Strategic Planning For Oncology Services And Why It Is So Vital In Our Current Environment

Please stand by. The webinar will begin shortly.

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Strategic Planning For Oncology Services And Why It Is So Vital In Our Current Environment

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Today's Presenters

Teri Guidi's strategic planning experience includes developing and implementing strategies at large hospital-based cancer centers as well as leading the planning process as a consultant for numerous community and academic cancer centers across the country.

Jeff Heffelfinger has held positions at both academic and community centers, leading oncology programs operationally as well as developing and implementing strategic plans. His experience also includes facility renovation at an NCI-designated center and joint venture initiatives.

Gina Myracle has directed the Kirkland Cancer Center for 28 years. Her strategic planning experience has resulted in numerous important initiatives, including the design and construction of an 80,000 square foot center, merging oncology practices, and developing Professional Services and Co-Management Agreements.

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Agenda

- Introduction
- Pre-planning
- Strategic Initiatives
- Measuring Results
- Lessons Learned

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Introduction to Strategic Planning

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Pre-Plan Prep Considerations

1. Composition of the Team
2. SWOT (strengths/weaknesses/opportunities/threats)
3. Initiatives Needed/Desired
4. Data Collection & Interpretation
5. Source of Truth for Data

The Planning Team

- Physicians (Champions and Critical Thinkers)
  - Treating disciplines
  - Referring / Supporting disciplines
- Leaders (Formal and Functional)
  - With the power to support the plan
  - With the power to undermine the plan
- Implementers (Front Line)
  - Those who will be responsible for implementation
  - Those who will be accountable for sustaining momentum
- Supporters (Marketing, Finance)

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Laying the Ground Work

- Market Analysis
  - Competition
  - Demand and share
- Financial State
  - What oncology really brings to the table

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Market Analysis - Competition

- Inventory capabilities
  - Your own
  - Your competitors'
- Find the gaps and gluts
- Estimate the "value" of oncology to your competitors

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MedPar Comparison

Medicare Outpatient Claims Data					
Data Point	**Hosp. A**	**Hosp. B**	**Hosp. C**	**Hosp. D**	**Hosp. E**
Oncology Pmts in Top 20 Dx[1]	$894,144	$2,360,100	$110,921	$4,291,744	$2,333,541
Oncology Claims in Top 20 Dx[1]	912	2,026	26	3,101	1,792
Oncology Pmts in Top 20 APC[2]	$1,799,239	$3,088,958	$931,000	$3,680,003	$3,053,494
Oncology Claims in Top 20 APC[2]	5,051	6,859	3,277	8,052	5,186
Oncology Pmts as % of all Pmts (Dx)	8.2%	8.9%	1.4%	17.5%	13.5%
Oncology Pmts as % of Top APC Pmts	32.0%	26.1%	22.5%	31.4%	47.1%

Claims to Medicare for outpatient services -- MedPar data

1: Data for the top 20 ICD-9 diagnosis codes and oncology codes within those top 20

2: Data for the top 20 APCs billed and oncology and/or high oncology use within those top 20

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Market Demand and Share

Service Area	Cancer Case Estimate	Total Hosp. Cases	Market Share	Class 0		Class 1 & 2		Class 3 &4	
				Cases	Market Share	Cases	Market Share	Cases	Market Share
PSA	**219**	**169**	**77%**	**17**	**8%**	**132**	**60%**	**20**	**9%**
SSA									
A	128	42	33%	4	3%	36	28%	2	2%
B	87	45	52%	3	3%	36	41%	6	7%
C	97	3	3%	0	0%	3	3%	0	0%
D	30	9	30%	0	0%	8	27%	1	3%
E	277	77	28%	11	4%	58	21%	8	3%
F	83	37	45%	5	6%	24	29%	8	10%
SSA Subtotal	**702**	**213**	**30%**	**23**	**3%**	**165**	**24%**	**25**	**4%**
Total Service Area	**921**	**382**	**41%**	**40**	**4%**	**297**	**32%**	**45**	**5%**
Outside Service Area		29							
Total Registry Cases		**411**							

