Measuring Value in Cancer Care– A Resource for Employers

Memorial Sloan Kettering Cancer Center

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THE PROBLEM

Cancer care now represents 15-20% of employer medical spend and is growing faster than any other category. Eighty-eight percent of employers cite cancer as their #1 medical cost driver, making it both a financial and human priority for plan sponsors. Yet, despite the burden of growing costs and plan sponsors' resolute commitment to offer access to the best care, many members do not receive high-value, evidence-based care. And while cancer is likely to remain a significant driver of cost, improving care quality and managing costs must go hand in hand.

Employers face **three** core challenges:

1. Networks prioritize breadth over expertise.
Traditional networks treat all oncology providers as equal, even though both cost and quality can vary greatly, with outcomes differing by 20–30% between specialized cancer centers and community providers. In a crisis and without guidance, members often default to the closest, and most familiar provider.

2. Benefits activate too late in the care journey.
Second opinions, navigation, and other support services typically reach members after they've started treatment. Large health systems, where many patients are diagnosed, often refer internally, thereby limiting access to external expertise. Many newly diagnosed patients—driven by urgency and fear—begin treatment before thoroughly evaluating their options.

3. Employers lack the data to steer members to high-value care.
Most organizations do not currently have access to data to measure cancer outcomes or total cost of care across their network. Without this visibility, employers are unable to make data-driven decisions to identify Centers of Excellence, tier benefits, or design plans that guide members toward the best care.

These challenges result in unnecessary cost, inconsistent quality, and missed opportunities for better outcomes.

MEASURING VALUE IN CANCER CARE

For employers, defining and measuring value in cancer care is essential to controlling rising costs and improving outcomes. At its core, value comes down to **two things**:

1. **Clinical outcomes (survival rates)**
2. **Total cost of care**

Clear metrics in both areas allow employers to identify high-value providers and design benefits that steer members toward them.

1. Clinical Outcomes: 3–5 Year Survival Rates
Survival is the most reliable indicator of care quality, with 3–5-year survival being the standard that has been established among multiple peer-reviewed articles that rely on Medicare data and the National Cancer Institute's Surveillance, Epidemiology, and End Results (SEER) database[1]. SEER is the only comprehensive,

risk-adjusted source linking stage at diagnosis with survival outcomes across 50% of the U.S. population, making it especially helpful in evaluating survival in the commercial population.

Research consistently demonstrates that survival outcomes correlate strongly with specific organizational capabilities and clinical practices. Centers achieving the highest survival rates share the following characteristics:

- High case volume for specific cancer types[2]
- Subspecialized clinicians (surgery, medical oncology, and radiation oncology)[3]
- Multidisciplinary tumor boards reviewing complex cases[4]
- Comprehensive symptom monitoring and supportive care[5]
- Access to clinical trials to expand treatment options, particularly for rare or complex cancers[6]

These same capabilities and characteristics also create the foundation for a superior patient experience. Leading cancer centers demonstrate this through consistently high patient satisfaction scores, strong likelihood of recommendation ratings, and positive assessments of staff communication.

This year, Memorial Sloan Kettering Cancer Center (MSK) conducted a survival analysis using SEER data, comparing adults ages 20–64 diagnosed with cancer in 2017 and tracked through 2022. After matching MSK's tumor registry with SEER population data and weighting for stage distribution, the research findings show that MSK patients achieve a 10% greater 5-year survival advantage compared to patients treated elsewhere in the United States. This survival advantage is established within the first year and is even greater for those with advanced disease.

2. Total Cost of Care

Unit prices alone do not reflect the cost of cancer treatment. Total cost must account for both the unit price and the amount of care delivered. Claims and PBM data (for oral therapies) are the sources of data needed to calculate total cost of care, accounting for:

- Diagnostics and imaging
- Surgery, chemotherapy, and radiation
- Supportive therapies
- Hospitalizations and complications

Costs for the same cancer type can vary greatly between providers. The lowest total cost occurs when care is evidence-based, complications are minimized, and pricing is fair.

