Cancer is second only to heart disease as the most common cause of death in the U.S., and cancer incidence is steadily climbing. By 2030, we will see 2.3 million new cancer cases in the United States, a 45% increase over 2010. Half of all men and one in three women will develop cancer at some point in their lives.

As the number of new cancer cases has increased, so too has cancer survivorship. Thanks to consistent advances in prevention, screening and treatment, 68% of people diagnosed with cancer today are expected to live at least five years beyond the diagnosis.

The causes behind these trends are complex, but one thing is clear. As cancer incidence and survival rates increase, so does the cost of cancer care. The implications to the healthcare industry are daunting. Because of advancements in prevention, screening and treatment, cancer costs have consistently remained within the top three health plan medical expense categories. The United States is projected to see a 600% increase in cancer spending over the next 30 years.

It is growing more difficult for groups to manage cancer care—and for care providers to deliver quality cancer treatment. Better solutions are needed to reduce costs and improve outcomes. This whitepaper explores prevailing cancer trends and best practice approaches for controlling costs while meeting the care needs of cancer patients.

**Trends Impacting the Cost of Cancer Care**

Several trends pose challenges to controlling the rapid rise in overall cancer costs.

**Population Trends Drive Higher Cancer Rates**

The U.S. population is projected to reach about 365 million people by 2030, a 38% increase over 1990. At the same time, the average age of the population is growing significantly older. As people age, their risk of developing cancer increases. From 2010 to 2030, the percentage of all cancers diagnosed in adults age 65 and older will increase from 61% to 70%.

**Advancing Science Increases Cancer Care Costs**

Advances in cancer research and technology have brought life-saving breakthroughs in the fight against cancer, but the rapidly evolving science has also resulted in greater cost as patients take advantage of new diagnostic tools and procedures. For example, the number of patients receiving MRI, CT and PET scans has tripled over the past decade.
Higher Survivor Rates Extend the Treatment Cycle

More people are surviving cancer than ever before. An estimated 13.7 million Americans with a history of cancer were alive on January 1, 2012. By January 1, 2022, it is estimated that the population of cancer survivors will increase to almost 18 million. Cancer patients are living longer and many continue to undergo surveillance and treatment, making cancer care more similar to treating chronic disease. The net result is that cancer is having a longer-term cost impact on the healthcare system.

Hospitals are Scooping Up Private Physician Practices

Hospitals are absorbing more private physician practices into their system, a structural shift that compounds the already high cost of cancer care. Insurers and Medicare often pay significantly more for services performed in a hospital setting than at an independent practice. Once a practice signs on with a hospital, it’s not uncommon for the same physician service, even sometimes provided in the same location, to cost anywhere from 5% to 40% more.

Providers Paid for Activity, Not Outcomes

Incentive systems that pay doctors based on services delivered are not always conducive to controlling costs. Portions of an oncologist’s compensation can be derived from procuring and administering cancer drugs, and patients and their families may influence their physicians to continue expensive treatments even when desirable goals cannot be achieved. A system that compensates physicians for buying and selling drugs to their patients is one of misplaced incentives. This approach can work against the goal of providing patients the most cost effective treatments.

Best Practice Approaches to More Cost-Effective Cancer Care

As cancer costs reach unsustainable levels, better approaches are needed to help rein in spending. Evidence-based medicine and comprehensive care management are two strategies that can make a positive difference in both reducing cost and improving outcomes.

Optimizing Care Through Evidence-Based Medicine

Benefit designs and pay structures that adopt evidence-based approaches can incent both consumers and providers to pursue more effective, yet cost-conscious treatment approaches.

The National Comprehensive Cancer Network (NCCN), an alliance of 21 leading U.S. cancer centers, has created a set of evidence-based, consensus-driven guidelines for treating the malignant cancers that affect 97% of all cancer patients. Yet, cancer treatment protocols vary widely across providers, and nearly a third of treatments deviate from these recognized best practices.

NCCN cancer centers have worked together to develop nearly five dozen guidelines, which cover most cancers and are updated continuously based upon new research data and clinical evidence. These guidelines provide a framework to ensure all patients receive the preventive, diagnostic, treatment and supportive services most likely to lead to optimal outcomes. The NCCN provides clinicians with tools and knowledge to help guide cancer management decisions. These information tools are continuously updated by the faculty of the United States’ best known cancer centers.

Further, cancer patients in some areas of the country spend twice as many days in the hospital during the last month of life as patients from other areas, which not only impacts cost but also patient quality of life.
Improving Outcomes Through Comprehensive Care Management

A cancer diagnosis sends patients on a long, arduous and uncertain journey. They need expert help to navigate the confusing landscape, myriad options and difficult decisions confronting them.

Because each patient’s journey is unique, effective care management must be targeted, patient-centric and cancer specific, drawing on a team of experts experienced in treating cancer to support patients from initial diagnosis and education, through treatment, follow-up care and end-of-life care when necessary.

A comprehensive, multi-faceted approach provides patients with the support they need to make informed decisions about the providers and treatments most likely to result in a positive outcome. It also helps to manage costs by integrating and addressing gaps in care.

A Best-Practice Model Focused on Improving Outcomes

A foundation for care that incorporates evidence-based medicine and targeted case management can help to reduce costs and improve quality of care. To ensure success, a care model should consider the following elements.

Treatment Decision Support Technology

Providers need ready access to the most comprehensive oncology clinical information available to make sound, evidence-based decisions at the point of diagnosis. A web-based platform can help to put the latest, most accurate library of cancer treatment protocols, clinical trial results and estimated treatment costs at providers’ fingertips.

