

Do you need extra cover for very early stage cancer?

If it is detected early enough, cancer can be treated successfully thanks to modern interventions. But, even if you have a critical illness policy, will you be able to afford the treatment you need? Colin Daniel

One in six cancer diagnoses are for pre-malignant cancer, data from a local reinsurer show, yet critical illness policies typically do not provide benefits for these diagnoses.

Both the rise in the incidence of cancer and the growing awareness of the need to be screened for the disease have increased the number of early diagnoses.

However, if you have a critical illness policy that covers you for cancer, you are likely to find that it excludes benefits for pre-malignant, or stage zero, cancer.

A dread disease or critical illness policy is a risk life assurance policy that, on diagnosis of one of a number of specified illnesses, including cancer, pays you out a lump sum that you can use as you wish.

You can use the payout to cover medical expenses not covered by your medical scheme, although most assurers argue that the cover is intended to pay for lifestyle changes that result from your illness. For example, you may need rehabilitation or someone to care for your children, or you may decide to follow a less-ambitious, and lower-paying, career path.

Altrisk claims it is the first life assurance company to market an add-on benefit for its existing critical illness policies that offers a payout for stage zero cancer.

Altrisk says the costs you may face for stage zero cancer are significant, but other assurers are not convinced of the need for this benefit.

Altrisk says reinsurance data show that a 30-year-old woman is almost six times more likely to have stage zero cancer than a cancer that is classified according to its severity as stage one, two, three or four.

Reinsurance statistics also show that among 60-year-old men with cancer, 50 percent of prostate cancers are classified as being at a stage at which it is too early for them to be covered by the typical critical illness policy.

In stage zero, the cancer cells are localised and have not invaded the surrounding tissue. A diagnosis may also be referred to as in-situ.

Thanks to developments in the treatment of cancer and, in particular, the rapid growth of biologics (medicines created through a biological process), survival rates are increasing, and people with stage zero cancer are likely to survive the ordeal.

But Altrisk argues that receiving the treatment you need may come at a price, depending on how comprehensive your medical scheme cover is (see "What you can expect your medical scheme to cover for stage zero cancer", below), and you may have other financial needs while you undergo treatment for stage zero cancer.

Altrisk says that screening tests for stage zero cancer are just as onerous and expensive as those for the more advanced stages of cancer, and the diagnosis may be no less emotionally devastating.

Stage zero cancer does not feature on the Standardised Critical Illness Definitions Project (Scidep) grid drawn up by the Association for Savings & Investment SA (Asisa).

Life insurers who are members of Asisa have agreed to use the grid to show you, as a policyholder or potential policyholder of a critical illness policy, what they will pay out for each of the four standardised severity levels of the four main critical illnesses. One of the four main illnesses is cancer.

Peter Dempsey, deputy chief executive of Asisa, says the purpose of critical illness policies is to provide cover for life-changing events.

Stage zero cancers are not on the grid, because they are seen as “fully curable with minimal intervention and cost”, he says.

However, life insurers are free to offer additional benefit levels should they so choose, Dempsey says.

Dr Peter Bond, Old Mutual’s chief medical officer, says many life insurance companies do offer cover for breast cancer at stage zero in their critical illness policies, but this cover is typically at a lower percentage of the sum assured.

As a result of regular check-ups, you may be diagnosed with a stage zero cancer of the breast, bladder or cervix, or a melanoma may be found, Bond says.

However, generally you would be fortunate to be diagnosed with any other cancer at stage zero, because there are no symptoms that would lead to a diagnosis, he says.

If you require surgery as a result of a diagnosis of stage zero cancer, you are likely to be covered by your medical scheme, and surgery results in 99 percent of such cases being cured, Bond says.

Dr Maritha van der Walt, chief medical officer at Discovery Life, says Discovery’s critical illness policies cover breast cancer in-situ that is treated with a mastectomy, as well as prophylactic mastectomies, because of the life-changing effect of such mastectomies.