Recently, MSK partnered with a health plan and one of their large ASO clients to calculate their total cost of care based on where members received cancer treatment. The following methodology was used:

- Identified newly diagnosed cancer patients (no cancer claims in prior 6 months) who received treatment at one of the plan's top 5 facilities by patient volume
- Compared risk-adjusted costs between MSK and the other facilities, calculating the average cost per member per month for each cancer type

- Modeled potential plan savings resulting from designating MSK as a Center of Excellence and guiding additional patients to MSK for care through waived cost-sharing.

By focusing on survival outcomes and total cost of care, employers can make sense of inconsistent quality metrics and unclear cost data, identify high-value cancer providers, and design benefits that improve member experience, outcomes, and financial performance.

WHAT EMPLOYERS CAN DO TO DRIVE HIGHER-VALUE CANCER CARE

When employers have access to reliable measures of value, they can design cancer benefits that reflect their commitment to providing employees and their families access to the highest quality care–the kind they would want for their own family.

Actions

1. Identify high-value providers who consistently deliver superior long-term outcomes.

2. Evaluate where members are receiving care. If most already use high-value providers, stay the course. If not, there's a clear opportunity to act.

3. Use plan design to guide members toward high-value care through lower cost-sharing and targeted incentives.

A practical path forward includes two phases:

Phase 1: Establish Your Baseline
Work with your health plan or benefits consultant to build a clear picture of your current state:

- Pull 3–5 years of cancer claims data to identify the highest volume providers where members are receiving cancer care (nationally or within a specific geography).
- Using the methodology described above, conduct a total cost of care analysis by provider and cancer type.
- Ask the high-volume providers that treat your members to demonstrate their outcomes using 3–5-year survival data from Medicare or SEER.
- At this point, you will be able to compare value at your top providers and see what portion of your cancer patients are receiving high-value care.
- Evaluate how often members use support services like second opinions, navigation, and screening programs, which should demonstrate cost savings and quality improvements.

This assessment will reveal opportunities to guide patients to high-value care and the willingness of your top providers to share data on their own outcomes.

Phase 2: Redesign Benefits to Steer Toward Value

Once high-value providers are identified, benefit design becomes the lever for change:

- Create meaningful differentiation in plan design. Designate high-value providers as Centers of Excellence and waive cost-sharing at these Centers of Excellence or implement tiered networks with substantially lower out-of-pocket costs for high-value care.
- Intervene early by requiring your health plan or navigation partner to contact members as quickly as possible once they are notified of a new cancer diagnosis.
- Remove barriers to high-value care. Consider reducing or eliminating prior authorization for designated Centers of Excellence and provide a travel benefit.
- Align incentives by exploring value-based contracts that tie payment to outcomes.
- Adopt solutions that increase screening rates to detect cancers earlier, when survival odds are highest and costs are lowest.
- Communicate benefits clearly and often, using targeted outreach across multiple channels so members understand why choosing and utilizing cancer benefits, including Centers of Excellence, lead to lower costs and better outcomes.

THE PATH FORWARD

Improving quality and controlling spend are not competing goals in cancer care— they are deeply interconnected. High-value providers deliver both superior outcomes and lower total costs by reducing complications, avoiding unnecessary treatment, and managing care more efficiently. Employers have the opportunity to rigorously and systematically measure value in cancer care and design benefits that make accessing high-value cancer care easier. Doing so will unlock better outcomes and stronger financial results.

However, identifying high-value providers is only the first step. To fully realize these benefits, employers need hospital partners who can deliver clinical excellence and a coordinated experience by making specialized care accessible, easy to navigate, and integrated with existing benefit structures**.** MSK Direct was designed to meet this need. Through MSK Direct, MSK provides plan sponsors with the complete infrastructure needed to make high-value cancer care both accessible and effective, including:

- Dedicated navigation with expedited access and itinerary scheduling
- Virtual triage and collaborative care coordination with your benefits partners
- Targeted member outreach and screening support to drive engagement
- Participation in Center of Excellence networks and value-based payment models
- Outcomes reporting to demonstrate value

If you are an employer or plan sponsor seeking to improve cancer care outcomes while managing costs, MSK Direct can help you develop a strategy that connects your members with high-value care.

Contact us at mskdirectinfo@mskcc.org to learn more about how Centers of Excellence partnerships can benefit your organization.

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