The Advisory Board Company | Oncology Roundtable

# Strategies for Improving Oncology Margin Management

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# Road Map

1 Mounting Margin Pressure

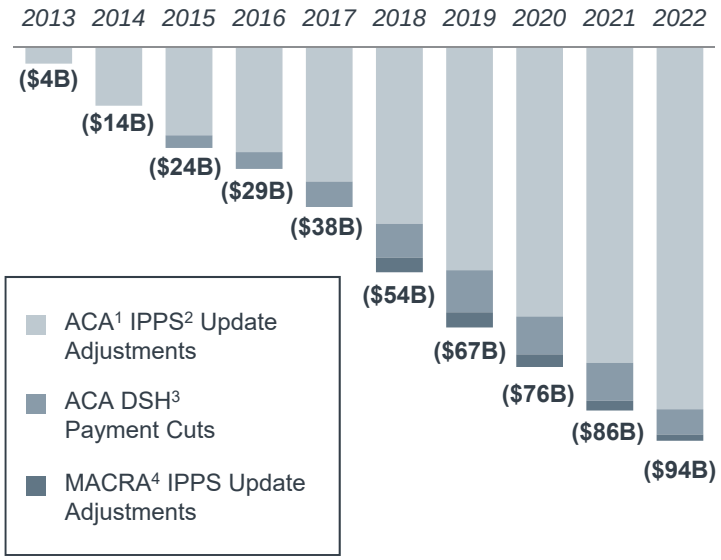
2 Six Opportunities for Cancer Programs

3 Prioritizing for Your Program

# Mounting Margin Pressure

## Providers Facing Major Cuts to Fee-for-Service Reimbursement

### "Productivity" Adjustments and Other Medicare Cuts




### Other Notable Changes

**340B Cuts**

CMS reduces payment for separately payable part B drugs purchased under 340B from ASP+6% to ASP-22.5%

**Site Neutrality**

CMS reduces payment for nonexcepted HOPDs to 50% of HOPPS rate

**Drug Administration Packaging**

CMS conditionally packages select Level 1 and 2 codes, estimated 10% hit to total drug administration reimbursement

**Site of Care Policies**

Private payers aim to move infusion services outside of higher-cost HOPD settings

1) Affordable Care Act.
2) Inpatient Prospective Payment System.
3) Disproportionate Share Hospital.
4) Medicare Access and CHIP Reauthorization Act.



Source: CBO, "Letter to the Honorable John Boehner Providing an Estimate for H.R. 6079, The Repeal of Obamacare Act," July 24, 2012; CBO, "Cost Estimate and Supplemental Analyses for H.R. 2, the Medicare Access and CHIP Reauthorization Act of 2015; *The Daily Briefing*, "How to Understand Last Week's Big Budget Deal," November 2, 2015; Budget of the United States Government (Proposed) FY 2016; Pham H, et al., "Medicare's Vision for Delivery-System Reform – The Role of ACOs," *New England Journal of Medicine*, September 10, 2015; Oncology Roundtable interviews and analysis.

# Continuing Transition to Risk

## Declining Fee-for-Service May Push Providers Toward Value

### Continuum of Medicare Risk Models





| Pay-for-Performance | Bundled Payments | Shared Savings | Shared Risk | Full Risk |
|---|---|---|---|---|
| • Hospital Value-Based Purchasing (VBP) Program<br>• Hospital Readmissions Reduction Program<br>• Hospital-Acquired Condition (HAC) Reduction Program<br>• Merit-Based Incentive Payment System (MIPS) | • Bundled Payments for Care Improvement Initiative (BPCI)<br>• Comprehensive Care for Joint Replacement (CJR) Model<br>• Episode Payment Models for SHFFT,[1] AMI,[2], and CABG[3] | • Medicare Shared Savings Program (MSSP) Track 1<br>• Oncology Care Model (one-sided risk) | • MSSP Track 1+<br>• MSSP Track 2<br>• MSSP Track 3<br>• Next Generation ACO Model<br>• Oncology Care Model (two-sided risk) | • Next Generation ACO Model (full-risk option)<br>• Medicare Advantage (provider-sponsored) |

1) Surgical hip and femur fracture treatment.
2) Acute myocardial infarction.
3) Coronary artery bypass graft.



Source: Oncology Roundtable interviews and analysis.

