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5th Annual 2017 Sun Life Stop-Loss Research Report Identifies Top 10 Catastrophic Claims Conditions

According to national stop-loss insurer, Sun Life, the top 10 costliest claims conditions comprised over half (51.7%) of the \$2.7 billion in claims that they reimbursed to stop-loss policy holders from 2013 to 2016 (Table 1). Based on stop-loss reimbursements, all conditions in the current national top 10 list have appeared in the top 20 catastrophic claim conditions over the past eight years. The report's data is invaluable for self funded employers and plan sponsors.

In their 5th annual report on large claims, Sun Life also reports that cancer continued its leading position, accounting for 26.7% of all the total stop-loss claims and totaling \$707 million in stop-loss reimbursements. Chronic/end-stage renal disease (kidneys) retained its third place position while transplants and disorders relating to short gestation and low birthweight (premature birth) moved down. Congestive heart failure dropped out of the top 10 from seventh to eleventh.

Also noteworthy is that since 2013, breast cancer has been the leading malignant neoplasm diagnosis every year we've published a report (the 2013 report covered data going back to 2008). During the 2015 policy year, 17.4% of employers across the country had a plan member with a breast cancer diagnosis. Over the last decade, the risk of getting breast cancer has not changed for women overall, but the risk has increased for black women and Asian and Pacific Islander women.

Table 1. National top 10 catastrophic claims conditions, 2013-2016

Rank	Medical Condition	Value of stop-loss claims reimbursements (in millions)	Total stop-loss claims reimbursements	Employers with at least one stop-loss claim for this condition
1	Malignant neoplasm	\$487.4	18.4%	48.7%
2	Leukemia/lymphoma/multiple myeloma	\$219.2	8.3%	17.6%
3	Chronic/end-stage renal disease	\$148.3	5.6%	16.4%
4	Congenital anomalies	\$108.9	4.1%	10.8%
5	Transplant	\$81.6	3.1%	6.9%
6	Disorders relating premature birth	\$75.9	2.9%	7.0%
7	Septicemia	\$69.7	2.6%	9.9%
8	Complications of surgical and medical care	\$62.9	2.4%	13.5%
9	Cerebrovascular disease	\$58.8	2.2%	10.9%
10	Pulmonary collapse/respiratory failure	\$57.4	2.2%	10.6%
	Total	\$1.4 billion	51.7%	70.0%

Other notable highlights include:

- As a percentage of stop-loss reimbursements, kidney disease cost is trending downward – it was 8.1% in 2009-2012 and 5.6% in 2013-2016. So, while kidney disease remains common and held its position as the third catastrophic claims condition, the average treatment cost for a catastrophic claim has gone down by 25% over the last four years. Because a significant portion of the American population is at risk for this disease – one in three – it seems likely that it will continue to produce a high number of claims.
- There was a 78% increase in employers with transplant claimants from 2008 to 2015. The share of total stop-loss claims reimbursements for transplants rose from 2.7% in 2012-2015 to 3.1% in 2013-2016. Increases ranged from 8% for kidney transplants to approximately 30% each for lung and bone marrow/stem cell transplants. Transplant claimants as a percentage of total claimants held fairly steady at around 2%. For 2013-2016, the average paid charge for transplants was \$270,000 (including first-dollar claims and stop-loss claims reimbursements), which was 13% higher than in 2012-2015.
- In 2016, million-dollar-plus claimants were only 2.2% of total claimants, but they accounted for 23% of total stop-loss claims reimbursements, which represented \$192.5 million. The increase of high-dollar claims during the 2013-2016 timeframe could be due to a combination of the change to unlimited coverage, a mix of highest-cost conditions, employer size, claimant age, and high-cost intravenous medications' paid charges.
- Highest-cost million-dollar-plus medical conditions appeared in the national top 10 catastrophic claims conditions list. During 2013-2016, the top three highest-cost million-dollar claimant conditions were:
 - (1) leukemia, lymphoma, and/or multiple myeloma (cancers)
 - (2) congenital anomalies (conditions present at birth), and,
 - (3) malignant neoplasm (cancer)
- These three conditions were second, fourth, and first in the national top 10 list. The higher frequencies associated with those conditions increased the overall likelihood that they would produce million-dollar-plus reimbursements.
- It's important to note, however, that low frequency, higher-cost conditions (such as

hemophilia) produced million-dollar-plus stop-loss claims reimbursements. The top three million-dollar-plus claimant conditions represented over 27.3% of all million-dollar claimant conditions and over \$228 million in paid charges.

- 39% of million-dollar-plus claimants were under age two, with 57% under age 20. For those under age two, the leading catastrophic condition was congenital anomalies (conditions present at birth).
- For million-dollar-plus claimants, birth-related conditions accounted for 19.8% of the paid claim costs in the study period but totaled only 8.7% in the national top 10 catastrophic list of paid claims.
- For those from ages 2 to 19, the leading catastrophic condition was leukemia, lymphoma, and/or multiple myeloma (cancers).
- Only 8% of the million-dollar-plus claimants were over age 60. For that age range, the leading catastrophic condition was congestive heart failure. It's probable that the overall number of catastrophic claimants over age 62 is reduced because members have reached the age when they are eligible to retire and can enroll in Medicare.

The study included claims data from Sun Life's stop-loss policyholders that range in size from approximately 50 to over 100,000 employees and that are located across the U.S. The 24-page research [report](#) is available online. Registration is required.

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