

# CANCER CENTERS HAVE MIXED SUCCESS BILLING FOR IL2/LAK CLINICAL TRIALS

**A** study of billing and financing practices for patients enrolled in IL2/LAK clinical trials at nine National Cancer Institute-designated cancer centers revealed significant difficulties in obtaining reimbursement for such treatment. The study, conducted by Lewin/ICF, a Washington, DC-based health care consulting firm, surveyed cancer centers that were participating in some of the first NCI-sponsored IL2/LAK trials.

## Third-Party Billing Practices

All nine centers reported that they bill third-party payers for room and board charges; five of the centers bill third parties for all services, other than drug charges, as long as the services are not funded by public or private research. The remaining four institutions bill for services that are not covered by research funds, such as room and board, physician services, and conventional therapeutic components of the treatment.

## How the Therapy is Described

For the most part, hospitals submit lump sum charges for IL2/LAK patients without providing detailed service descriptions for laboratory or pharmacy services. However, if insurers request more detailed information, most of the cancer centers submit either a line-by-line itemization, an explanation of services, or a narrative describing the IL2/LAK treatment protocol. It has been the experience of the cancer centers that pre-admission approval makes reimbursement "less of a problem."

The centers state that pre-admission counselors often ask only for the patient's diagnosis and the request for hospitalization. After pre-admission approval is obtained, and services are rendered, a UB82 claim form, reflecting the patient's diagnosis, the pre-approval number, and patient charges for immunotherapy (listed as total laboratory charges, total pharmacy charges, etc.) is submitted to the carrier. However, the treatment is not identified as IL2/LAK on the hospital bill.

## Patient Funding

All nine respondents state that

## *Insurers were more willing to pay room and board charges than charges for other services*

research funds are the primary source of financing treatment costs. Eight of the nine centers use a combination of funds to finance IL2/LAK treatments, including research grants, patient billing, third-party payers, and indigent care sources. However, the patients are considered to be financially liable for treatment charges that are not covered by research funds or third-party reimbursement. Only one of the nine centers does not provide research/investigational services unless research grants will cover the charges.

## Patient Charges and Payments

The total estimated charges for patients at the centers ranged from \$8,000 (room and board only) to \$50,000 (room, board, and all ancillary services) per patient. However, a number of centers would not release proprietary charge information.

Moreover, most of the cancer centers do not track third-party payment success by type of procedure and, thus, were only able to provide anecdotal information on reimbursement for IL2/LAK patients. However, when payers knowingly processed claims for IL2/LAK or other investigational cancer therapies, the centers found that those

claims were closely scrutinized and payment for the treatment was routinely denied. Generally, the centers found that insurers were more willing to pay room and board charges than charges for other services. However, several institutions reported that payments for hospital stays were denied as well. Exceptions for coverage were generally made on a case-by-case basis.

It appears that most carriers paid patient charges only when they were unaware that a patient was receiving IL2/LAK therapy or that the procedure was investigational. One of the institutions that routinely seeks pre-admission approval for IL2/LAK patients stated that carriers sometimes ask for details and, if they hear "IL2/LAK," deny approval.

Most of the centers could not compare the propensity to pay by type of payer, because the majority did not know the final resolution of patients' claims. In fact, none of the nine centers routinely follow up cases to determine payment resolution. However, three centers said that commercial carriers pay more readily for IL2/LAK than Blue Cross/Blue Shield plans. However, payment experience with Blue Cross/Blue Shield varies by state.

A number of centers employed various strategies in an attempt to obtain reimbursement, such as sending medical literature about the procedure, providing letters from physicians describing the reason for treatment and/or an explanation of procedures, having the patient's physician contact the carrier's medical director, and providing a review of the patient's case history, including a discussion of previously employed drug regimens and therapies that failed. However, centers that employed a variety of strategies to encourage payment state that most claims were still ultimately denied. ■