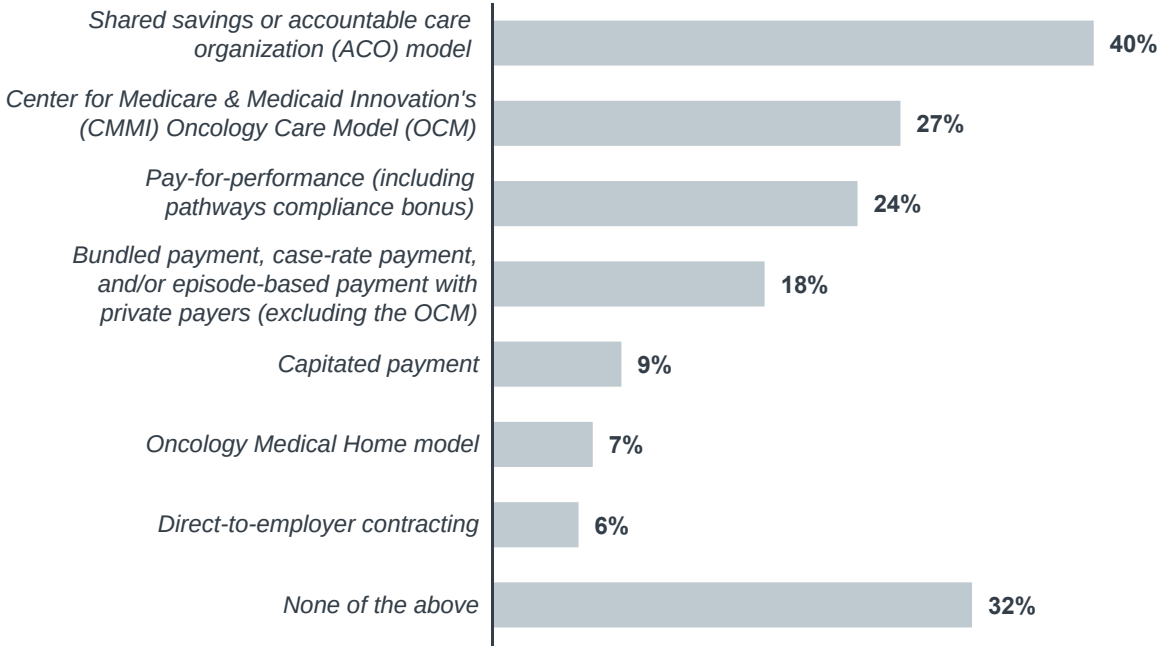
# Cancer Programs Taking on Risk

## Success Contingent on Decreasing Costs, Driving Profitable Growth

**Which value-based contracts does the oncology service line currently participate in?[1]**

*Percentage of respondents, 2017*

n=209




Source: 2017 Trending Now in Cancer Care Survey; Oncology Roundtable interviews and analysis.

# Moving the Mark on Margin Management

## Narrowing Our Focus to Six Key Opportunities

### 1

**Reduce Clinical Care Variation**

1. Implement clinical pathways
2. Create comprehensive care pathways

### 2

**Maximize Revenue Capture**

3. Improve prior authorization processes
4. Double down on financial navigation

### 3

**Prioritize Profitable Growth**

5. Speak directly to patients' priorities
6. Increase the odds patients find you



Source: Oncology Roundtable interviews and analysis.

