

Medical, Social, Financial Evaluation

EVALUATION OF SCALP COOLING SYSTEMS COVERAGE

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Mandate Evaluation Process



Lewis & Ellis, LLC (L&E) was engaged by the Maryland Health Care Commission (MHCC) to conduct a comprehensive evaluation of the medical, social, and financial impacts of requiring coverage for Scalp Cooling Systems, which are intended for use in preserving hair during chemotherapy treatment.



Resources included publicly available literature and statistics, a provider interview, a survey of insurers, and gathered data from the Maryland All-Payer Claims Database (APCD).



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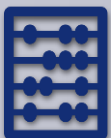
Background



Scalp cooling reduces blood flow to hair follicles, limiting the spread of chemotherapy agents to the follicles, helping to prevent chemotherapy induced alopecia (CIA).



Automated scalp cooling, as the only FDA-approved type of scalp cooling, is approved for chemotherapy-induced hair loss related to solid tumor cancers, not blood cancers.



Manual scalp cooling is another available method, and while not FDA-approved, is generally less costly.



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Population Utilization

Most scalp cooling users are female, largely driven by breast cancer patients who make up 78% of users, with an uptake rate among females of about 50%.

Each chemotherapy session is paired with a scalp cooling treatment cycle, averaging about 6–7 treatment cycles per patient.

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Medical Effectiveness

- Various studies, focused on breast cancer, conducted between 2017-2024 show that scalp cooling is 40-80% effective in preserving hair with less than 50% loss.
- The most commonly reported side effect (19%) is headache. A patient satisfaction meta-analysis found a patient satisfaction rate of almost 80%.

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Service Availability & Usage

- A 2021 survey of 600 oncology providers found that 62% supported scalp cooling, though many hesitated to discuss or recommend it to patient—mainly due to financial concerns (58% cited this reason).
- Although the exact percentage of chemotherapy treatment locations offering automated scalp cooling remains uncertain, available information suggests that approximately 40–60% may currently provide access to this therapy.
- Responses from L&E’s carrier survey of Maryland insurers indicated that carriers do not face challenges contracting with oncologists to ensure adequate availability of oncology services for their members.



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Insurance Coverage

L&E's Maryland insurer survey revealed that scalp cooling—generally classified as cosmetic rather than medically necessary—is not covered, including for self-funded employer groups.

Medicare began covering scalp cooling in 2022 and has proposed adding it to the 2026 Physician Fee Schedule, reimbursing \$1,897 for seven treatment cycles.



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Barriers and Disparities



CIA is one of the most feared side effects, particularly for women, and studies from 2014–2019 suggest that up to 8–10% may consider refusing or choosing less effective treatment to avoid CIA.



The total cost of treatment is typically between \$1,000 to \$3,000 on a patient self-pay basis (i.e., no insurance coverage). To decrease the financial disparity, some nonprofit organizations have stepped in to help fund scalp cooling and promote equitable access to care.



Financial Evaluation and Assumptions

Using the information collected, L&E developed low-, mid-, and high-range assumptions for each variable that could influence cost or utilization.

Each range is intended to capture the various uncertainties inherent in each assumption and to provide an estimated range of potential outcomes. Therefore, the final estimated range captures many scenarios and sets of assumptions.

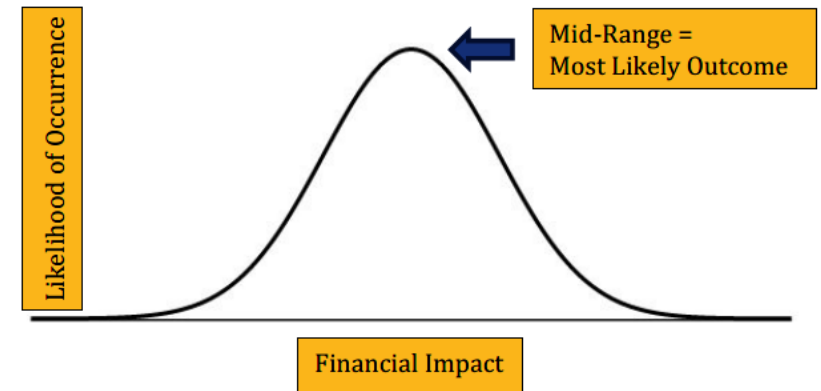
Each assumption range is discussed in further detail within L&E's official report.

Financial Evaluation Results

Estimated Fiscal Impact Range

	Low	Mid	High
Scalp Cooling Systems Premium Cost PMPM	\$0.02	\$0.10	\$0.43
Scalp Cooling Systems Percentage Impact ¹	0.00%	0.01%	0.05%

- L&E notes that the estimated impact range is considered to take on a normal curve, or bell curve, where the low- and high- estimates represent less likely impacts.
- While the estimated impact applies to the overall Maryland Commercial insurance market, effects may vary by insurer based on their population characteristics.



¹ Based on projected Maryland average 2026 premium PMPM of \$951.31