



Payer Issues and Cancer Survivorship

Background

As oncology treatments and outcomes continue to improve, the voices of over 10 million US cancer survivors¹ grow ever louder. Various patient advisory and advocacy groups, including the Institute of Medicine, have developed recommendations for the services and support that survivors require. These recommendations include providing each patient with a forward-looking care plan to deal with the changes to their lifestyle that result from the treatments they received. Even governments are getting involved. In 2007, Bill H.R. 1078, the Comprehensive Cancer Care Improvement Act, was referred to the House Subcommittee on Health, with a goal of amending Medicare to improve cancer survivorship care.

Key Issues

Reimbursement for survivorship activities generally fall under the Local Coverage Determination for Medicare fiscal intermediaries. Some intermediaries already reimburse for survivorship follow-up. For example in Virginia, the fiscal intermediary

currently reimburses some nurse-practitioner-led follow-up activities using standard CPT codes. Furthermore, Bill H.R. 1078 could result in additional Medicare funds to support survivorship programs.

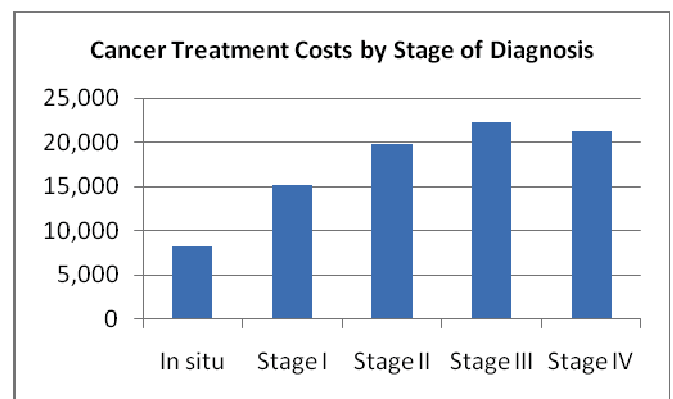
Will third-party payers follow Medicare and provide financial support to survivorship programs? Do they have an economic incentive to do so? We believe the answer to both questions is yes.

Discussion and Analysis

It is in the financial interests of third-party payers to support survivorship programs for two reasons: First, because cancer survivors are likely to develop cancer again; Second, because treatment costs are lower if the cancer is diagnosed earlier.

Studies have shown that cancer survivors are highly likely to develop a recurrence of their original cancer, or even a second primary cancer. For example, according to the Institute of Medicine, colorectal cancer survivors have greater than 40% probability of developing cancer again².

A 1999 study of colorectal cancer treatment costs found that the total cost of acute treatment increases significantly with later diagnosis. Total acute treatment costs for patients diagnosed in Stage III were over 46%, or \$7,000, higher than those who were diagnosed in Stage I.



In a proactive managed survivorship program, the cancer center, the primary care physician, and the survivor all work together to ensure the ongoing health and wellness of the cancer survivor. As part of a structured follow-up program, survivors and their care teams regularly perform monitoring tests and assessments that can provide earlier indication of recurrence. Early detection maximizes the survivor's chance of beating cancer a second time, and minimizes treatment costs to the payer.

Consider the following hypothetical example. A cancer center graduates 2,000 survivors in a given year. Of these survivors, 600 develop a recurrence within the two years. This represents a recurrence rate of 30%, lower than the 40% rate quoted by the IOM.

Number of survivors		2,000
Recurrent cancers		600
Without Survivorship Program		
Number, Stage I	36%	216
Number, Stage III	17%	102
Cost per Treatment, Stage I		15,200
Cost per Treatment, Stage III		22,200
Total Treatment Cost, Stage I		3,283,200
Total Treatment Cost, Stage III		2,264,400
Total Cost of Treatment		\$5,547,600
With Survivorship Program		
Number, Stage I	47%	284
Number, Stage III	6%	34
Cost per Treatment, Stage I		15,200
Cost per Treatment, Stage III		22,200
Total Treatment Cost, Stage I		4,316,800
Total Treatment Cost, Stage III		754,800
Total Cost of Treatment		\$5,071,600
Total savings		\$476,000
Savings per survivor in cohort		\$238

According to a study by the state of Michigan⁴, 36% of incidences are diagnosed at Stage I, while 17% are diagnosed at Stage III or later. If a survivorship program can cut the number of Stage III diagnoses by two thirds, the total treatment cost savings for recurrent cancers approaches half a million dollars per survivor cohort.

Amortized over the entire cohort of 2,000 survivors, the payer should be willing to reimburse up to \$238 per survivor for follow-up activities leading to early detection of recurrence. This reimbursement is above and beyond the reimbursements for currently billable activities, such as follow-up imaging or therapy. This extra reimbursement can make a significant contribution to offsetting the costs of operating a survivorship program.

Based on these financials, all payers have an attractive reason to fund survivorship programs. It is only a matter of time before they do so.

EQUICARE CS is a case management solution that helps cancer centers to implement survivorship follow-up programs. Please visit us at www.cogenths.com or e-mail us at info@cogenths.com to learn more.

⁴ <http://www.mdch.state.mi.us/pha/osr/CHI/Cancer/StageDX/staging.asp?DxId=0&CoCode=13&CoName=Calhoun&CoType=1&AgeID=1>



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