# Road Map

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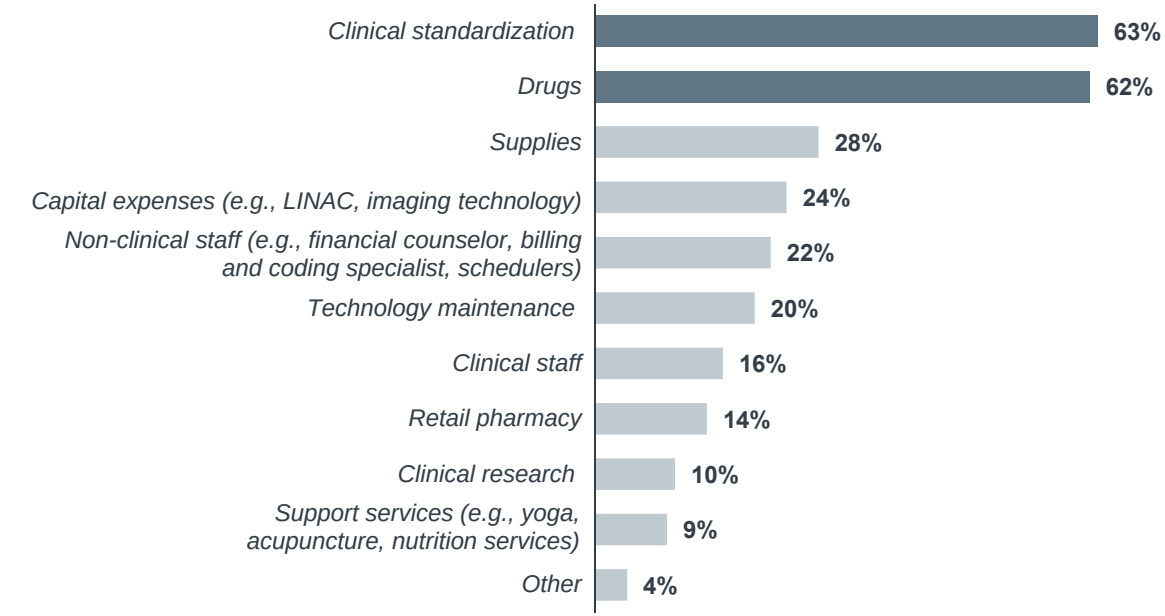
# Reduce Clinical Care Variation

# Realizing the Importance of Care Standardization

**Which of the following are your cancer program's biggest opportunities for cost savings?**

*Percentage of respondents who ranked opportunity in top three, 2017*

n=222






Source: 2017 Trending Now in Cancer Care Survey; Oncology Roundtable interviews and analysis.

# Getting Drug Costs Under Control

## Two Ways Providers Can Manage Their Drug Spend

### Use Less Drugs

**Waste Reduction**

Dose rounding +/-5% to match vial size

**Regimen-Based Scheduling**

Batch schedule patients receiving same high-cost treatments from multi-use vials

**CSTDs[1]**

Can increase the stability of drugs, allowing them to be used later

**Shared Decision Making**

Engaging patients in candid discussion of treatment pros and cons

### Use Lower-Cost Drugs

**Clinical Standardization**

Protocols recommend lower-cost options, when appropriate; potential to negotiate prices


**Biosimilars**

Drug therapies that are highly similar to biologics but are less costly

**Provider and Patient Price Transparency**

Drug value calculators and drug price apps help stakeholders understand drug costs and make treatment decisions

1) Closed-system transfer devices.



Source: Oncology Roundtable interviews and analysis.

# Despite Benefits, Uptake of Pathways Still Limited

## Demonstrating the Cost Savings

### P4 Pathways and Care First BCBS[1] Pilot

**15%** Reduction in total costs for the treatment of breast, lung, and colon cancer patients treated on pathway

### Value Pathways[2] and Aetna Pilot

**35%** Difference in annual outpatient cost for NSCL cancer for patients treated on pathway

### Deloitte Study

**30%** Estimated[3] reduction in drug spend if stage I breast patients were treated on clinical pathway; savings estimated at $21,900 per episode

### Not Widespread

**25%** Of Oncology Roundtable members use pathways for medical oncology

## Common Barriers to Adoption

- Additional steps to physician workflow
- Physician concerns about lack of transparency into pathway development
- Diminished opportunity for shared decision making
- Concerns that selected pathway will not align with payer strategy

1) Blue Cross Blue Shield.
2) Previously known as Level I Pathways.
3) Using Truven MarketScan29.



Source: Neubauer M, et al., "Cost Effectiveness of Evidence-Based Treatment Guidelines for the Treatment of Non-Small-Cell Lung Cancer in the Community Setting," *Journal of Oncology Practice*, 6, (2010): 12-18; Kreys ED, et al., "Documenting the Benefits and Cost Savings of a Large Multistate Cancer Pathway Program from a Payer's Perspective," *Journal of Oncology Practice*, 9, (2013); Reh G, et al., "The Evolution of Oncology Payment Models: What Can We Learn from Early Experiments?" Deloitte, https://www2.deloitte.com/us/en/pages/life-sciences-and-health-care/articles/oncology-payment-models.html; Medical Oncology Vol. Staff. Ops. Survey; Oncology Roundtable interviews and analysis.