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Book of Business

Disease Group	Pts	Cardiology	ED	Hemo - Dialysis	ICU	Lab	Med/Surg Supplies	O/P Svcs	Pharmacy	Radiation	Imaging	Respiratory Svcs	Room & Board	Surgery	Total Charges
BENIGN HEME	45	13,141	105,685	6,462	131,355	348,201	101,454	11,880	32,028		109,159	66,892	744,196	36,129	1,722,070
BENIGN NEOPL	2,036	95,096	1,450,439	-	612,990	2,411,381	2,382,558	110,000	382,947		3,179,618	121,780	3,476,412	8,479,676	23,458,050
BONE	18	3,738	20,608	4,308	72,975	67,944	28,643	4,664	8,262	46,414	134,519	11,878	191,808	32,522	629,674
BREAST	333	67,268	191,539	-	364,875	576,259	550,911	47,015	334,979	4,583,236	1,539,024	99,004	1,291,157	846,925	10,532,859
CNS	27	7,168	75,376		408,660	95,891	178,052	18,543	65,522	262,329	274,551	25,741	532,585	104,743	2,073,687
COLORECTAL	168	72,279	342,343	4,308	1,167,600	1,047,830	1,012,448	15,146	280,466	427,564	1,338,641	396,497	5,596,118	981,327	12,776,926
GI	132	47,455	461,053		715,155	809,175	285,593	41,524	200,480	791,309	1,057,826	317,897	4,052,925	210,190	9,037,409
GU	262	53,810	157,291	19,386	831,915	794,441	1,106,237	6,424	185,114	138,806	1,043,024	176,469	2,423,117	1,394,528	8,369,080
GYN	82	19,063	130,521	6,153	126,490	263,108	165,293	10,472	39,529	234,617	453,391	19,084	1,217,214	279,091	2,974,013
HEAD/NECK	49	5,888	51,190		131,355	60,700	24,292	5,551	24,247	451,709	180,916	122,516	265,456	69,641	1,401,588
HEME/L/L	4,127	1,099,408	10,880,222	251,162	8,122,465	14,144,994	7,512,628	1,461,251	2,611,505	198,026	10,741,189	4,383,186	52,838,267	3,040,086	119,743,133
LUNG	259	108,946	563,071	4,308	1,882,755	1,585,676	851,236	47,854	526,632	1,373,317	2,602,300	1,979,580	6,568,136	698,664	18,888,573
NonOnc/NOS/ Secondary	865	185,129	2,073,471	23,694	1,663,830	1,909,850	730,834	156,444	399,880	1,185,466	2,536,631	776,346	8,960,747	456,763	21,296,769
OTHER	327	59,632	398,108	8,616	379,470	811,233	365,067	53,815	207,828	105,882	1,109,693	219,476	2,768,689	467,888	7,124,454
PROSTATE	234	16,609	134,222		43,785	320,798	556,390	33,149	63,978	2,084,405	354,206	39,451	1,038,974	376,947	5,082,521
RESPIRATORY	5	192	3,733		14,595	21,317	6,955		3,150		41,645	11,780	82,579	6,923	195,375
SKIN	247	1,056	15,115		14,595	219,676	25,567	7,455	157,270	1,523,220	135,009		37,900	228,818	2,368,531
TOTAL	**9,216**	**1,855,878**	**17,053,987**	**328,397**	**16,684,865**	**25,488,474**	**15,884,157**	**2,031,187**	**5,523,817**	**13,406,300**	**26,831,343**	**8,767,578**	**92,086,280**	**17,710,857**	**247,674,710**

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Book of Business

Disease Group	Total Pmts	Direct Cost	Indirect Cost	Net Margin	Margin/Pt
BENIGN HEME	(292,808)	224,126	79,151	(10,469)	(233)
BENIGN NEOPL	(5,476,640)	2,909,177	1,554,192	1,013,271	498
BONE	(73,372)	37,947	22,506	12,919	718
BREAST	(2,577,278)	1,357,020	744,185	476,073	1,430
CNS	(436,453)	513,232	211,431	(288,209)	(10,674)
COLORECTAL	(1,895,868)	1,005,890	544,770	345,208	2,055
GI	(1,142,036)	600,809	343,308	197,919	1,499
GU	(1,339,942)	878,718	409,495	51,728	197
GYN	(537,804)	348,669	192,158	(3,023)	(37)
HEAD/NECK	(280,248)	151,492	88,345	40,411	825
HEME/L/L	(17,360,118)	12,012,172	5,984,182	(636,236)	(154)
LUNG	(2,681,781)	1,681,891	912,142	87,748	339
NonOnc/NOS/ Secondary	(2,864,726)	1,401,462	766,433	696,831	806
OTHER	(1,308,127)	787,991	396,966	123,170	377
PROSTATE	(1,047,357)	612,215	325,901	109,241	467
RESPIRATORY	(23,864)	10	7	23,846	4,769
SKIN	(511,144)	330,617	194,675	(14,148)	(57)
TOTAL	**(39,849,566)**	**24,853,438**	**12,769,845**	**2,226,282**	**242**

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Recent Common Initiatives

- Hospital/Physician Alignment and Integration
- Improving Patient/Community awareness of service distinctions
- Multi-disciplinary Clinics
- Service Line Restructuring
- Physician Leadership Development
- Facility Expansion
- Academic Affiliations

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Hospital/Physician Initiative

- 2010
  - 1 employed med onc and 2 private groups
  - Donation to support bringing all services under a single roof
- 2011
  - Engaged consultants for Strategic Plan which called for a new building
- 2012-2013
  - Construction
    - Interrupted, changed architect and moved forward without the consultants

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Results

- Hospital-based infusion 2014
- Professional Services and Co-Management Agreements with med oncs
- Monthly average growth of 6% in infusions and 3% in daily radiation treatments
- Total growth 2014-2015: 37% infusion and 21% radiation

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What Went Well

- Building Site Decision
- Building Design (slow start, ended well)
- Transparency with potential physician partners
  - Bringing on physician groups, issues with their staff
- Physicians
  - Why PSA and Co-Management?
- Building trust with physicians and staff
  - What is working and what is not

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Next steps

- Strategies for growth
  - Struggles with success, growing too fast
- Space Planning
  - When the design plan and the physician practice patterns collide
  - When your plans don’t match the hospital based system and they win
- Struggling with current and future reimbursement models
- Added FTEs
- Trying to fit into the hospital system
- What we were not prepared for in the PSA model (Meaningful Use and PQRS reporting)

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Improving Awareness of Distinctive Services/Resources

- Bedroom community for Metro area
- Same physician group serving local community
- Utilized billboards in Burma Shave fashion
- Improved community awareness and increased new patient referrals

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Lessons Learned

- Involve Physicians
- Mind the gap! (between the C-suite & service delivery)
- Inform employees (internal marketing)

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Questions

- Any questions not addressed here may be emailed to solutions@oncologymgmt.com
- OMC Group will compile questions and answers and distribute to webinar registrants

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Thank You!

Sincere thanks to all of you for joining us today. We hope that you will keep OMC Group in mind when consulting needs arise in the future.

Financial and Market Analyses	**New Center Development**	**Hospital/ Physician Integration**	**Strategic Planning**
Implementation and Interim Leadership	**Performance and Financial Benchmarking**	**Operational Assessments**	**Revenue Cycle Reviews**

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