

## **For Immediate Release**

**Contact:**

**Betsy Jaffe**  
**Director, Marketing and Public Relations**  
**Employee Benefit Research Institute**  
[press-media@ebri.org](mailto:press-media@ebri.org)  
**202.775.6347**

### **Cost of Oncology Medicines Varies Dramatically Based on Site of Treatment**

#### ***Hospital Outpatient Departments Charge 1.3 to 4.3 Times More than Physician Offices***

**Washington, D.C. – January 16, 2020** – A new study from the Employee Benefit Research Institute (EBRI) Center for Research on Health Benefits Innovation, finds payments for infused cancer medicines in the commercial and employment-based markets are nearly two times higher in hospital outpatient departments (HOPD), relative to physician offices (PO), for the same drug. The study also finds these cost differences are due to the pricing decisions of hospitals, not differences in modality.

“Cost Differences for Oncology Medicines Based on Site of Treatment” finds that on a drug-by-drug basis, HOPDs charge 1.3 to 4.3 times more than POs for cancer medicines. Over one year, employers and insurers could save \$9,766 per covered cancer patient if they paid PO prices rather than HOPD prices for infused cancer therapy.

“Given that nearly half of oncology therapy takes place in HOPDs, employers could cut their drug costs nearly in half simply by shifting patients to PO settings, without necessarily affecting quality of care,” said Paul Fronstin, director of EBRI’s Health Research and Education Program and coauthor of the report. “Another positive action that employers can take is to negotiate site-neutral pricing for medicines. Furthermore, third-party payers can attempt to engage patients through increased price transparency, combined with plan design changes, to steer policyholders to less costly sites of care for treatment that is clinically appropriate.”

The analysis was based on 18,195 users of the top 37 infused oncology drugs prescribed to employment-based and commercially insured patients in 2016, of whom 51 percent were treated in POs and 49 percent in HOPDs.

“Cost Differences for Oncology Medicines Based on Site of Treatment” was funded with generous support from Aon Hewitt, Blue Cross Blue Shield Association, ICUBA, JP Morgan Chase, Mercer, Milliman, Pfizer, and PhRMA. The report can be found at [www.ebri.org](http://www.ebri.org).

#### **About EBRI**

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