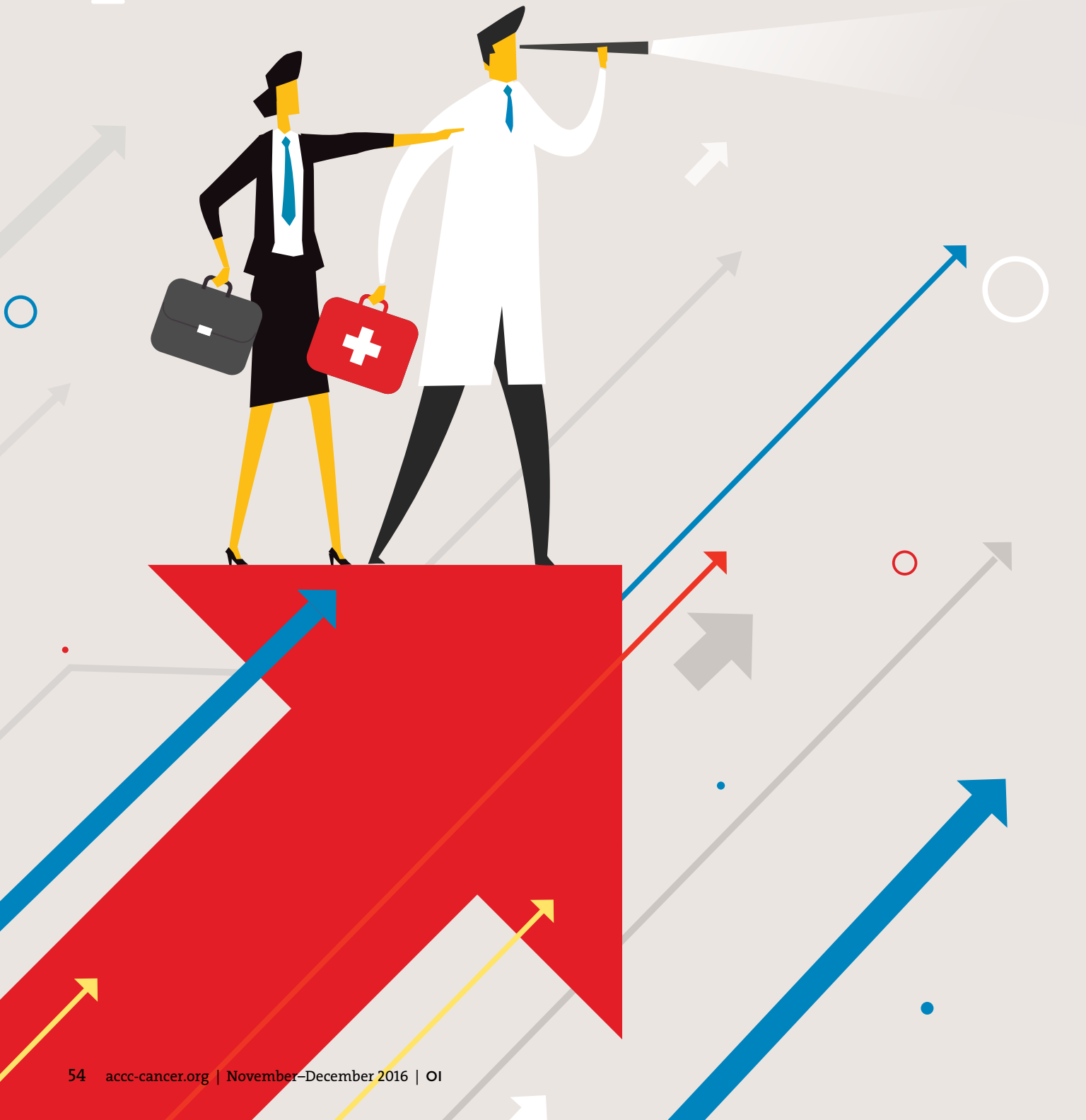
Strategic Planning for Oncology



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Lessons learned from the trenches

Whether chosen or imposed, the amount and pace of change that we are asked to navigate daily in our personal, professional, and organizational environments is a significant challenge for each of us. In the midst of this "controlled chaos" is the call by our hospital and practice leadership for a deliberate, thoughtful, directed, measured, monitored, and wisely executed strategic plan for our respective departments and/or service lines.

