BLOOD CANCER COST BURDEN AND TREATMENT RATES

Lymphoma, myeloma, and leukemia were projected to account for **over 175,000 new cancer cases in 2019** - 10% of all expected new cancer cases and over 9% of cancer related deaths, according to SEER. Despite these statistics, blood cancer death rates have declined by over 2% from 2011 to 2015[1]. **Increased survivorship means more patients will need healthcare services in the years after diagnosis.** This translates to an increase in long-term costs associated with surveillance, long-term side effects of treatment, and recurrence.

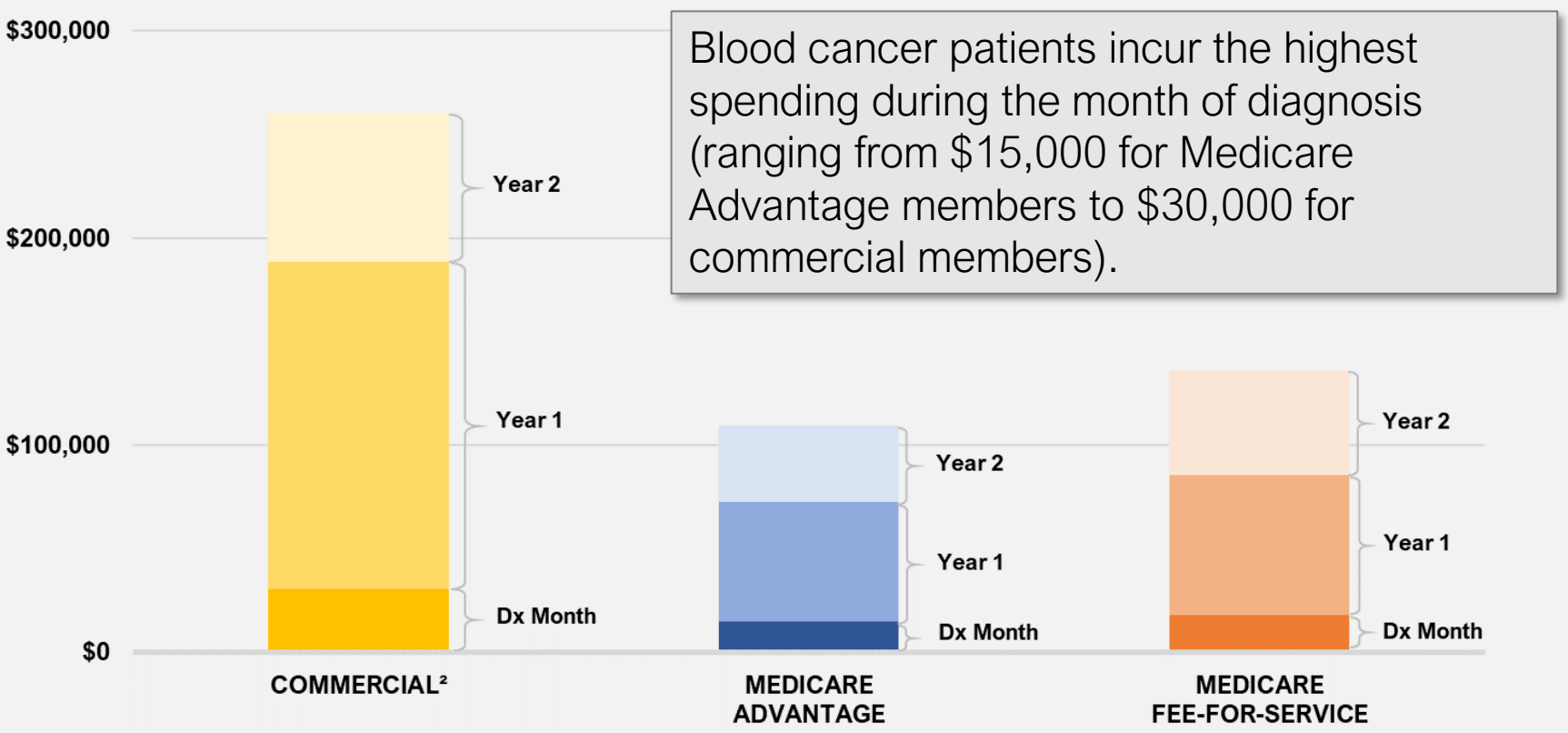
ONE PERSON IN THE US IS DIAGNOSED WITH BLOOD CANCER APPROXIMATELY EVERY

3 minutes[2]

