



The Costs of Cancer: 2020 Edition

Executive Summary

Cancer is a leading cause of death and disease in the U.S. The American Cancer Society estimates that roughly 1.8 million new cases of cancer will be diagnosed in the U.S. in 2020 and more than 16.9 million Americans living today have a cancer history.¹ Not only does cancer take an enormous toll on the health of patients and survivors – it also has a tremendous financial impact.

- **Patient costs are unaffordable.** In 2018 cancer patients in the U.S. paid \$5.6 billion out-of-pocket for cancer treatments.²
- **Overall cancer costs are rising.** Approximately \$183 billion was spent in 2015 in the U.S. on cancer-related health care, and this amount is projected to grow to \$246 billion by 2030 – an increase of 34%.³
- **Costs do not impact all patients equally.** Because of high costs, many cancer patients and survivors experience financial hardship, including problems paying bills, depletion of savings, delaying or skipping needed medical care, and potential bankruptcy. These costs and hardships do not impact all cancer patients equally: cancer patients are more likely to face financial hardship if they are younger, people of color, less educated or have lower incomes.⁴

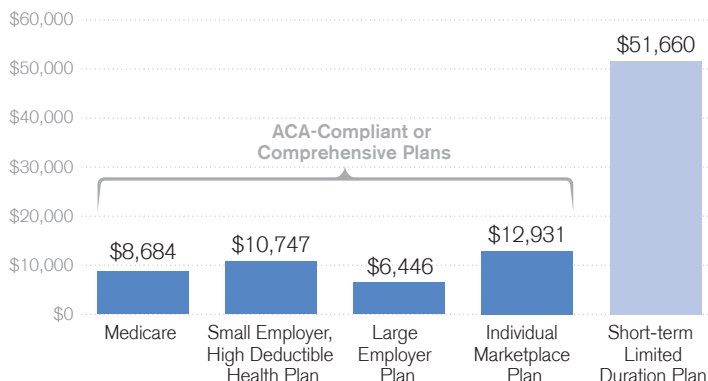
This ACS CAN report focuses specifically on the costs of cancer borne by patients in active cancer treatment as well as survivors. It examines the factors contributing to the cost of cancer care, the types of direct costs patients face, and the indirect costs associated with cancer. To more fully illustrate what cancer patients actually pay for care, the report includes scenarios for several types of cancer and insurance coverage options. Finally, the report presents public policy recommendations for making cancer treatments more affordable for patients, survivors and the health care system as a whole.

The American Cancer Society Cancer Action Network (ACS CAN) is the American Cancer Society's nonprofit, nonpartisan advocacy affiliate. ACS CAN empowers advocates across the country to make their voices heard and influence evidence-based public policy change, as well as legislative and regulatory solutions that will reduce the cancer burden.

Key Findings

Patient Out-of-Pocket Costs Vary Widely, Even for the Same Patient

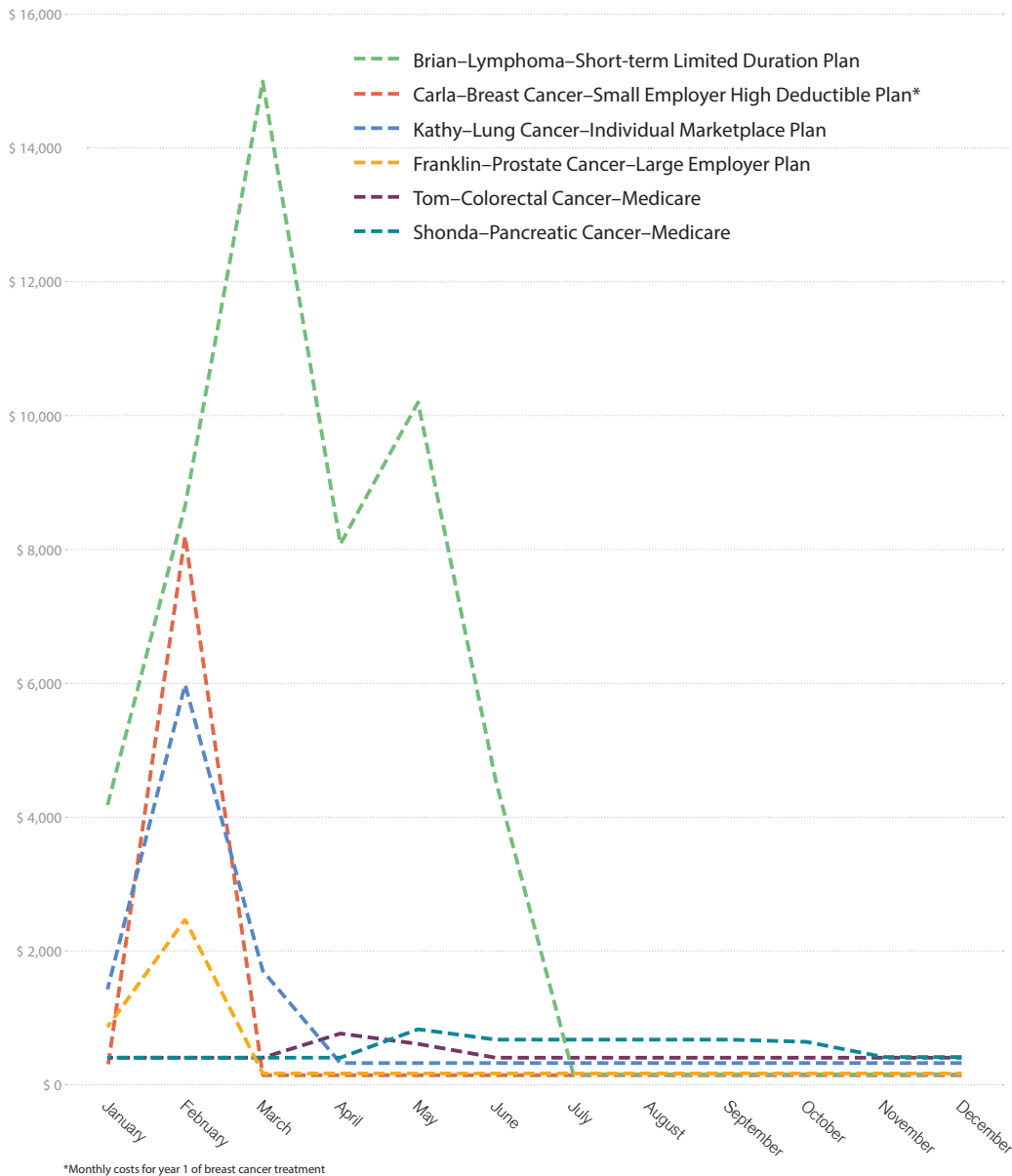
Total Annual Costs Paid by Brian, Lymphoma Patient in Each Plan Type