Of course, developing and executing a strategic plan within dynamic environments—both internal and external—is a daunting challenge. In addition to multiple operational and financial requirements, we must also address the uncertain future of oncology care delivery, specifically regulatory, legal, and political ramifications as we attempt to establish a clear vision, develop an actionable pathway, and generate a successful outcome for our program. We must also fulfill these expectations while simultaneously meeting ever-increasing demands to generate additional revenue, reduce overall costs, eliminate denials, and produce a contribution margin that supports not only the growth of our own program but also non-reimbursable services, such as navigation and survivorship. Despite potential roadblocks, such as organizational restructuring, competitive pressure from external markets, and increased data demands from both public and private payers, it is possible to establish creative and attainable goals within a strategic plan.

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Several factors need to be considered prior to launching such an endeavor. First, know your audience; it is imperative to know those who will be receiving, interpreting, and supporting your strategic plan. This knowledge will inform format and content. Second, make sure that you have a reliable source for data collection. You must be able to explain and sometimes defend the methodology, as well as the data on which your strategic plan rests. And third, give careful consideration to the composition of your strategic planning team—who will both help develop the plan and champion its implementation. Next, complete a SWOT (strengths, weaknesses, opportunities, threats) analysis with your key stakeholders to help hone in on the types of strategic initiatives to develop for your program. Finally, establish timeframes and mile markers, avoiding potential sinkholes along the way.

The Planning Team

The composition of the team to bring to the table for the initial phase of developing a strategic plan is critical for success. Including a broad spectrum of interdisciplinary perspectives will strengthen both input and outcomes. Each participant brings a unique opinion and vantage point, enriching the conversation and contributing to the overall success of the process.

Historically, there has existed a diametric and sometimes challenging chasm in perspectives between administration and

medical staff. In today's world, efforts are being made to bring these viewpoints into alignment so that the gap, if not narrowing, is at least resulting in improved collaboration. Physician representation in the strategic planning process is imperative. However, keep in mind that physician colleagues will likely use the same skill set in the strategic planning as they do in their daily clinic. From the patient perspective, we want physicians to apply a laser-like focus on reviewing the data to quickly assess anomalies, identify potential causes, and create a plan to treat the abnormality. When we invite physicians into the strategic planning process, we suddenly expect them to adopt an open-ended, collaborative approach, which may not happen. The expectations, however, should be to invite, accept, and harness critically minded, data-focused perspectives to the project at hand, understanding and appreciating that this skill set will keep the group on track and push the members beyond a placid planning process. And, when inviting clinically-minded colleagues into the planning session, make sure to include those who may have an indirect influence on the plan. Gaining the perspective of staff who will be referring patients (PCPs, surgeons, etc.) or staff who will be providing supportive services (imaging, pathology, etc.) is beneficial.

In addition to the physician leaders, be deliberate about bringing an array of both formal and informal leaders into the process. Obviously, your organization has delineated roles and responsibilities with titles and job descriptions that will identify the formal leaders who should be involved in the strategic planning process. There are also long-term and charismatic leaders among your staff whose input, influence, and support will serve to propel your plan forward and whose disapproval may seriously inhibit or stall the overall success. Don't hesitate to ask for the participation and input from your most influential—formal or informal—leaders.

A third group to have represented during the strategic planning process is the front-line staff; those who will ultimately bear the responsibility for initiating and sustaining progress. Initially, you may need to encourage these staff to express their opinions, but if allowed to find their voice within the larger group, their insights will be both practical and foundational to a successful implementation process. Front-line staff bring both the technical expertise as well as a real-world perspective when it comes to actually applying tactics and altering processes.

And finally, don't forget to involve representatives from supporting service lines or departments, such as Finance, Marketing, or Recruitment. We often develop strategies that necessitate the collection of data and the delivery of supporting materials, such as brochures, pamphlets, or website upgrades, without thought or consideration for the current workload, priorities, or assignments already in the queue for these departments. Having these representatives seated at the table initially will allow for the development of reasonable expectations when it comes to delivering on agreed upon timelines.

