

Medical costs of cancer have nearly doubled over the past 2 decades

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A new analysis finds that the costs of treating cancer have nearly doubled over the past two decades and that the shares of these costs that are paid for by private health insurance and Medicaid have increased. The study also reveals that cancer costs have shifted away from inpatient treatments to outpatient care. Published early online in *Cancer*, a peer-reviewed journal of the American Cancer Society, the information could be used to prioritize future resources for treating and preventing cancer.

Little information is available on how overall cancer costs have changed over time and who now bears the burden of financing the bulk of cancer-related expenses. To study recent trends in the medical costs of cancer and how these costs are paid for, Florence Tangka, Ph.D., a health economist at the [Centers for Disease Control and Prevention](#) (CDC) led a team of scientists from CDC, Emory University, and RTI International in analyzing data from the 2001 through 2005 Medical Expenditures Panel Survey and its predecessor, the National Medical Care Expenditure Survey, a one-time survey conducted in 1987. Both surveys are nationally representative of individuals across the United States and capture self-reported data on medical conditions and related expenditures.

The investigators found that in 1987 the total medical cost of cancer (in 2007 dollars) was \$24.7 billion. Private insurance financed the largest share of the total (42 percent), followed by Medicare (33 percent). Out-of-pocket payments accounted for 17 percent of the costs, other public sources paid for 7 percent, and Medicaid paid for 1 percent. Between

1987 and the 2001-2005 period, the total medical cost of cancer increased to \$48.1 billion due to new cases diagnosed among the aging population as well as an increase in the prevalence of cancer. In 2001-2005, [private insurance](#) paid for 50 percent of the costs, and Medicare paid for 34 percent. Out-of-pocket payments accounted for 8 percent of the costs, other public sources paid for 5 percent, and Medicaid paid for 3 percent.

The analysis also revealed that the share of total cancer costs incurred after inpatient hospital admissions fell from 64.4 percent in 1987 to 27.5 percent in 2001-2005. The decrease in cancer-related inpatient costs was accompanied by an increase in cancer-attributable outpatient expenditures.

"The information provided in this study enhances our understanding of the burden of cancer on specific payers and how this burden may change as a result of health reform measures or other changes to health care financing and delivery," said Dr. Tangka. The authors noted that additional research will be needed to determine the impact of these changes on costs and quality of [cancer](#) care in the United States.

More information: "Cancer treatment cost in the United States: has the burden shifted over time?" Florence K. Tangka, Justin G. Trogon, Lisa C. Richardson, David Howard, Susan A. Sabatino, and Eric A. Finkelstein. *CANCER*; Published Online: May 10, 2010 ([DOI:10.1002/cncr.25150](https://doi.org/10.1002/cncr.25150)).

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