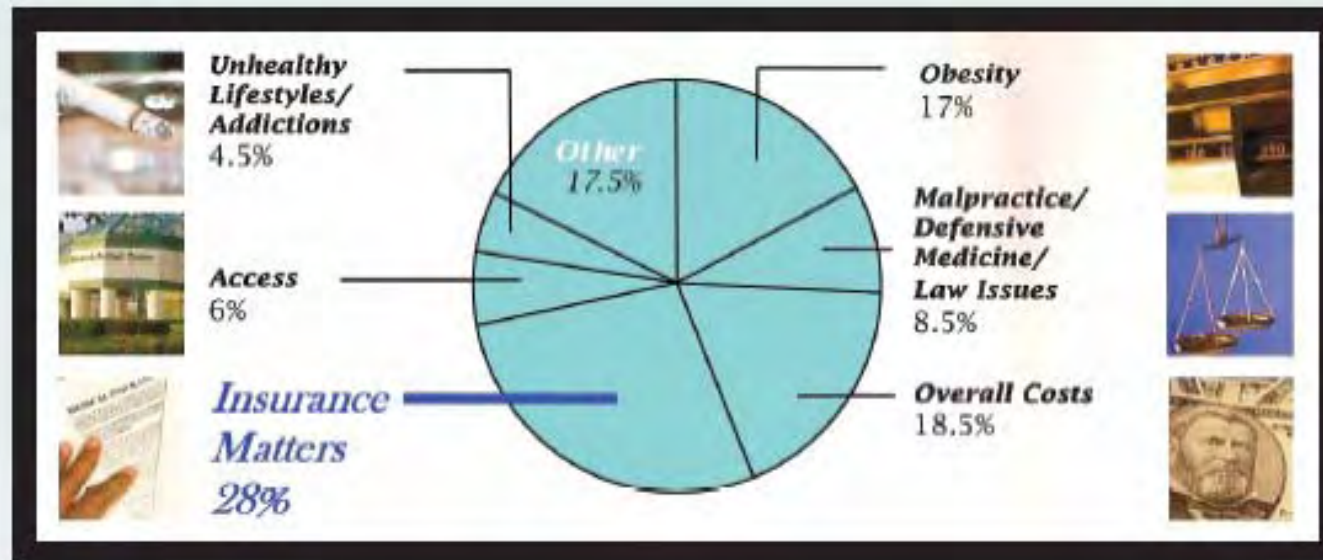


**“You can’t just be sick;
you have to be sick and
be drowning in paperwork.”**

- Ellen Mayer, recent cancer patient who dug out of medical debt of \$150,000

Source: NY Times, October 13, 2005

New Hampshire Physicians identified “Insurance Hassles” as the #1 source of their practice headaches.



Source: New Hampshire Magazine, April 2006

How we're going to talk about this subject:

- What is going on here?
- Why is it going on?
- What we're doing about it.

What's going on...

- **The costs of healthcare services have been escalating out of sight.**



- **Since 1999, general inflation has been about 3% annually, while healthcare inflation has been over 7% (2.5 times greater).**
- **However, good things, like medical miracles, don't come without a price tag. For example...**

The Cost of Pharmaceutical Breakthroughs

Peaceful, restful sleep.



Discover Lunesta,[™] a sleep aid that can change your nights.

Even when your restless mind keeps you awake, Lunesta can give your body and mind the soothing sleep you need. Lunesta not only helps most people fall asleep fast, it helps you sleep all through the night. Peacefully, uninterrupted. Lunesta works quickly, so you should only take it right before bed. And prescription Lunesta is non-narcotic, and approved for long-term use. Of course, do not use sleep medicines for extended periods without first talking to your doctor.

Now's the time to catch the sleep you need. If you've been hesitant to take a prescription sleep aid, be sure to ask your doctor about Lunesta.

How are your sleeping habits? There are many changes you can make in your lifestyle to improve your sleep. To find out more go to www.lunesta.com

Important Safety Information: Be sure you have at least eight hours to devote to sleep before becoming active. Until you know how you'll react to Lunesta, you should not drive or operate machinery. Do not use alcohol while taking Lunesta. Most sleep medicines carry some risk of dependency. Side effects may include unpleasant taste, headache, drowsiness and dizziness.

See important patient information on the next page.

