

How Will Rising Costs of Cancer Care Fare Under Healthcare Reform?

The healthcare industry as a whole has borne the brunt of cost containment initiatives by the government under healthcare reform via replacing fee-for-service with pay-for-performance reimbursement strategies; increasing the efficiency of care; and, by improving quality of care to reduce the number of treatments and days spent in the hospital, among others. However, while many “low cost” medical areas, e.g., primary care services, are encouraged by, and will hopefully flourish under, the healthcare reform, some specialty services have suffered under these cost containment initiatives. Cancer care is a growing healthcare field, but it is also among some of the more expensive treatment plans in the healthcare industry. In 1999, the Institute of Medicine (IOM) co-authored a report on the dubious state of quality cancer care in the U.S., noting that “...for many Americans with cancer, there is a wide gulf between what could be construed as the ideal and the reality of their experience with cancer care.”¹ In a follow-up report, published in 2013, the IOM noted that the recommendations in the 1999 report had limited uptake and, with identification of additional practice gaps in the interim, “...our current cancer care delivery system falls short in terms of consistency in the delivery of care that is patient-centered, evidence based, and coordinated.”²

As medical research, technology, and treatments have improved over the decades, so have physicians’ abilities to detect and treat cancer. Cancer is currently the second most common cause of death in the U.S., accounting for approximately one of every 4 deaths; it is estimated that over 575,000 deaths will occur from cancer and approximately 1,660,290 new cancer cases will be diagnosed in 2013 alone.³ A recent analysis found that while cancer incidence has been on the decline, survival has improved, resulting in an estimated 31% increase in the number of cancer survivors from 2010 to 2020.⁴ Of note, due to the aging baby boomer population, 42% of the estimated increase in survivorship is in the 65 years of age and older population.⁵ Based on this analysis, it was determined that the cost of cancer care in 2020 could increase anywhere from 39% to 66% from 2010 estimates (accounting for \$173 billion to \$207 billion, respectively).⁶ The increasing survival rates, in addition to growing trends in physician shortages and more complex and prolonged treatments of exorbitant cost,

have led cancer care to a virtual precipice in a healthcare environment moving toward more stringent cost containment and efficiency goals.⁷ Regarding cost of care challenges, the 2013 IOM report notes that “*the cost of cancer care is rising much faster than for other diseases, and there are few systematic efforts or incentives to eliminate waste and the use of ineffective therapies.*”⁸

The IOM report sets forth six interconnected components felt to be integral to developing a better quality oncology care system while simultaneously eliminating waste and unnecessary cost, namely: (1) creating an environment to support engaged patients; (2) maintaining an appropriately trained and adequately staffed, coordinated workforce; (3) providing evidence-based care; (4) utilizing information technology to support quality of care and performance improvements; (5) translating evidence into clinical performance and quality improvement; and, (6) providing affordable and accessible cancer care.⁹ The report also discusses various aspects of each of these components within the context of the current marketplace and sets forth recommendations and strategies to achieve these goals.

While the relative immobility of quality and performance indicators in the oncology field over the past decade appears disappointing, this trend is not new in the healthcare delivery system. Many medical specialties, other providers, and consumers are all struggling with the trials of a changing healthcare infrastructure and the development of strategies to improve in the midst of reform. Cancer care, highly impacted by the growing baby boomer population and expectations to decrease cost of care, faces the same challenges as many medical specialties. With a blueprint for improvement provided by the recent IOM report, it remains to be seen whether the inconsistent performance of providers across the U.S. can adopt the proposed recommendations and whether they will create the desired outcomes in an era of reform.

¹ “Ensuring Quality Cancer Care”, By Maria Hewitt and Joseph V. Simone ed., Washington D.C., National Academy Press, 1999, p. 2

² “Delivering High-Quality Cancer Care: Charting a New Course for a System in Crisis”, By Levit et al., Institute of Medicine, 2013 (Pre-publication copy), p. xii

³ “Cancer Facts & Figures 2013”, By the ACS, 2013, <http://www.cancer.org/acs/groups/content/@epidemiologysurveillance/documents/document/acspc-036845.pdf> (Accessed 11/8/13), p. 1

⁴ “Projections of the Cost of Cancer Care in the United States: 2010-2020”, By Mariotto et al., Journal of the National Cancer Institute, January 12, 2011 (Advance access publication), pp. 120-121

⁵ *Ibid.*

⁶ *Ibid.*, By Mariotto et al., January 12, 2011, pp. 122, 124

⁷ “Confronting A Crisis in Cancer Care Delivery”, By Jessica Bylander, Health Affairs, Vol. 32, No. 10 (2013), p. 1695

⁸ *Ibid.*, By Levit et al., 2013, p. xii

⁹ *Ibid.*, By Levit et al., 2013, pp. 1-13 – 1-15



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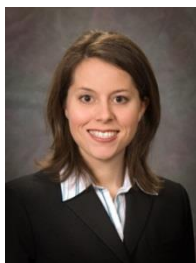
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