$189,000

AVERAGE SPENDING IN THE 12 MONTHS FOLLOWING DIAGNOSIS PER COMMERCIAL PATIENT[3] ($73,000/$85,000 PER MEDICARE ADVANTAGE/FEE-FOR-SERVICE BENEFICIARY)

- ALMOST **20 IN EVERY 10,000 MEDICARE BENEFICIARIES** AND **3 IN EVERY 10,000 COMMERCIAL MEMBERS** ARE DIAGNOSED WITH BLOOD CANCER EVERY YEAR.
- **LYMPHOMA** HAS THE **HIGHEST INCIDENCE** AMONG BLOOD CANCERS ACROSS ALL PAYERS.

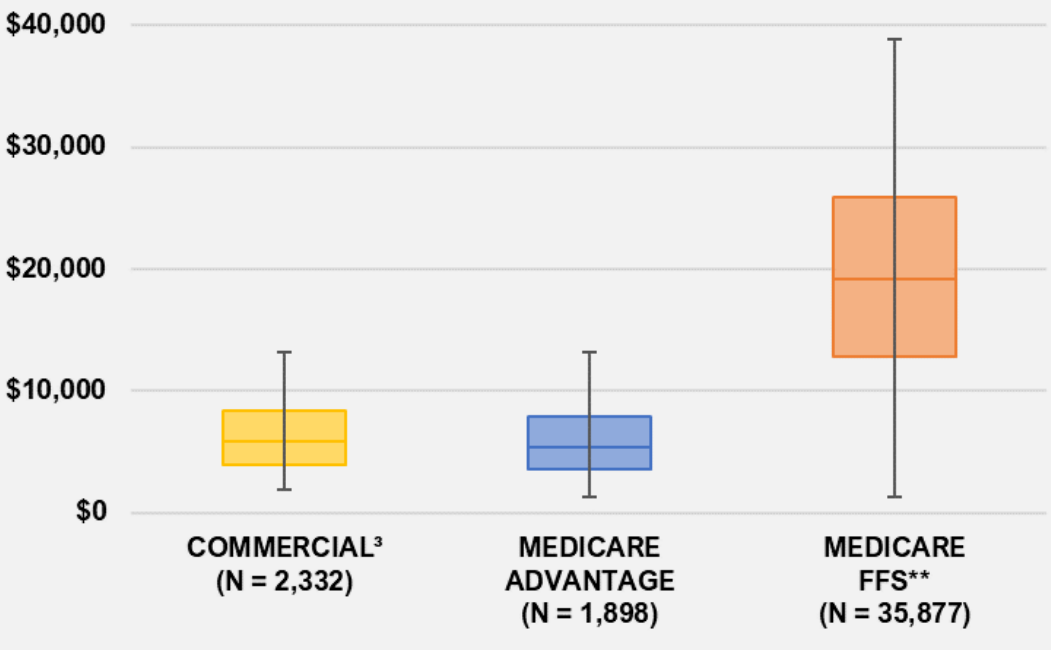


Blood cancer patients incur the highest spending during the month of diagnosis (ranging from $15,000 for Medicare Advantage members to $30,000 for commercial members).

24 MONTH CUMULATIVE SPENDING

- HOSPITAL INPATIENT ADMISSIONS ACCOUNT FOR THE LARGEST PORTION OF SPENDING IN THE MONTH OF DIAGNOSIS.
- ANTICANCER DRUG THERAPY AND SUPPORTING SERVICES DRIVE SPENDING IN THE 12-MONTH PERIOD FOLLOWING DIAGNOSIS.
- WHILE OVERALL COSTS DECREASE IN SUBSEQUENT YEARS, THEY DO NOT RETURN TO PRE-DIAGNOSIS LEVELS

Unlike patients with Medicare Advantage, beneficiaries in **Medicare fee-for-service (FFS) do not have a cap on out-of-pocket (OOP) costs**. Roughly 20% of these beneficiaries do not have supplemental (such as Medigap) insurance, leaving them exposed to much higher OOP costs than those with supplemental or Advantage coverage.



