

TOO HIGH A PRICE:

# The Soaring Cost of Cancer Care



As cancer's economic burden grows, research shows that early detection can reduce the financial impact on employers, employees and their families.

Cancer patients are confronted with an overwhelming amount of information—sometimes literally about life and death. No one wants to talk about money when someone's life is on the line, but the financial burden of cancer has grown too great to ignore.

The statistics are sobering: Today, annual cancer care costs in the U.S. exceed \$200 billion<sup>1</sup> and are increasing at a staggering rate, to a projected \$246 billion by 2030.<sup>2</sup> These spiraling figures impact everyone—patients, for whom out-of-pocket costs have increased steadily<sup>3</sup>, and employers, who now count cancer as the top driver of both their health care costs<sup>4</sup> and long-term disability claims.<sup>5</sup>

In fact, while cancer accounts for only 1%<sup>6</sup> of health insurance claims, it makes up 15%<sup>7</sup> of overall employer healthcare spending. It's also the main source of catastrophic medical claims for self-funded employers—and has been every year since 2009.<sup>8</sup>



## CANCER DRIVING HEALTH CARE COSTS FOR EMPLOYERS

Cancer treatment costs are increasing at a higher rate than treatment costs for any other disease.<sup>9</sup> As a result, cancer has surpassed musculoskeletal diseases as the condition that is most contributing to rising employer healthcare costs:

**83%**

of employers count cancer among their top three healthcare cost drivers, compared to 76% that count musculoskeletal conditions.<sup>10</sup>

Cancer continues to be both the number one and two highest-cost condition among self-insured employers who buy stop-loss insurance to protect against unpredictably expensive health claims.<sup>11</sup>

**TOP  
2**

**13%**

of employers said they have seen more late-stage cancers since 2021.<sup>4</sup>

Another forty-four percent anticipate seeing such an increase in the future, likely due to pandemic-related delays in care.<sup>4</sup>

**44%**





## What drives cancer costs?

These growing costs are partly due to the increasing incidence of cancer as America's population ages.<sup>11</sup> This demographic shift, however, is compounded by a steady rise in cancer diagnoses in people under age 50.<sup>12</sup> According to new research, rates of breast, colon, and other forms of cancer have dramatically spiked since 1990.<sup>12</sup>

Fortunately, as more people are diagnosed with cancer, they have a growing assortment of treatment options. But while oncology innovations such as genetic testing and targeted immunotherapies can be game changers, they come with large price tags. In fact, the average annual price of newly launched cancer drugs in the U.S. was \$283,000 in 2021, a 53% increase from 2017.<sup>13</sup>



↑ **53%**  
SINCE 2017

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Lost productivity also adds to cancer's economic burden for individuals, families and employers. Metastatic breast cancer alone costs the U.S. more than \$18 billion in lost productivity when patients are unable to work.<sup>14</sup> Overall, patients diagnosed with late-stage cancers have significantly higher productivity losses when compared to early-stage cancers – including nearly double the number of sick days in the first year of diagnosis.<sup>15</sup>

What's more, even after an employee finishes surgery, radiation, chemotherapy, or immunotherapy, treatment isn't over. Cancer survivors often need follow-up treatment and imaging for months or years and may encounter long-term side effects as a result of treatment that require ongoing care.<sup>16</sup>

## How employers can fight back

While employers might feel powerless in the face of these trends, closer analysis reveals one clear way to proactively address increasing costs: encourage screenings to promote early cancer detection.

**Early detection can dramatically reduce cancer's expense because cancers diagnosed at an earlier stage often require less intense, complicated and expensive treatment.<sup>15</sup>**

The average cost to treat stage-1 breast cancer is about \$72,000, while stage-4 costs \$183,000.<sup>17</sup>

Overall, treatment for cancer that has metastasized costs employers an average of \$135,799 per year,<sup>18</sup> which can be 2.7 times higher than the cost of treatment for stage-1 cancer.<sup>19</sup>

**Collectively, early detection is associated with potential annual cost savings of \$26 billion.<sup>20</sup>**

The problem? Only four kinds of cancer—breast, colon, lung and cervical—currently have an early detection screening recommended by the U.S. Preventive Services Task Force (USPSTF).<sup>21</sup> The cancer types that make up nearly three-quarters of employees' diagnosed cancers (including some of the deadliest, like pancreatic, liver, ovarian and stomach) have none.<sup>18</sup> And a whopping 83% of employers' cancer claims that exceed \$100,000 are for cancers without recommended screenings.<sup>18</sup>

In addition to existing single cancer screenings, employers can also consider offering a multi-cancer early detection test for employees. For one such test, research shows that it can detect a cancer signal shared by more than 50 types of cancer with a simple blood draw, and modeled data suggests that early detection can create savings for both employers and employees.<sup>18</sup>

Cancer screening has been shown to save lives and offer the ability to begin treatment when costs may be less burdensome. By adding multi-cancer early detection tests to existing recommended screenings, both employers and employees can be more proactive in their approach to this terrible – and costly – disease. ■



## FIGHTING FINANCIAL TOXICITY

Even as companies pay skyrocketing health care costs, they're not able to fully protect their employees from growing out-of-pocket expenses. As total cost of care has grown, privately insured patients have seen their out-of-pocket costs rise 15% for all cancers – to more than \$6,000 annually for breast, colorectal and lung cancer.<sup>22</sup>

This has created growing adverse financial consequences, or financial toxicity, that has lasting consequences for cancer patients and their families.<sup>22</sup> At its worst, financial toxicity can severely compromise patients' quality of life and lead to increased risk of bankruptcy and trouble paying for necessities.<sup>23</sup>

Financial toxicity is a complicated problem that requires a multi-pronged response. Research shows that, in addition to financial navigation and counseling, screening practices can play a major role in reducing undue financial burden.<sup>23</sup>







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