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

In today's complex healthcare 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 Myeloid Leukemia[1-6]

Acute myeloid leukemia (AML) is an aggressive, clinically complex blood cancer, with ~22,000 new cases diagnosed annually in the U.S. AML primarily affects older adults between 65 and 70 years old. Outcomes remain poor among patients who are ineligible for intensive therapy or who experience relapse. Disease progression can be rapid, requiring urgent initiation of treatment, followed by multiple lines of therapy in the relapsed or refractory setting.

Despite advances in targeted therapies and transplant strategies, AML has substantial mortality, particularly after relapse, where median overall survival is often just months. While newer cancer drugs have improved response rates in select populations, treatment durability is often limited, resulting in repeated therapy cycles and ongoing clinical management.

AML represents a significant, growing financial burden for self-funded health plans. Real-world data indicates that total costs frequently exceed $400,000-$600,000 per episode of care, with higher costs observed in relapsed or transplant-eligible populations. Three key factors drive the spend: prolonged hospitalizations for induction chemotherapy; complications like infections and low blood counts; and intensive supportive care. Hematopoietic stem cell transplant (HSCT), when pursued, can add several hundred thousand dollars to total episode costs.

Newer combination regimens and targeted oral agents have shifted portions of care to the outpatient setting, but there can be extended treatment duration, ongoing monitoring, and the risk of complications. As patients live longer and cycle through additional lines of therapy, cumulative claim exposure rises.

When combined with frequent inpatient admissions, transplant services, and long-term follow-up care, AML represents a low-frequency, high-severity catastrophic risk that contributes to unpredictable claim volatility, increased Stop Loss utilization, and growing financial pressure on employer-sponsored health plans.

What's Creating the Rise in Claim Costs

- **Extremely high inpatient utilization** – AML treatment, particularly induction therapy and complication management, often requires inpatient care representing the largest share of total spend.
- **High-cost transplant utilization** – Allogeneic stem cell transplant remains a potentially curative option for eligible patients, but it comes with substantial upfront and complication-related costs, often exceeding several hundred thousand dollars.
- **Adverse event and complication burden** – Severe low blood counts, infections, and treatment-related toxicities frequently drive additional admissions, ICU stays, and prolonged lengths of stay.
- **Expansion of targeted and combination therapies** – The growing use of precision therapies (e.g., venetoclax combinations) has improved outcomes but raised pharmacy and monitoring costs.
- **Relapse-driven re-treatment cycles** – AML is characterized by high relapse rates, particularly in older adults, resulting in repeated lines of therapy rather than a single contained treatment episode.
- **Increased cumulative exposure due to longer survival** – Treatment advances are extending survival modestly, but they also are increasing total lifetime costs through continued therapy, monitoring, transfusions, and supportive care.

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What This Means to Self-Funded Employers

- **A low frequency but very high severity risk** – AML claims are relatively uncommon but often exceed Stop Loss attachment points, materially impacting plan performance.
- **Significant year-over-year volatility** – Unpredictable onset, relapse timing, and complex treatment pathways make AML costs difficult to forecast and manage.
- **Shift to multi-year financial exposure** – AML increasingly is a prolonged, high-cost clinical journey, especially for patients undergoing transplant or multiple lines of therapy, rather than a one-time catastrophic event.

Why This Cancer Is Different from Solid Tumors

- **Treatment is intensive and front-loaded** – Unlike many solid tumors with gradual treatment pathways, AML often requires immediate, aggressive induction therapy followed by consolidation or transplant.
- **Hospital-based care dominates early phases** – Initial AML treatment typically occurs in the inpatient setting, driving significantly higher facility and ancillary costs compared to outpatient-focused solid tumor care.
- **Higher per-case severity despite lower prevalence** – Although less common than major solid tumors, AML carries a disproportionately high cost per patient due to treatment intensity, complication rates, and relapse risk.
- **Transplant and acute complications drive variability** – Stem cell transplant utilization and the high rate of acute complications create greater variability in both clinical outcomes and financial exposure.

What HM Insurance Group Sees

HM Acute Myeloid Leukemia Experience from 2022-2025

Volume – From 2022 through 2024, the AML claimant volume within HM's book of business remained stable at approximately 53 to 54 members annually, reinforcing the disease's low-frequency profile. AML continues to represent a small but consistent population year after year.

Demographics – The AML population has shifted modestly older over time, with the median age increasing from 48 in 2022 to approximately 56 by 2024-2025, indicating a maturing cohort with greater clinical complexity and a higher risk for complications.

Cost Observations – AML continues to be associated with persistently high costs, with the average first-dollar spend per claimant consistently around $750,000 annually. Importantly, the severity profile remains unchanged, with approximately 62% to 66% of cases exceeding $500,000 annually. This stability at the high end of the cost distribution highlights that AML is structurally a high-cost condition, driven by intensive treatment, complication management, and multi-line therapy, rather than isolated outlier events.

Impact – AML represents a low-frequency but high-severity risk for HM, with a small number of members consistently driving disproportionate costs. The majority of cases exceed Stop Loss thresholds. Stable volume combined with persistently elevated per-case costs indicates that the financial trend is driven by severity rather than utilization. This dynamic, along with an aging population, is increasing multi-year exposure and ongoing pressure on Stop Loss performance and pricing.

HM Insurance Group Acute Myeloid Leukemia Claimant Statistics

	2022	2023	2024	2025*
Number of Claimants	54	53	53	37
Median Age	48	54	56	56
Average Total First-Dollar Paid for Plan Year	$744,847	$707,218	$733,181	$754,218
% of Cases over $500K First-Dollar Paid	63%	64%	66%	62%

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

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FDA Approved AML Treatments Billed Under Pharmacy	
Therapy	**Estimated Annual Cost***
Daurismo™ (glasdegib)	$340,000
Idhifa® (enasidenib)	$526,000
Onureg® (azacitidine)	$375,000
Revuforj® (revumenib)	$600,000
Rezlidhia® (olutasidenib)	$525,000
Rydapt® (midostaurin)	$100,000
Tibsovo® (ivosidenib)	$517,000
Xospata® (gilteritinib)	$432,000

**Cost is the estimated wholesale acquisition cost (WAC). This is not an exhaustive list of FDA-approved drugs indicated for AML.*

What Can Be Done to Help Manage Costs

As treatment for AML 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 directs 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 **HMPharmacyServices@hmig.com** to learn more.

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

References: [1]American Cancer Society. (2026). Key statistics for acute myeloid leukemia (AML).; [2]National Cancer Institute, SEER Program. (2026). Cancer stat facts: Acute myeloid leukemia.; [3]Pandya, B. J., Chen, C.-C., Medeiros, B. C., et al. (2020). Economic and clinical burden of acute myeloid leukemia episodes of care in the United States. Journal of Managed Care & Specialty Pharmacy, 26(Suppl.), 1–10.; [4]Forsythe, A., & Sandman, K. (2021). What does the economic burden of AML treatment look like for the next decade? Journal of Blood Medicine, 12, 245–255.; [5]Kim, N. V., McErlean, G., Yu, S., et al. (2024). Healthcare resource utilization and cost associated with allogeneic HSCT: A scoping review. Transplantation and Cellular Therapy, 30(5), 542.e1–542.e29.; [6]Huntington, S. F., Chang, H.-Y., Fu, A. Z., et al. (2023). Healthcare resource utilization and costs among AML patients. Blood, 142(Suppl 1), 2348.; [7]Bataller, A., Kantarjian, H., Kadia, T., et al. (2024). Outcomes of AML at first relapse. Haematologica, 109(11).

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