

# New Study Shows Cost Savings of Oral Cancer Therapies

## COST STUDY BACKGROUND

A study published online in the *Journal of Medical Economics* on January 3, 2013<sup>1</sup> compared overall costs of treatment for intravenous (IV) and oral therapies used in relapsed/refractory Multiple Myeloma.<sup>2</sup>

In the study, researchers calculated total treatment costs for two commonly prescribed regimens for relapsed/refractory multiple myeloma over the course of one year. One regimen was administered intravenously at the doctor's office/infusion center, while the other included two medications which are taken orally in a pill form, often at home. Total treatment costs included:

- **Drug Costs** – the cost of the brand name drugs<sup>3</sup>, at rates commonly paid by CMS and private health plans.
- **Direct Medical Costs** –the cost of office visits, drug administration, laboratory tests, and administration of any pre-packaged fluids/electrolytes to keep patients hydrated during treatment.
- **Adverse Event Management** - the cost to manage any major adverse events that commonly occur during treatment, such as anemia, pneumonia, or a significant reduction in infection-fighting white blood cells.

## AUTHORS' CONCLUSIONS

**TOTAL TREATMENT COSTS were higher for the IV therapy**, even though the drug costs were about the same for the IV and oral therapies that were compared.

**ANNUAL TREATMENT COSTS for the IV regimen were over \$17,000 higher** than the costs for the oral regimen, or approximately \$47 higher per day.

**DIRECT MEDICAL COSTS WERE RESPONSIBLE for the higher cost of care for the IV treatment.** Total direct medical costs were some \$5,000 higher per patient for the IV regimen, or approximately \$35 higher per patient per day.

## ENSURING PATIENT ACCESS TO ORAL THERAPIES SAVES MONEY

- This study demonstrates that **oral therapies can save the health care system money**. Oral cancer therapies are also more convenient for the patient and can have fewer debilitating side effects. For these reasons, they are often the treatment of choice. In some cases, there is no other choice - an oral medication may be the only effective treatment option available.
- Unfortunately, **cancer patients can face significantly higher out-of-pocket costs if their treatment is taken orally rather than intravenously**. The problem is out-of-date insurance benefit design. Some health insurance companies have not adapted benefit design to ensure patients have access to innovative oral cancer therapies, even if they are more medically appropriate or, as in this case, can save the health plan money.
- To provide patients access to life-saving therapies and create savings for the overall health care system, legislation should be approved to require **health plans that cover cancer treatments to do so equally for IV and oral therapies**.

<sup>1</sup> Durie BGM, Binder G, Pashos CL, Khan ZM, Hussein MA, Borrello I. Total cost comparison in relapsed/refractory multiple myeloma. *Journal of Medical Economics*. Epub 2012 Jan 3.

<sup>2</sup> Relapsed/refractory Multiple Myeloma refers to cancer of the plasma cells in the blood in which there is a reappearance of signs and symptoms of the disease after a period of improvement (relapsed) or that the cancer is unresponsive to standard treatments (refractory)

<sup>3</sup> Because one of the drugs in the oral regimen is generic, the cost was considered negligible and not included.