# Pathways Continue to Gain Traction with Payers

## Leaders Should Be Proactive in Approaching Payers and Other Providers

**46%**

Of cancer programs that use clinical pathways were required by payers or other outside entities to do so

### Sample Payer Pathway Programs

Anthem.

Anthem's Cancer Care Quality Program

BlueCross BlueShield of North Carolina's Medical Oncology Program

### Bringing Legislation to Pathways

Two state bills currently under consideration that aim to create standards for clinical pathways such as adequate clinical evidence and transparency into pathway development

- *California Oncology Clinical Pathway Act (AB 1107)*
- *Connecticut Senate Bill 435*

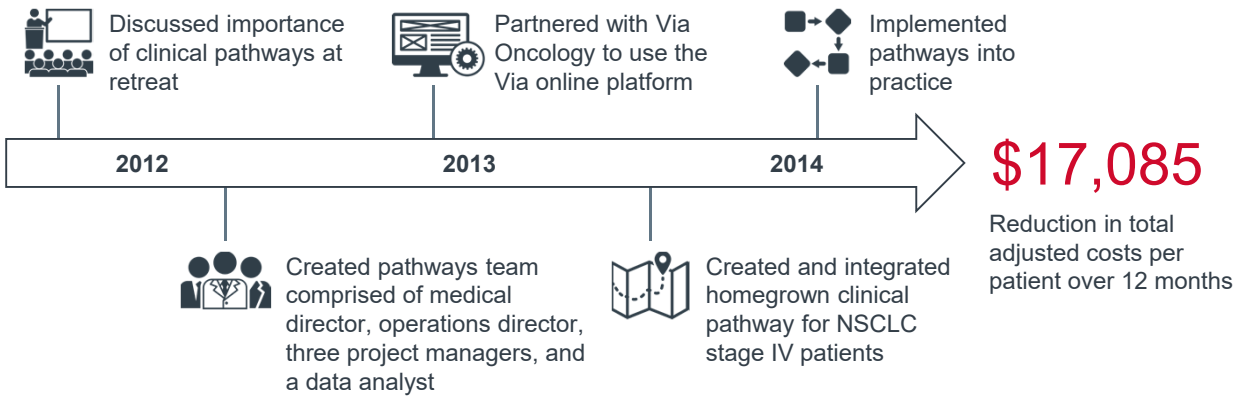
> "**Working together and jointly supporting a clinically vetted, medical decision-making process** that balances population trends with individual patient needs is quite different than simply publishing selected preferred treatments for populations of patients."
>
> *Dawn Holcombe, Executive Director of the Connecticut Oncology Association*

Source: ASCO, "The State of Cancer Care in America, 2017: A Report by the American Society of Clinical Oncology," *Journal of Oncology Practice*, (2017), http://ascopubs.org/doi/pdf/10.1200/JOP.2016.020743; "ASCO Study Shows Anthem's Initiative to Improve Cancer Outcomes and Cost-Effective Care Gains Traction with Oncologists," HealthCore, https://www.healthcore.com/asco-study-shows-anthems-initiative-to-improve-cancer-outcomes-and-cost-effective-care-gains-traction-with-oncologists/; ASCO, "ASCO Applauds California as First State to Consider Oncology Clinical Pathways Legislation," http://www.asco.org/about-asco/press-center/news-releases/asco-applauds-california-first-state-consider-oncology; Celia D, "Debate Over Health Plan-Driven Clinical Pathways Continues," *First Report Managed Care*, August 2016, https://www.linkedin.com/pulse/debate-over-health-plan-driven-clinical-pathways-continues-dean-celia?articleId=7419946221546348056; Oncology Roundtable interviews and analysis.

