

The Costs of Cancer

Insurance coverage disparity linked to heightened mortality

by [Marcia A. Wade](#) - September 19, 2008

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There aren't any studies that prove that African Americans, when diagnosed with cancer, carry a larger percentage of the economic burden compared with white cancer patients. However, anecdotal evidence shows that they may pay higher out-of-pocket costs due to gaps in insurance coverage.

Some doctors believe that African Americans, who are often lower on the socio-economic ladder, are predisposed to be uninsured or underinsured. This means that oftentimes they go without treatment simply because they can't afford insurance or even if they have insurance, they can't afford the co-pays and deductibles. The Kaiser Family Foundation reports that the uninsured rate of non-elderly African Americans is 21% compared with 17% of the population overall.

The Reasons and Results of Late Diagnosis

An inability to afford treatment may not explain why black people have a higher incidence of some cancers, but it could be one of many reasons that African Americans have a higher rate of death from cancer.

According to the American Cancer Society, poor and uninsured people are more likely to be treated for cancer at late stages of disease, are more likely to receive substandard clinical care and services, and are more likely to die from cancer.

"African Americans who are privately insured will likely pay higher out-of-pocket costs for cancer treatment because they are more likely to be underinsured or insured by carriers that cover fewer procedures," says Thomas A. LaVeist, Ph.D., director of the Hopkins Center for Health Disparities Solutions at the Johns Hopkins Bloomberg School of Public Health. "If you don't have insurance that is generous in its coverage then the out-of-pocket costs might influence your decision-making [in terms of treatment]."

Lack of coverage might lead someone to forgo cancer screenings until later. Prolonged and postponed doctor's visits usually mean diagnosis in later stages of cancer and poorer survival rates. Black people are more likely to be diagnosed with advanced stage diseases for breast, cervical, colorectal, lung, prostate, and ovarian cancers.

"If there is one thing that is both sad and morally unacceptable is that the advances we've made in cancer prevention, treatment, and control are directly related to early detection," says Dr. Stephen B. Thomas director of the Center for Minority Health and a professor of the Community Health and Social Justice Graduate School of Public Health at the University of Pittsburgh. "African Americans are not taking advantage of early detection procedures. They are suffering the consequences of diseases that we now know how to prevent treat and control. And that's a shame."

Blacks are more likely to die from colorectal cancer than any other racial or ethnic group. "We know beyond a shadow of a doubt that colorectal cancer screening saves lives. The national recommendation is that you have a screening for colorectal at age 50," says Dr. Thomas. "Despite those recommendations, not all insurances will pay for the cost of a colorectal cancer screening. That is why our health care system is so broken."

When they finally see a doctor many underinsured patients are given fewer treatment options and receive less aggressive, and therefore less expensive, treatment compared to whites. When blacks are diagnosed early enough to improve survival rates, studies have shown that even after accounting for socioeconomic factors blacks diagnosed with early-stage lung cancer are less likely than whites to

receive surgery, the only treatment which can result in long-term cure. Similarly, socioeconomic statuses aside black women with breast cancer still have poorer outcomes than white women.

For example, Newsweek reported that 7% of black women with breast cancer get no treatment and 35% do not receive radiation after mastectomy compared with 26% of white women who do not.

Insurance Rich, Coverage Poor, Medically Bankrupt

Low income people are not the only ones who are medically underinsured. There are two definitions of underinsured widely used by experts, reports a study by the Commonwealth Fund, a private foundation working toward a high performance health system. According to the first definition, the underinsured are those whose out-of-pocket expense associated with a catastrophic illness would be greater than 10% of their annual family income. According to the second, the under-insured are people whose healthcare plans cover less than 71% of their average total covered medical expenses. The authors of the Commonwealth study explain that small businesses in particular have moved to plans with higher front-end deductibles and average deductibles tripled between 2000 and 2007.

According to the Kauffman Family Foundation, the percentage of firms offering coverage dropped from 69% in 2000 to 60% in 2007, which was in part due to rising premiums. From 2000 to 2007, there was a 91% cumulative increase in premiums, compared with a 24% increase in wages. In 2007, the annual employer group premium for a family of four was \$12,106, nearly double what it was in 2000.

The climate created by the high cost of insurance may be leading to what the AARP and the nonpartisan group Dividewefail.com describes as "medical bankruptcy," a serious concern that may have led countless Americans down the road to foreclosure.

The Kaiser network estimates that about 100,000 families went bankrupt last year because of a cancer diagnosis and lack of adequate coverage.

A Forward Look on Funding

The good news is that the health disparities of African Americans have been acknowledged and money is being funneled into programs to lessen these gaps. The National Center on Minority Health and Health Disparities (NCMHD) received \$213.8 million (an additional \$13.8 million) for fiscal year 2008 and announced that awards totaling \$32 million have been made to 33 new eligible biomedical and behavioral research institutions under the Centers of Excellence in Partnerships for Community Outreach Research on Health Disparities and Training.

On the other hand, the National Institute of Health received \$30.81 billion for the fiscal year of 2008, which means the NCMHD's portion is less than 0.1%. Even worse, money allocated to the NCMHD is not dedicated solely for cancer prevention and detection, but will also go toward researching the combined health disparities that minorities face, which include heart disease and diabetes. And while the National Cancer Institute received \$5.26 billion for the 2008 budget (a 9.5% increase from previous years), there is no record of how much of that is assigned to study cancer prevention and survival for African Americans.