Optum’s platform, for example, contains more than 1,400 evidence-based treatment regimens for over 120 cancer types, along with the nation’s largest database of federally sponsored clinical trials. When used with payer prior authorization processes or pay-for-performance reimbursement models, web-based decision support technology can help improve compliance to evidence-based guidelines, reduce variation and cost of care, and promote quality outcomes.

Early Patient Identification and Engagement

It is crucial to identify and engage cancer patients as early as possible so they can be guided toward evidence-based treatment before they go too far down a costly path that may jeopardize outcomes. Prior authorizations, claims data, member notifications, lab test data, referrals and other sources can be mined to identify cancer patients early on.

Specialized Oncology Case Management

Managing cancer cases through specialized oncology nurses can help to improve patient engagement. With their specific knowledge and experience in cancer care, oncology nurses bring a deeper understanding of patients’ concerns. They know the appropriate questions to ask and can help guide patients to evidence-based cancer treatments and providers. These nurses also have the knowledge to help manage the symptoms and side effects of cancer therapies, which if left unchecked, could lead to unnecessary in-patient admissions, re-admissions or costly treatment. Expert oncology nurses can support patients and their families throughout their treatment journey and beyond, helping them prepare for the survivorship program or end-of-life planning, or access palliative care and hospice resources as needed.
Multidisciplinary Care Management Team

Beyond the oncology nurse case manager, it takes an interdisciplinary care management team to best meet the needs of cancer patients. Such a team should include a medical oncologist, medical social worker and other resources to ensure patients understand their treatment choices and options.

Specialized Provider Networks

Partnering care through oncology specialists can help lower costs by ensuring patients move immediately to the most effective, outcome-based treatment. Contracting with an exclusive network of oncology Centers of Excellence provides payers access to the top oncology providers. Furthermore, partnering with organizations that can leverage their large scale to negotiate volume discounts with these providers enables additional savings that drive cancer costs even lower.

Bill Audit Systems

Payers should consider putting bill auditing processes in place to ensure reimbursement aligns with approved treatments, medical policy and the member’s benefit plan. Payers without sufficient in-house auditing capabilities can achieve this check and balance using one of many outside suppliers that offer such services. For additional safeguards, find a supplier that mitigates payer financial exposure by pre-negotiating high cost treatments with providers on a per-episode basis.

Ongoing Commitment to Continuous Quality Improvement

Payers and members benefit most when cancer care models embrace a disciplined approach to continuous improvement. Collaborating with business groups, the NCCN and oncology experts represent other effective avenues for examining health care issues, trends and new cancer care protocols that can enhance best practices. As a best practice, Optum continually reviews and launches new services—such as genetic counseling education and support services for cancer survivors—as they become available. Partnering with an organization that invests in such improvements can further lower costs and improve outcomes.

Conclusion

Evidence-based care and integrated case management provide proven opportunities for payers and employers to reduce financial risk, improve outcomes and enhance quality of life for cancer patients. The Optum care management model has delivered proven savings by combining these best practices with its specialized cancer experience, information tools and relationships with Centers of Excellence networks.

Biographies

Arthur Rossof, MD, FACP, National Medical Director, Oncology Solutions, Optum

Arthur H. Rossof, MD, FACP, is one of our nation’s experts on oncology care. As Optum’s national medical director, he oversees the programs and teams responsible for clinical care and quality for the company’s oncology solutions. He also leads the annual Cancer Expert Panel meeting of outside advisors for the product team and the Clinical Sciences Institute which oversees the Centers of Excellence network programs. Previously, Dr. Rossof has served as staff physician and medical director at various hospitals, as well as Professor of Medicine at Rush Medical College and Loyola University Stritch School of Medicine. He has received numerous awards and honors and authored/co-authored more than 100 articles, presentations and abstracts.

A national employer with 167,000 members saw a 2.4 to 1 ROI in 2010, through specialized cancer case management.
Kelly Blair, Senior Director, Oncology Solutions, Optum

Kelly Blair has more than 15 years of experience leading the development, management, and operation of medical cost management programs for UnitedHealth Group. Most recently, Kelly leads Optum’s Oncology Solutions team, developing products and services that improve quality of care for cancer patients and deliver medical cost savings and improved outcomes to our payer and employer clients. Kelly has extensive experience in the area of specialty network development and complex medical condition management, including oncology, orthopedics, women’s health and advanced heart failure.

About Optum

Optum is a health services company with more than 35,000 people dedicated to making the health system work better for everyone. Our solutions and services are used at nearly every point in the health care system, from provider selection to diagnosis and treatment, and from network management, administration and payments to the innovation of better medications, therapies and procedures.

Our clients and partners include those who promote wellness, treat patients, pay for care, conduct research and develop, manage and deliver medications. With them, Optum is helping to improve the delivery, quality and cost effectiveness of health care.

1American Cancer Society, Cancer Facts and Figures 2012
3American Cancer Society, March 21, 2012
4Mariotto, Journal of the National Cancer Institute, 2011
5Centers for Disease Control and Prevention, Press Release, March 10, 2011
6U.S. Census Bureau
7Optum, Patient Condition Report, 2010
8American Cancer Society, Cancer Treatment & Survivorship Facts & Figures, 2012-2013
10Mathews, Anna Wilde, Wall Street Journal, Same Doctor Visit, Double the Cost, August 27, 2012
11Optum internal analytics, 2011

The views and opinions expressed herein are not necessarily those of Optum, its employees or others. Optum provides this white paper for informational purposes only. It is not intended as advice for a particular situation, nor is it intended to be legal or professional advice. Consult with an appropriate professional for your situation.

All rights are reserved. No part of this document may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying and recording, without the express written permission of Optum.