

At a Glance | January 30, 2020

Payments for Infused Cancer Medicines Are Nearly Two Times Higher in Hospital Outpatient Departments Than Physician Offices

Based on 18,195 users of the top 37 infused cancer drugs prescribed to employment-based and commercially insured patients in 2016.

CANCER MEDICINES NEARLY TWO TIMES HIGHER

In 2016, hospital prices for the top 37 infused cancer drugs averaged 86.2 percent more per unit than in physician offices. Differences in prices ranged from 128.3 percent to 428 percent. These cost differences were due to pricing decisions of hospitals, not differences in modality.

Top 37 cancer drugs averaged

86.2%

more per unit in hospitals than in physician offices.

On a drug-by-drug basis, hospital outpatient departments charge

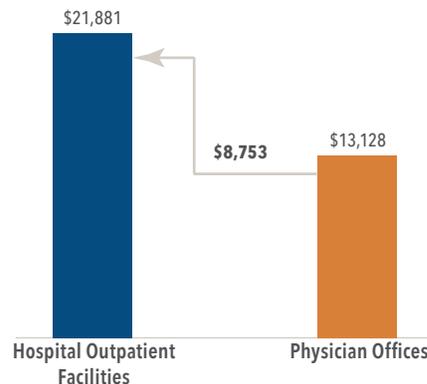
1.3x to 4.3x

more than physician offices for cancer medicines.

AVERAGE REIMBURSEMENT RATE NEARLY \$9,000 MORE

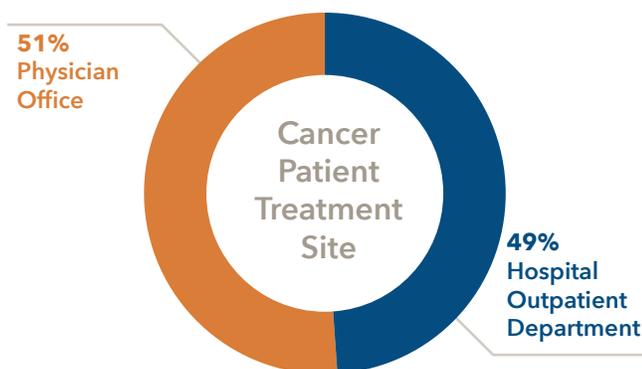
The average reimbursement to providers per cancer patient was **\$13,128 in physician offices** and **\$21,881 in hospital outpatient departments**, a difference of **\$8,753**. That means on average, hospitals were reimbursed **\$8,753 more** for each patient.

Average Annual Reimbursement per Cancer Patient



EMPLOYERS & INSURERS COULD SAVE NEARLY \$10,000 PER PATIENT

Nearly half of the cancer patients in the study were treated in hospital outpatient departments. If payers reimbursed hospitals at the same rate they reimbursed physician offices, the average payment per cancer patient would have dropped by 45 percent. That means over one year, employers and insurers could save **\$9,766** per covered cancer patient without affecting quality of care.



SOURCE: Paul Fronstin, M. Christopher Roebuck, and Bruce C. Stuart, "Cost Differences for Oncology Medicines Based on Site of Treatment," *EBRI Issue Brief*, no. 498 (Employee Benefit Research Institute, January 16, 2020).