Insurance coverage is critical. In each of the report scenarios, patients paid a considerable sum out of pocket for their care but would have paid significantly higher amounts if they had not had insurance coverage.

The type of insurance a person with cancer has is an important factor in how much they will pay out of pocket. Out-of-pocket costs and spending patterns varied widely depending on whether the patient had Medicare; a large employer plan; a small employer plan, high deductible plan; an individual marketplace plan; or a short-term limited-duration plan.

Monthly Patient Out-of-Pocket Spending Spikes Within 1-3 Months of Diagnosis



Out-of-pocket limits help protect cancer patients. Cancer patients are super-utilizers of their insurance benefits, and each patient in the scenarios who had an out-of-pocket limit reached their maximum quickly.

Out-of-Pocket cancer costs spike quickly. Almost all of our cancer patients had to pay several thousands of dollars in the first one to three months after the first suspicion of cancer.

Costs spike higher for patients with higher deductibles and maximum out-of-pocket limits.

The higher costs of cancer can span multiple years. This often results in multiple spikes in out-of-pocket spending.

Changing insurance plans mid-year or mid-treatment can cause spending spikes and higher total costs.

There are many drivers of the costs of cancer. While much attention tends to focus on drug costs, and whether they are rising, other types of treatments and services drive many of the costs for people with cancer.

Patients and payers can save when patients take biosimilars. In our breast cancer scenario, total spending on the targeted therapy drug was reduced by 21% by taking a biosimilar.

The drivers of drug costs in cancer care vary widely based on the patient's treatment plan.

Policy Solutions to Address the Costs of Cancer

ACS CAN works to ensure that all people with cancer can afford the right cancer therapy at the right time, as well as survivorship care, preventive services and all other required medical care. The affordability of cancer care – and health care in general – is a multi-faceted problem that requires multi-faceted solutions.

ACS CAN advocates for public policy priorities that address the costs of cancer by:

Ensuring access to affordable insurance coverage

- Maintaining and expanding access to private insurance coverage
- Maintaining current Affordable Care Act (ACA) patient protections
- Maintaining and expanding access to Medicaid
- Expanding premium subsidies for marketplace plans
- Making high deductible health plans more affordable
- Stopping the proliferation of non-comprehensive health insurance plans like Association Health Plans (AHPs) and Short-term Limited Duration Plans (STLDPs)

Limiting costs by preventing cancer and/or detecting it early through the use of screening and preventive services

- Correcting the glitch in the law that results in unexpected coinsurance for preventive and screening services

Ensuring access to health care services and treatments

- Ensuring working cancer patients, survivors and caregivers have paid leave to access health services
- Increasing patient access to and use of generic and biosimilar prescription drugs
- Ensuring patients can use co-pay coupons and discounts
- Ensuring access to biomarker testing

Reducing the overall financial impact of cancer for patients and their families

- Capping patient out-of-pocket expenses in Medicare
- Helping patients “smooth” or spread out their high out-of-pocket costs over time
- Prohibiting surprise medical billing

Survivor Views: The Costs of Cancer in Their Own Words

“This treatment has saved my life but now I’m in debt \$365k + ...my portion after insurance. I’ll spend the rest of my life paying this off.”

Survivor of Multiple Cancers, Colorado

For the millions of Americans diagnosed with cancer each year, the cost of treating the disease can be staggering. ACS CAN will continue to advocate for changes to the health care system that make care more affordable for cancer patients, survivors and those at risk for cancer.

¹ Siegel RL, Miller KD, Jemal A. Cancer statistics, 2020. *CA A Cancer J Clin.* 2020;70(1):7-30. doi:10.3322/caac.21590

² Data retrieved from the Agency for Healthcare Research and Quality. Medical Expenditure Panel Survey, 2018. <https://meps.ahrq.gov/mepsweb/>

³ Mariotto AB, Enewold L, Zhao J, Zeruto CA, Yabroff KR. Medical Care Costs Associated with Cancer Survivorship in the United States. *Cancer Epidemiol Biomarkers Prev* June 10 2020 DOI: 10.1158/1055-9965.EPI-19-1534

⁴ Han X, Zhao J, Zheng Z, de Moor JS, Virgo KS, Yabroff KR. Medical Financial Hardship Intensity and Financial Sacrifice Associated with Cancer in the United States. *Cancer Epidemiol Biomarkers Prev.* 2020;29(2):308-317. doi:10.1158/1055-9965.EPI-19-0460