# Taking a Homegrown Approach

## Dana-Farber Commits Resources to Develop Their Own Pathways

### Overview of Clinical Pathways Development at Dana-Farber

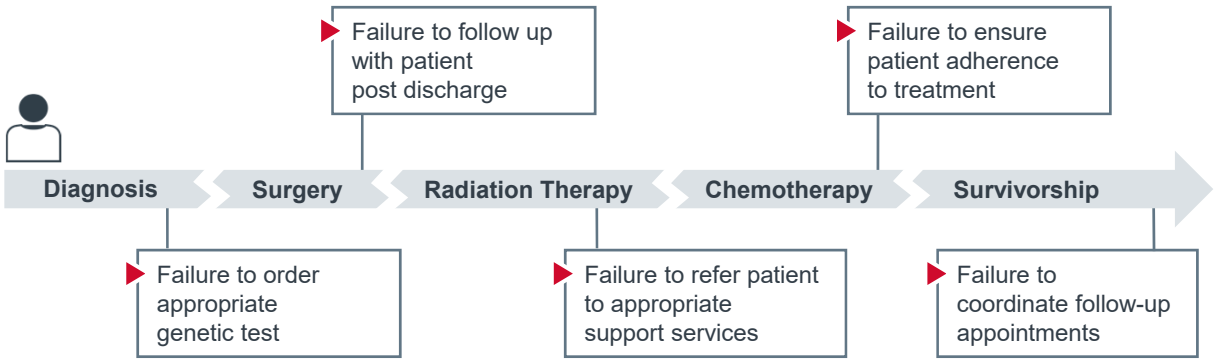



Source: Jackman D, et al., "Cost and Survival Analysis Before and After Implementation of Dana-Farber Clinical Pathways for Patients with Stage IV Non-Small Cell Lung Cancer," *Journal of Oncology Practice,* (2017), http://ascopubs.org/doi/pdf/10.1200/JOP.2017.021741; Dana-Farber Cancer Institute, Boston, MA; Oncology Roundtable interviews and analysis.

# Looking at the Big Picture

## Consider Ways to Standardize Care Across the Continuum

### Common Failures in Delivering High-Quality Care Along Patient Pathway



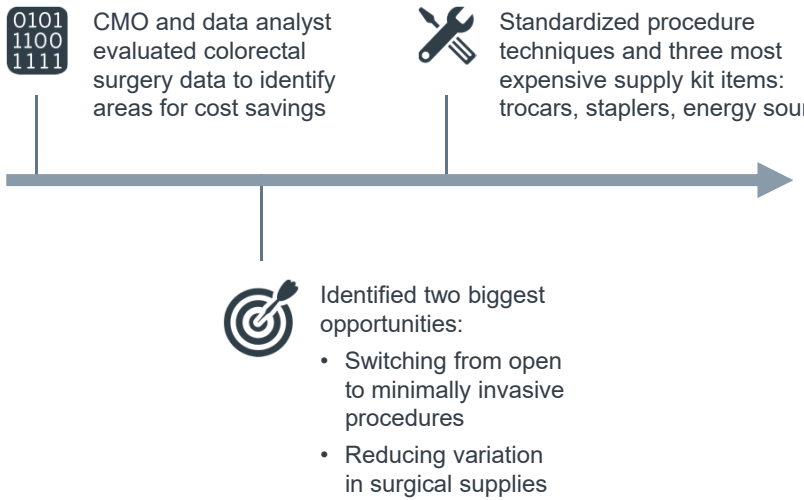



Source: Oncology Roundtable interviews and analysis.

# Focus on Big-Ticket Items

## Snow Hospital[1] Prioritizes Minimally Invasive Surgery, Supplies

### Snow Hospital's Steps to Standardize Colorectal Surgeries






**$1,548**

in estimated cost savings per procedure by standardizing surgical supply kit for lower anterior resections

1) Pseudonym.



Source: Oncology Roundtable interviews and analysis.

# Focus on Big-Ticket Items (cont.)

### Case in Brief: Snow Hospital

- Large health system in Southeast
- Chief medical officer and data analyst evaluated colorectal surgery data for seven common procedures to identify areas for cost savings
- Identified switching from open to minimally invasive colorectal surgeries and reducing variation in surgical supplies as biggest opportunities for cost savings
- Currently working with colorectal surgeons to switch from open to minimally invasive technique, and deciding protocol for surgeons not trained in minimally invasive techniques
- Colorectal surgeons are currently reviewing proposed supply kit that standardized three most expensive supplies: trocars, staplers, and the energy source
- Estimate $1,548 in savings per procedure by standardizing supply kit for lower anterior resections and millions of dollars in total savings by switching to minimally invasive procedures, positioning the organization for success under value-driven reimbursement



Source: Oncology Roundtable interviews and analysis.

