



## **MEDIA RELEASE**

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### **100% increase in cancer treatment costs unsustainable, needs urgent attention**

*Icon Oncology's Value-Based-Care model reduces oncology costs by 27%*

In 2018, Discovery Health Medical Scheme (DHMS) is reported to have seen a [100% increase](#) in oncology costs, recording a spend of R3,6-billion in 2018, up from R1,5-billion in 2011. Concurrently the number of cancer cases has increased by 45% since 2011, and of Discovery's 2,8-million members, [36,783](#) of them claimed for oncology treatment in the past 12 months.

Globally, according to the [International Agency for Research on Cancer \(IARC\)](#), the same scenario is playing out with an estimated 18,1 million new cancer cases predicted worldwide for 2018, up from 14,1-million just six years ago.

Reasons for these significant increases are bad lifestyles - especially in developed countries where people adopt unhealthy, high-risk behaviours – and a growing, ageing population.

“The new reality is that [one in five men and one in six women](#) will develop cancer in their lifetime. And they're most likely to be diagnosed for breast and prostate cancer, both of which are on the rise,” says Dr Ernst Marais, COO of Icon Oncology.

#### **Making funds go further**

With prevalence rates rapidly increasing, medical schemes are under extreme financial pressure to pay out to patients, especially as their member numbers dwindle in the face of a tough economic environment. “Costs need to be cut without compromising on care”, says Marais.

A viable and proven remedy to this situation is an industry-wide switch to value-based care (VBC) that Icon Oncology champions. It is an alternative framework focusing on what patients value and allocates resources to improving health outcomes. This is in contrast to the widespread fee-for-service model which remunerates oncologists for volume rather than patient outcomes. .

“For the past decade Icon oncologists have developed evidence-based protocols that have been proven to reduce the cost of cancer care by as much as 27% - this applies across different types of cancers and treatment plans,” says Marais.

Using the Icon protocols also means patients can extract more value from their available medical funds, as when the costs are reduced by 27% it can potentially be utilised by medical schemes to give access to effective, expensive treatments that previously were not accessible in the South African market.

#### **Barriers to change**



While switching to a value-based care model seems obvious, challenges remain. “The fee-for-service model is deeply entrenched in the private healthcare market in South Africa. Funders and providers are often sceptical to adopt new funding models, for different reasons. Funders are concerned about further oncology cost increases and oncologists worry about restrictions in care.”

### **Encouraging outcomes over cost**

Doctors who do make the change from fee-for-service to value-based care experience an improvement in their patients’ health, as well as their remuneration as they are financially incentivised to practice value-based care. “In a mature Value Based Care system, oncologists are remunerated better, meaning adopting this alternative model is also in their interest, not only the schemes’ and most importantly the patients’,” says Marais.

In the US, where the model was developed and is thriving, according to [Integra Connect](#) - which surveyed leaders and decision-makers in oncology practices - 87% of oncologists are rethinking their choice of drugs, compared to their approaches during the fee-for-service era. Furthermore, three quarters indicated that they are making changes to how they and their practices choose treatment regimes.

“In more advanced markets the switch to value-based care is encouraging and in countries like the US, patients are recording better outcomes at a lower cost. Our aim is to engender complete industry buy-in so that everything that can be done, is done to assist the ever increasing number of cancer patients who require financial support. This is as there is no doubt that the rate of cancer prevalence will rage on – by [2040 it is predicted](#) by IARC that there will be as many as 29-million new cases per year globally - as will the costs to treat it,” concludes Marais.

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**About Icon:** Icon Oncology is part of the recently rebranded Medical Specialist Holdings (MSH) (Pty) Ltd. Today Icon Oncology represents subsidiaries, Icon Radiotherapy, Icon Network and Icon Managed Care. Across its business, Icon is the South African pioneer of Value-Based Care (VBC) in cancer treatment, a viable and much-needed alternative to the traditional fee-for-service model. Its provider-driven protocols have been proven to significantly improve efficacy and efficiencies and it is practiced by oncologists within its broad network, representing more than 80% of practising oncologists. VBC is effective as it places the patient at the centre ensuring the right care at the right time and the right price. The Icon team also developed e-Auth®, a proprietary software platform that can grant oncologists real-time authorisation of Icon approved treatment plans. Together, VBC and the e-Auth platform address burning issues associated with oncology, namely rising costs and burdensome administration.