Discovery Life’s critical illness policies exclude other in-situ cancers, because you have a very good chance of making a full recovery.

Van der Lith says some cancers, such as pancreatic cancer, present only in their more advanced stages, because there are no cost-effective screening methods.

Nicholas van der Nest, divisional director of risk product management at Liberty, says Liberty’s critical illness policies pay for mastectomies required for breast cancer in-situ. However, Liberty’s policies exclude other stage zero cancers, because the purpose of a critical illness policy is to provide for expenses related to adjustments to your lifestyle after a critical illness, and medical schemes would generally pay for surgeries related to stage zero cancer diagnoses.

Although it is true that nowadays most cancers are detected at an earlier stage, it is also true that the residual impact of cancer on a person’s lifestyle is severely reduced the sooner the cancer is detected and treated, Van der Nest says.

You should not rely on a critical illness policy to provide cover for medical expenses associated with an illness, because these expenses should be met by your medical scheme, hospital cash plan and/or gap cover insurance, he says.

The question you need to ask is whether you will have to make adjustments to your lifestyle following a diagnosis of stage zero cancer, Van der Nest says. If the answer is no, it is Liberty’s view that a critical illness contract should not provide cover for the illness.

BrightRock says that its policies include cover for many of the stage zero cancers that Altrisk covers with its add-on benefit.

BrightRock executive Schalk Malan says the benefits are tiered in line with the severity of the condition, so typically the payout you would receive on diagnosis of a stage zero cancer would be lower than the amount for which you are assured.

Benefit is based on Altrisk director's personal experience

Altrisk developed its additional benefit for stage zero cancer following its underwriting director's personal experience of pre-malignant cancer.

Dalene Allen had a check-up with a dermatologist, who discovered a mole that had to be removed.

The mole turned out to be a melanoma (tumour of melanin-producing cells) and resulted in Allen undergoing a major skin graft and making numerous visits to the dermatologist and a plastic surgeon.

Thereafter, she had numerous tests, screening procedures, scans and visits to a radiologist and a specialist oncologist.

As part of the standard screening procedure, Allen also had to have a chest X-ray, which revealed a shadow on one of her lungs. To determine if the shadow on her lung needed to be treated, Allen had to have a very expensive scan, which was not covered by her medical scheme.

Fortunately, her lungs were fine.

In total, Allen spent close to R70 000 on tests, screenings and surgery. About 75 percent of this amount was recovered from her medical scheme, although Allen had to settle the accounts upfront and there were a good few thousand rands that were not paid by her scheme.

Allen's critical illness policy did not pay out, because the depth of her melanoma was not severe enough to qualify for a benefit.

Allen then realised that stage zero cancer diagnoses are on the increase, but people may not be covered financially for being diligent and going for regular check-ups.

Had Allen enjoyed the benefit of Altrisk's add-on benefit for stage zero cancer, she would have qualified for a R50 000 payout on diagnosis.

Altrisk's stage zero cancer benefit is an ancillary benefit on its critical illness policy.

The benefit covers 17 in-situ carcinomas (cancers that begin in a tissue that lines the inner or outer surfaces of the body), which are typically excluded from critical illness policy benefits. It provides a sum assured of up to R100 000 – 50 percent payable on diagnosis with treatment and 100 percent if you need an organ removed.

Allen says the benefit may be improved once the claiming patterns for it are established.

Altrisk says your financial adviser should make sure that you understand what is and is not covered by a critical illness policy, and this includes making you aware that many policies do not provide cover for stage zero cancer.

Remember

If you can afford only a limited amount of critical illness cover, make sure you have the most comprehensive medical scheme cover you can afford, as well as income protection cover.

Be careful of taking critical illness cover as an accelerated benefit (early payout) of a disability or life assurance benefit, because this could result in your having inadequate cover for disability or death when you need it later.

If you can afford to take out critical illness cover, make sure you cover yourself against the illnesses that are most likely to have the most serious impact on your life. One in seven men and one in eight women in South Africa will suffer from cancer during their life, the most recent National Cancer Registry statistics show.