# Improving the Colorectal Surgical Pathway

## Key Elements of Johns Hopkins's Integrated Recovery Pathway (IRP)

### Communication

Foster collaboration between entire team, spanning senior leaders to frontline staff

### Standardization

Establish practices based on past experience to be followed before, day of, and after surgery

### Participation

Engage patients in IRP development and treatment decision making

## Outcomes After Implementing IRP

**12%**

Decrease in surgical infection rates

**$2,000**

Decrease in average total cost of treatment

**2 days**

Decrease in average length of stay

Source: Wick, E, et al., "Organizational Culture Changes Result in Improvement in Patient-Centered Outcomes, *JACS*, (2015); Oncology Roundtable interviews and analysis.

# Improving the Colorectal Surgical Pathway (cont.)

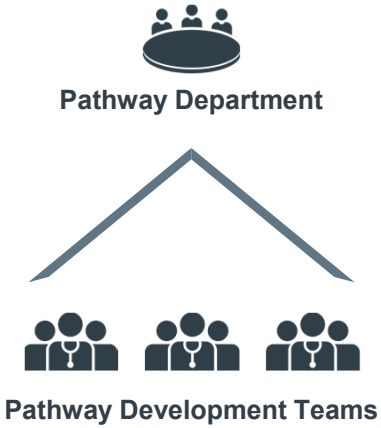
### Case in Brief: The Johns Hopkins Hospital

- 1,056-bed academic medical center located in Baltimore, Maryland
- Created teams across the hospital to develop special protocols, called Integrated Recovery Pathway (IRP), to improve colorectal surgery patient outcomes and experience using clinician and patient feedback
- Integrated IRP into EMR to create visibility and accountability
- IRP established practices such as educating patients about procedure before it occurs, using antibiotics before surgery to prevent infection, and encouraging patient to move soon after surgery to prevent blood clots
- Observed improved patient satisfaction as well as improved outcomes in surgical infection, average length of stay, urinary tract infection, average cost of treatment, and deep vein clots

Source: Wick, E, et al., "Organizational Culture Changes Result in Improvement in Patient-Centered Outcomes, *JACS*, (2015); Oncology Roundtable interviews and analysis.

# Putting the Infrastructure in Place

## Moffitt Enfranchises Clinical Experts to Develop Cross-Continuum Pathways




### Pathway Department

- Started in 2009 with goal of engaging faculty in pathway development
- Provides content standards for pathways, such as:
  - Input from multidisciplinary team members
  - Inclusion of relevant medical evidence, cost data, and prognostic and medical indicators
  - Information about relevant clinical trials

### Pathway Development Teams

- Include experts from medical, radiation, and surgical oncology, and pharmacy
- Include related subspecialists, such as urologists for prostate pathways
- Solicit input from other teams, such as palliative care and precision medicine



Source: Moffitt Cancer Center, Tampa, FL; Oncology Roundtable interviews and analysis.

# Putting the Infrastructure in Place (cont.)

**Moffitt's Pathway Department**

**Medical Director** | **Administrative Director**

**Clinical Pathways Specialists**

Help develop content for online pathways

**Clinical Pathways Informatics Liaisons**

Help develop content and integrate it with the EHR

**Systems Analysts**

Build pathways for both online system and EHR

**Pathways Project Manager**

Responsible for deliverables

**Pathway department collaborates with individual disease-focused interdisciplinary teams for pathway creation.**



Source: Moffitt Cancer Center, Tampa, FL; Oncology Roundtable interviews and analysis.

# Getting Everyone Involved

## Preparation Is Key for Successful Implementation

### Overview of Pathway Development

**Map the patient pathway**

*2-3 months*

- Clinical team maps out patient pathway from diagnosis to end of life
- Incorporates key treatment decisions and touch points by the care team

**Reach consensus**

*1 month*

- Team members present the pathway to their respective departments for approval
- Pathways given to palliative care and precision medicine teams for edits and approval
- Pathway department confirms final pathway
- Engineer integrates the pathway into internal online platform

**Integrate into EHR**

*3 months*

- Collaborate with EHR vendor to upload pathways
- Get input from multiple stakeholders, including RNs, physicians, and other staff, to determine clinical workflow and appropriate order sets
- Provide education and training of all staff on new pathway protocols


EHR integration of the first pathway took 6-9 months; Moffitt then developed a code and tools to streamline the process for future integration



Source: Moffitt Cancer Center, Tampa, FL; