



Catastrophic Claim Capsule: High-Cost Oncology – Acute Lymphoblastic Leukemia

In today's complex health care environment, understanding specific high-cost diagnoses that consistently drive claim expenses for self-funded employers is more critical than ever. As a national leader in Stop Loss, HM Insurance Group (HM) sees certain diagnosis categories as significant cost-drivers, and we find it valuable to share what we're seeing and provide actionable strategies and proactive measures that may help to better address costs and protect the financial health of self-funded plans.

Catastrophic Cost Driver: Acute Lymphoblastic Leukemia¹⁻⁴

Acute lymphoblastic leukemia (ALL) is a relatively rare and unpredictable blood cancer, with approximately 6,500 new cases diagnosed annually in the United States. While ALL is most often associated with children, nearly half of ALL cases occur in adults, where outcomes are poorer and relapse rates are substantially higher. For adults with relapsed or refractory disease, median overall survival is often measured in months, and patients frequently cycle through multiple lines of intensive therapy.

Advances in immunotherapy and cellular therapies have improved remission rates, but this has come with a marked increase in health care utilization and financial exposure for self-funded employer health plans. Real-world claims data shows that adults with relapsed or refractory ALL incur total costs exceeding \$550,000 per line of therapy, driven largely by prolonged hospitalizations, management of complications, and repeated inpatient stays. Even with newer targeted agents such as high-cost Blincyto® (blinatumomab), relapse can happen within months, which can keep monthly costs elevated.

In children and young adults, breakthrough treatments, such as chimeric antigen receptor T-cell (CAR-T) therapy, can significantly extend survival, typically at total costs above \$550,000 per patient. Costs are driven largely by the drug itself, hospital stays, and management of serious complications. As these high-cost therapies move earlier in treatment pathways and as patient survival extends, cumulative claim exposure continues to rise.

When combined with frequent hospitalizations, transplant services, and long-term supportive care, ALL represents a low-frequency, high-severity catastrophic risk, contributing to unpredictable claim patterns, Stop Loss volatility, and material pressure on employer health care budgets and renewal strategies.

What's Creating the Rise in Claim Costs

- **Extremely high inpatient utilization** – Treatment for ALL frequently requires prolonged hospitalizations for chemotherapy, immunotherapy administration, infection management, and adverse events, with inpatient care consistently representing the largest share of total spend.
- **Adoption of high-cost targeted and cellular therapies** – Newer immunotherapies and CAR-T treatments have improved outcomes but come with significant upfront costs, often exceeding several hundred thousand dollars per patient, before accounting for facility, ICU, and supportive care expenses.
- **Adverse event management** – Toxicities associated with intensive leukemia treatments commonly result in additional admissions, extended stays, and repeated emergency or inpatient care.
- **Relapse-driven treatment escalation rather than a single episode of care** – Unlike many cancers treated in defined phases, ALL – particularly in adults – often involves rapid relapse and progression through multiple lines of therapy, each carrying substantial cost.
- **Longer survival creating cumulative exposure** – As treatment advances extend survival, costs accumulate over time through ongoing therapy, monitoring, and supportive services rather than ending after an initial treatment course.

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What This Means to Self-Funded Employers

- **A low-frequency but very high-severity risk** – ALL claims are uncommon, but when they occur, they frequently exceed traditional Stop Loss thresholds, materially impacting annual plan performance.
- **Greater volatility year over year** – The unpredictable timing of relapse and the need for multiple treatment phases make cost forecasting difficult, increasing renewal pressure and budget uncertainty.
- **Increased reliance on Stop Loss protection** – Rising severity and cumulative exposure contribute to higher Stop Loss premiums, lower attachment point tolerance, and greater scrutiny of high-risk members at renewal.
- **A shift from “one-time catastrophic claim” to “ongoing catastrophic journey”** – ALL increasingly represents multi-year financial exposure versus a single high-cost event, requiring longer term risk management strategies.

What HM Insurance Group Sees

HM Acute Lymphoblastic Leukemia Experience from 2022-2025

HM's experience with ALL from 2022 through 2025 reinforces why this diagnosis represents a low-frequency, high-severity, and increasingly volatile risk for self-funded plans.



Volume – Across this four-year period, HM observed a consistently stable number of ALL claimants per year (53 to 55 annually) with meaningful escalation in cost severity, drug contribution, and catastrophic exposure over time.



Demographics –

- ALL claimants are typically younger than most oncology populations, with average ages ranging from 25 to 31 years.
- A substantial pediatric presence persists year after year with ~42% to 53% of claimants under age 18, making ALL a significant risk in dependent populations, not just with working-age adults.
- ALL has two distinct but equally high-risk cost profiles: pediatric claimants are notably younger with an average age of 8 to 10 years, while adult claimants have an average age of 37 to 43 years.

Why This Cancer Is Different from Solid Tumors

- **Treatment is not linear** – Many solid tumors follow a more predictable path (diagnosis > treatment > maintenance or remission). ALL often involves cycles of remission and relapse, each triggering a new round of intensive, costly care.
- **Hospital-based care dominates costs** – Solid tumors increasingly shift to outpatient oral therapies, while ALL care remains heavily inpatient, driving higher facility and ancillary expenses.
- **There is higher volatility despite lower prevalence** – Although ALL is far less common than cancers like lung or breast, its severity per case is significantly higher, making its financial impact disproportionately large.



Cost Observations –

- Average first-dollar paid per claimant increased materially, rising from \$860,000 in 2022 to more than \$1.14M in 2024 and 2025.
- The portion of ALL claims exceeding \$1M annually grew steadily, climbing from 32.7% in 2022 to 50% by 2025. This trend underscores that severity – not frequency – is the primary driver of risk growth for this disease state.



Impact – HM's multi-year experience shows that ALL claims are not becoming more common, but they are becoming more expensive, more drug-intensive, and more likely to exceed traditional Stop Loss thresholds. The combination of young claimant populations, the escalating use of cellular and targeted therapies, persistent inpatient and transplant costs, and rising \$1M+ claim severity means ALL increasingly represents a multi-year catastrophic journey rather than a single claim event.

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HM Insurance Group Acute Lymphoblastic Leukemia Claimant Statistics

| | 2022 | 2023 | 2024 | 2025* |
|--|--|--|--|--|
| Number of Claimants | 55 | 55 | 53 | 54 |
| Pediatric versus Adult Breakdown | <18 years – 41.8% ≥18 years – 58.2% | <18 years – 45.5% ≥18 years – 54.5% | <18 years – 52.8% ≥18 years – 47.2% | <18 years – 44.4% ≥18 years – 55.6% |
| Average Total First-Dollar Paid for Plan Year | \$860,000 | \$965,000 | \$1,140,000 | \$1,142,000 |
| % of Cases over \$1M First-Dollar Paid | 32.7% | 38.2% | 43.4% | 50% |

*2025 plan year not yet complete at time of reporting.

FDA Approved CAR-Ts for ALL

| Therapy | Approved Age for Use | Estimated Cost* |
|------------------|----------------------|-----------------|
| Aucatzyl® | ≥18 years | \$525,000 |
| Kymriah® | ≤25 years | \$593,533 |
| Tecartus® | ≥18 years | \$462,000 |

*Cost is the estimated wholesale acquisition cost (WAC) for drug only and does not include any ancillary costs associated with treatment

What Can Be Done to Help Manage Costs

As treatment for ALL becomes increasingly complex and resource-intensive, self-funded employers face growing financial exposure beginning at the point of diagnosis. Effective risk mitigation depends on early identification of high-cost claims through proactive triggers, such as diagnosis alerts and attainment of 50% of the specific deductible, coupled with timely clinical case management engagement.

Evidence-based care utilization depends on clearly defined coverage policies for molecular and cytogenetic testing, immunotherapy and cellular therapy protocols, and step-through requirements. Active site-of-care management helps to direct infusion and supportive services to lower-cost settings when clinically appropriate. When aligned with purpose-built Stop Loss protection, these strategies play a critical role in reducing claim volatility and maintaining financial stability in the setting of rising leukemia-related costs.

Contact HMParmacyServices@hmig.com to learn more.

Source: HM Insurance Group observations, data, reporting, and analysis, February 2026.

References: ¹National Cancer Institute. Acute lymphoblastic leukemia. SEER Cancer Stat Facts. Accessed March 25, 2026. <https://seer.cancer.gov/statfacts/html/alyll.html>; ²Horton TM, Aster JC. Overview of the clinical presentation and diagnosis of acute lymphoblastic leukemia/lymphoma in children. UpToDate. Wolters Kluwer; updated November 21, 2024. Literature review current through February 2026. Accessed March 25, 2026.; ³Soliman R, Heneghan C, Bolous NS, Sidhom I, Ahmed S, Roberts N, Oke J, Elhaddad A. Systematic review of costs and cost-effectiveness of treatment for relapsed/refractory acute leukemia in children and young adults. Expert Rev Hematol. 2022;15(4):345-357. doi:10.1080/17474086.2022.2069096.; ⁴to D, Feng C, Fu C, Kim C, Wu J, Dalton D, Epstein J, Snider JT, DuVall AS. Health care resource utilization and total costs of care for adult patients with relapsed or refractory acute lymphoblastic leukemia in the United States: a retrospective claims analysis. Clin Ther. 2024;46(1):3-11. doi:10.1016/j.clinthera.2023.10.020

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