Once you have cover for the basics, cover for things such as stage zero cancer is good to have if you can afford it.

What you can expect your medical scheme to cover for stage zero cancer

You can't bank on prescribed minimum benefits (PMBs) to ensure that your medical scheme will cover your treatment for pre-malignant cancer or pre-cancerous cells.

But if you belong to a medical scheme option with a high level of benefits, your treatment may well be covered, albeit to a variable extent, by your hospital benefits.

David Eedes, a clinical executive for Icon, an independent clinical oncology network, says that in many cases of stage zero (pre-malignant) cancer, you are not entitled to the cover that the PMBs provide for cancer, because, in order for the disease to be classified as cancer, the cells have to be invasive, rather than pre-malignant, as they are in stage zero cancer.

If you require surgery for stage zero breast cancer or a cone biopsy for stage zero cancer of the cervix, your medical scheme should cover your in-hospital treatment, but your doctor and anaesthetist may charge a higher rate than that at which your scheme will reimburse them. If you require radiation after the surgery, you should be covered by an option with high-level benefits, because this is usually viewed as an in-hospital treatment. But if the treatment has to be funded from your day-to-day benefits, you may face a serious shortfall.

Eedes says the five weeks of radiation that may be required after breast surgery or a lumpectomy for stage zero breast cancer could cost between R60 000 and R70 000. After such treatment, you will need regular and possibly expensive screening, but you may be able to upgrade your option before you need the screening.

You should buy the best medical cover you can afford, and consider topping up cover that has limits with, for example, a gap cover insurance policy, Eedes says.

However, he warns that gap cover policies can have strict conditions that can result in benefits being denied, because your illness does not meet all the requirements that would qualify you for a payout.

Peter Jordan, principal officer of Fedhealth, says although Fedhealth's oncology benefit may not cover your treatment for stage zero cancer, each case is assessed on its merits and the cover will vary depending on your needs and the medical scheme's managed care protocols.

Fedhealth covers diagnostic tests, such as blood tests or mammograms, from its pathology or wellness benefits, while biopsies (removal of tissue to determine the presence or extent of a disease)

are covered from the hospital benefit in line with the scheme's clinical guidelines, rules and benefit limits.

Fedhealth allows its members to buy up to a higher option when they are diagnosed with a life-changing condition, so they can access treatment that is appropriate to their needs, Jordan says.

However, most medical schemes do not allow you to move to a higher option during the year, only at the beginning of each year.

Alain Peddle, head of research and development at Discovery Health, says if you are a member of a medical scheme administered by Discovery and you have histological (microscopic study of tissue) confirmation of a malignancy, rather than a particular stage of cancer, you can register for the oncology benefit, which will give you access to the benefits provided by your chosen option.

If the cancer requires surgical management, the hospital benefits will apply according to your option and the scheme's rules.

PMB's include only 'treatable' cancers

The prescribed minimum benefits (PMBs) cover only what are defined as "treatable" cancers.

The PMBs are benefits that your medical scheme must by law provide, and the treatment must be paid for in full. However, medical schemes are entitled to list providers you must use in order to enjoy full cover for the PMBs and to lay down protocols for the treatment of a PMB condition as long as the treatment is not of a lower quality than that which is available from a state facility.

The PMB regulations distinguish between cancers that affect non-solid organs and systems, and cancers of the solid organs.

In terms of the regulations, many cancers of the non-solid organs and systems, such as leukaemia, are PMBs whether or not they are regarded as treatable. A cancer that affects a solid organ is a PMB only if it is "treatable".

A cancer is regarded as "treatable" when: it affects only the organ of origin; there is no evidence that it has spread to other organs (metastatic spread); and it has not caused incurable damage to the organ in which it originated or to any other life-supporting organ.

If all these provisions are not met, a cancer is regarded as "treatable" when there is scientific evidence that more than 10 percent of people with a similar cancer survive on treatment for at least five years.

Source: IOL