Leave the rest to Lunesta

Common specialty drugs used to fight cancer

CANCER SITE	DRUG	MANUFACTURER	DRUG PRICE**
BREAST	Docetaxel	Aventis	\$11,850
	Gemcitabine	Lilly	\$12,220
	Doxil	Ortho Biotech	\$15,640
	Herceptin	Genentech	\$11,000
LUNG	Alimta	Lilly	\$17,390
OVARIAN	Topotecan	GlaxoSmithKline	\$10,435
LYMPHOMA	Rituxin	Genentech	\$14,125
COLON	Oxaliplatin	Sanofi-Aventis	\$14,205
	Avastin	Genentech	\$ 9,470
	Erbix	Bristol-Myers Squibb	\$14,125
	Irinotecan	Pharmacia	\$14,362
	Neulasta	Amgen	\$20,910

**Drug price is the actual purchase price from the manufacturer or distributor for the typical course of chemotherapy treatment for that condition. Assumes that the patient is administered five cycles of the applicable regimen.



The Cost of Advanced Technologies

Non-invasive treatments

Hormone Therapies

Stereotactic surgery

PET CTs & IMRTs

The Cost of Labor



- Payroll costs typically increase every year (raises, benefits).
- Labor shortage: In New England we have 11% fewer RNs than what is needed.

Source: Northeastern University Opinion Pieces, Spring 2003

What's going on...

Medical science has been really successful!

What was once a terminal medical condition is now “survivorship”.

The result: increased utilization for chronic health maintenance (testing, drugs).

The “Aging of America”

As we age we consume more healthcare services. The “elderly” (those 65+) are 12% of the U.S. population, yet this age cohort accounts for over 30% of all personal health expenditures (3 times greater than the non-elderly).



What's going on...

- The cost of paying for healthcare is more than employers and government are any longer able to bear.
- As a result, responsibility is being shifted to employees/consumers/taxpayers by means of...
 - higher co-pays, higher deductibles
 - lowered maximum benefits
 - restrictive drug formularies
 - restrictive provider networks
- Employee spending for health insurance coverage increased 126% between 2000 and 2004.



Source: Hewitt Associates LLC, November 17, 2005

What's going on...

- Our new paradigm for the employment relationship.
 - Corporate downsizing (particularly for the “near elderly,” age 55-64)
 - COBRA for 18 months (with sticker shock #1)
 - Individual replacement policy (with sticker shock #2)
 - Growing number of uninsured
- Emergence of the “non-standard” job (“consulting”)

Medicare Part D

- New prescription drug benefit for Medicare beneficiaries.
- However, chemotherapy drugs administered for cancer treatment are considered a medical service not a prescription drug, thus not covered under Part D.
- Pharma charitable free-drug pipeline is drying up.

Pharma charitable free drug pipeline is drying up...

“Pressure is coming from drug makers that have begun restricting their charitable free drug programs and encouraging - or in some cases, forcing - patients to enroll in Part D coverage.”

Source: NY Times, April 8, 2006

What are we doing about all this?


- Many of us at hospitals and physician offices are working nights and weekends to dig our patients out of their “RUF COWS”.
- In fact, 4.1 million Americans reached out to a patient advocacy organization in 2005 - 85% of those were for cancer assistance. Source: Patient Advocate Foundation
- However, patients must also assume more responsibility for their healthcare financial status by becoming aware and being proactive.

What we're doing...

- We're working overtime at NH Oncology-Hematology to assist our patients.
- NHOH dedicated Patient Liaison.

Example of a Cancer Patient's "RUF COW"

Surgery, Radiation, Imaging, Hospital	\$110,000
+ NHOH chemo treatment	40,000
<hr/>	<hr/>
Patient's Total	\$150,000



What we're doing...

**“Red Flag”
profiles
we watch for:**



- Uninsured
- Medicare with no supplemental insurance
- Consumer-directed plan (high deductible with HSA)
- Debt exposure from other providers (surgery, radiation, hospitals)

What we're doing...

At NH Oncology-Hematology (NHOH), as a result of our Patient Liaison interventions...

Patient "Out of Pocket" Financial Exposure has been reduced:

	Before	After	Difference
Patient 1	\$32,000	\$930	97%
Patient 2	\$17,651	\$8,627	51%
Patient 3	\$23,928	\$15,580	64%
Patient 4	\$51,712	\$0	100%