Without supplement coverage, there is **wide OOP costs dispersion among patients with Medicare FFS**: $1,275 for the 10th decile vs. $38,811 for the 90th decile.

**The above box and whiskers figure represents the 10th, 30th, 50th, 70th, and 90th percentiles.*

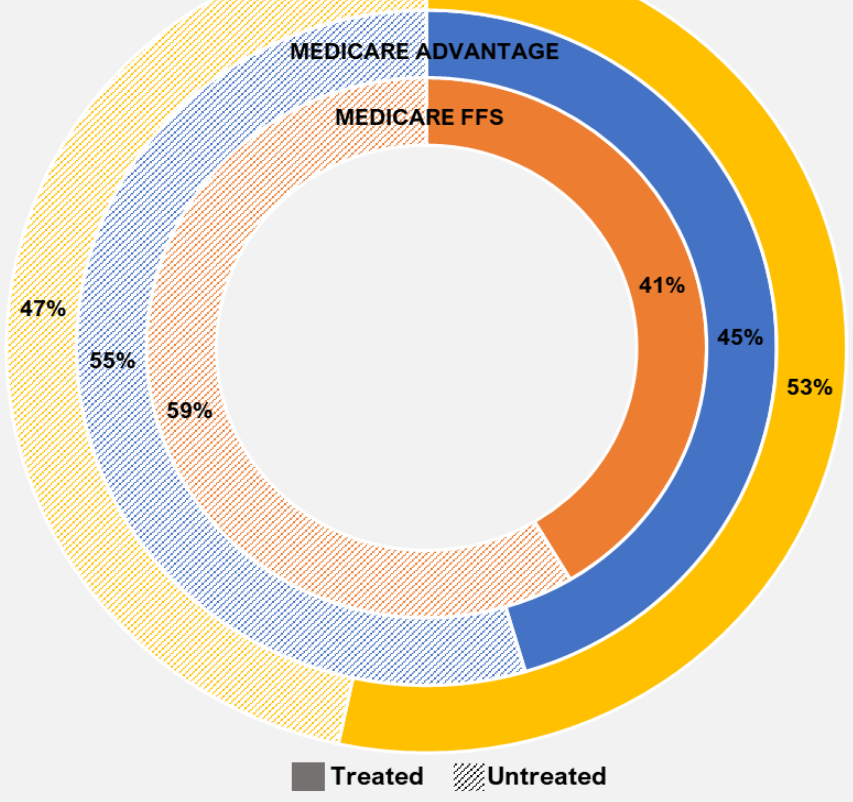
***An estimated 80% of Medicare FFS beneficiaries have Medicare Supplemental ("Medigap") insurance, which pays for a portion of OOP.*

24 MONTH PATIENT OUT-OF-POCKET SPENDING DISTRIBUTION

TREATMENT RATES

Among newly diagnosed patients with commercial insurance, **53% receive active treatment,** including anticancer drugs, radiation oncology therapy, or stem cell/bone marrow transplants, **within 90 days of diagnosis**. This compares to 41% of patients in Medicare FFS, and 45% of patients with Medicare Advantage.

**Some patients identified as untreated may have received adjuvant care or novel therapies by way of clinical trials that are not readily identifiable in the data.*



Data Sources:

IBM Health Marketscan® Commercial Claims Databases (2013-2016)
Milliman Consolidated Healthcare Database (2014-2016)
CMS 100% Medicare Research Identifiable Database for Parts A, B, and D (2014-2017)

References:

[1] https://seer.cancer.gov/statfacts/
[2] https://www.lls.org/facts-and-statistics/facts-and-statistics-overview
[3] The commercial spending amounts have been trended 12 months to be on the same basis as MAPD and Medicare FFS spending.
https://us.milliman.com/en/insight/the-cost-burden-of-blood-cancer-care-in-medicare
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