Laying the Ground Work

In general, it is best to begin with a market analysis to understand where your cancer program stands compared to your competitors. This analysis is two-pronged, encompassing both "soft" and "hard" data. Soft data requires taking a long, hard look at your own program, setting aside any preconceived notions. While you may believe that your program is fantastic, others likely have their own impressions and opinions. If your "star" breast surgeon is not seen as a star by the primary care physicians, patients will not be referred. If you think your marketing activities are strong but your community or physicians are unaware of those messages, then your marketing is in need of revamping. To know how your program is perceived, you must ask your customers (patients, physicians, and even payers) for their honest opinions and then listen to them.

Take an inventory of your services and those services your competitors offer, including:

- Physician specialties and subspecialties
- Equipment and clinical services
- Supportive services and programs.

Look for gaps in both; those gaps are your potential strategic initiatives. MEDPAR (Medicare Provider Analysis and Review) data is also useful in this analysis.

Market Share

Market demand and market share are, for oncology, very difficult to calculate accurately. This is partly because the vast majority of hard data available is hospital discharge data. However, on average, an oncology patient experiences between 1.6 and 2.1 hospital admissions for cancer-related care over his or her entire lifetime, according to the American College of Surgeons CoC Cancer Datalinks. The remainder of care is delivered in the outpatient setting. Accordingly, cancer programs must use a more complicated approach to calculate market share.

First, using a data source such as the U.S. Census Bureau, estimate the population in your market. Granted, these data are somewhat old and may need to be projected to current and/or future years. Next, from a source such as the American Cancer Society (ACS) or the Centers for Disease Control (CDC), calculate the expected cancer incidence in your market. Again, the data is not completely accurate, but it provides the most reasonable estimate possible—unless your state cancer registry has something more current and more specific.

From the above data, you now have a useful view of the demand in your market. To calculate your share, compare the expected incident cases to your cancer registry data, using Class

of Case to identify those patients who migrated in or out of your health system and those whom you captured and kept.

Financial analysis is a key component in eventually prioritizing strategic initiatives, particularly in terms of identifying specific disease sites to focus on. To accomplish this, run reports by department and diagnosis: charges, costs, and reimbursement for all patients with a cancer-related diagnosis as defined by ICD-10 codes. This will help identify disease types that are generating positive margins across all departments. In addition to learning that, for example, brain cancers generate high margins across all hospital departments (e.g., imaging, lab, pharmacy, and others as well as infusion and/or radiation), an initiative to grow your neuro-oncology services may be a good choice if there is sufficient patient demand not being captured. Conversely, some cancers generate negative margins so investing funds to grow these programs may not be a wise choice.

All of this data and information allows the strategic planning team to build a list of initiatives that have potential for growth and success. Added to those are initiatives to address issues like changes in reimbursement models, such as Accountable Care Organizations and the Oncology Care Model, as well as various bundled, episode-of-care, and "value-based" models. Some recent initiatives that cancer programs have undertaken include:

- Hospital/physician alignment and integration
- Strategies to improve patient and community awareness of service distinctions
- Multidisciplinary clinics
- Service line restructuring
- Physician leadership development
- Facility expansion
- Academic affiliations.

Below we offer two specific case studies of successful strategic initiatives.

Hospital/Physician Initiative

One healthcare system identified integration with the medical oncology practice as a strategic initiative in 2010. At that time, the comprehensive cancer program, established in 1990, had services situated in various locations throughout the hospital. In 2010—through a multi-million dollar donation—the hospital formalized a vision for a comprehensive cancer center on the hospital campus. The oncology medical staff at the time consisted of one employed hematologist/oncologist and two private free-standing physician-owned oncology groups offering chemotherapy and infusion at their clinic locations. The hospital contracted with a private group to offer radiation oncology services, which were provided at the hospital.

The hospital engaged oncology specialized consultants in 2011 to develop strategies for the new comprehensive cancer program, center location, and center design. In 2012 the design process was interrupted for a change in architects and then moved forward without the consulting group. After engaging a second consultant group to work with the physician practices and the hospital, professional service agreements (PSAs) and co-management agreements between all groups were signed. The integration of hospital and oncologists was the first true hospital/physician integration and leadership model for this healthcare system.

