ASCO's Clinical Practice Committee

Which Cost Are We Talking About?

By Michael Neuss, MD

It is difficult to discuss cost, because the meanings of the word are so varied. It can be used as a noun or a verb: *The cost is reasonable. It cost him his life savings.* It can be used to define an amount of money to be paid for a service: *The average wholesale cost of one day's 400 mg. dose of imatinib therapy for chronic myelogenous leukemia is $130.*[1] It can denote something more important than money: *In 2009, it is estimated that breast cancer will cost 40,170 women their lives.*[2] Its meaning changes as a consequence of vantage point: *The cost of cancer care to society is unsustainable. No cost is too high for my daughter's treatment if there is any chance it will help her. At the end of medical school, student indebtedness averaged more than $100,000 in 2004.*[3] *The cost to support one year's graduate medical education may be as high as $150,000.*[4]

The accounting term "cost of goods sold" has a specific meaning that differs from the asking price, which is also different from the final sales price. *The patient's bill for the drugs in one cycle of FOLFOX VI listed a cost of more than $8,000: the average sales price (ASP, the estimated acquisition price to a practice) is approximately $4,200. Therefore, the allowable 106% ASP Medicare cost is $4,452, though Medicare would pay only 80% of that amount or $3,561, leaving a cost of more than $890 for the patient and secondary insurance.*[5] (This is an approximation, ignoring drug waste, home infusion medications, and other factors.)

I asked my peers what the cost of caring for patients with cancer meant to them. They recognized the costs for patients but also mentioned awareness of what it takes to provide services to others, including preparation for a career in oncology and the expense of college and medical school as well as the time, sacrifice, and tension of deferred gratification inherent to medical education. Many recognized the uncompensated time associated with running a small business, which involves borrowing money for drug purchases and medical supplies; leasing, buying, and maintaining office space; hiring, supervising, and paying staff while worrying about their job satisfaction; and interacting with lawyers, accountants, professional and business liability insurance agents, and health plan and hospital administrators—along with the frustration of understanding where exactly we were trained to do this. They mentioned the difficulty of hiring new physicians, whose high expectations are matched by knowledge of the high compensation medical oncologists have recently achieved[4] and a realization of the gap between the supply and demand for oncologists.[5,6] They acknowledged the emotional strain of dealing with patients who died more often than hoped for, and the unsettling necessity of going right from pronouncing a patient dead to seeing a different patient, with no opportunity to adjust, let alone grieve.

With greater trepidation, I asked my patients what the phrase "cost of care for cancer" meant to them. Perhaps not surprisingly, the majority of responses were quite literal discussions of the expense of care. "Out of pocket" expenses were mentioned most frequently. Those with Medicare receiving expensive oral medication were frustrated by "the doughnut hole" and acutely aware of their responsibility to pay 100% of costs for drug expenses under $295, 25% of costs between $296 and $2,700, and 100% of costs from $2,701 to $6,154 annually, despite often having believed they had more complete coverage.[7] Those with traditional insurance were amazed at the frequent requirement for visit copays and expressed disbelief at the cost associated with treatments, emergency room visits, radiologic tests, surgical procedures, and hospitalizations. One patient, a childhood cancer survivor with a secondary treatment-related malignancy, had reached the end of her lifetime insurance benefit and was simply distraught. They were mystified by bills and confused by provider multiplicity, varied billing formats, and lack of help in understanding when and to whom personal payments are due. They also mentioned cost of time, lost in both going for treatment and being unable to accomplish things because of a lack of energy from their disease.

During our conversations on cost of care, patients expressed gratitude for my services and those of my staff. As difficult as these discussions are, their value to us and our patients is "priceless." As always we welcome your feedback and suggestions. Please send comments to mnneuss@gmail.com.

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