With building design and construction complete in 2013, radiation therapy services were moved into the new location in December of that year. All other services, including three physician clinic practices, were phased into the new location over the next four months. Today, nine providers practice under a unified name with the anticipated addition of two more providers during the next few months.

The growth of this cancer program has been phenomenal. Over the first year of operation there was a monthly growth of six percent in infusion services and three percent in average daily radiation treatments. Hospital leadership supported the new cancer center and its physicians by investing in staff, including chemotherapy certified registered nurses, support staff, a genetic counselor, nurse navigators, a phone triage nurse, a dietitian, a social worker, and pharmacists—all dedicated solely to the cancer center.

What went well in the process? The building site has proven to be an excellent selection, and even though the building design got off to a slow start, the end result was a beautiful and functional facility with a healing environment. The relationships between the physicians, cancer program leadership, and hospital administration have proven to be very successful with a level of trust and transparency at the foundation. These stakeholders regularly engage in honest and crucial conversations regarding the operational and financial aspects of the cancer center.

As with most strategic plans, some decisions and actions might have been done differently. For example, strategic planning and growth strategies should have included how to handle "growing at a faster than predicted rate." The cancer center is now experiencing the dilemma of adapting the new building model and the growth rate without any service disruption. The merger of two freestanding physician practices into an unfamiliar clinic design, and the merger of different practice patterns can be huge disruptors unless the communication is flowing uninterrupted between cancer program leadership and physicians. A comprehensive cancer center operation is very hard to fit into a hospital unit model, and when one maintains hospital-based status, it can be very difficult to walk the fine line between what is the best for the cancer center and what is best according to the hospital system's C-suite. The fast track of preparing the PSA model was difficult; reporting of CMS (Centers for Medicare & Medicaid Services) quality measures continues to be challenging.

In short, even when all of the key stakeholders are able to

develop mutual trust and shared incentives, there will always be challenges in bringing physician practices and hospital-based programs together. However, these challenges can be overcome as long as the trust and aligned interests remain.

Improving Community Awareness of Cancer Services

While much focus is placed on addressing more complex and somewhat sophisticated processes, the tactics that emanate from a strategic plan can be quite simple and straightforward. For instance, a rural facility with a history of financial fluctuations located in a bedroom community had developed a reputation for being a "Band-Aid" station amongst the commuting crowd. The facility was considered to be adequate for the treatment of minor injuries or simple procedures, but if residents required more complex healthcare, many made the decision to travel an hour north to the nearest metropolitan area.

Unbeknownst to the commuters, a group of physicians from a metropolitan practice were actually providing services in their local facility.

To raise awareness of this medical expertise provided in the community, the hospital arranged for a short-term lease of several billboards along key routes to and from the greater metropolitan area. The first billboard in the series asked the question, "What is the difference in care between (here) and (there)?" The next billboard provided the answer—50 miles. The final billboard in the series featured the practice logo and the names of those physicians providing care at the facility right within their community.

The response from the community was immediate, with commuting residents flooding the facility operators with calls inquiring about the cancer services and providers.

While the utilization of billboards may be seem a bit outdated for today's marketing departments, this demonstrates that strategic goals can be executed and achieved with creative and relatively low-cost initiatives. Amidst the lessons learned from this exercise was the importance of including physicians in the conversation. Although the metropolitan-based physician practice was aware that its physicians were treating patients from the rural community, their assumption was that patients were coming to their practice because they worked in the metro area.

Another lesson learned through this endeavor was the importance of internal marketing and communication. While the commuting residents of the area were exposed to the billboards, those who worked within the community, including hospital staff, were not immediately aware of this initiative. As a result, many employees were taken by surprise when informed by their commuting spouse or approached by inquisitive neighbors, fellow church members, and other school parents. In hindsight, providing more comprehensive internal communication would have prepared employees and prevented these uninformed and somewhat embarrassing encounters. This is another reason to include support services, such as Marketing and Communications representatives, on the initial planning team.

Closing Thoughts

Strategic planning can be an exhausting effort, and the nature of the strategic initiatives chosen, as illustrated above, can range from seemingly small and easy goals to very broad-reaching endeavors. The involvement of key stakeholders is vital to success. Whether the initiative is small or large, clinical or programmatic, quick or drawn-out, clear communication and transparency are undoubtedly two of the most important common threads. OI

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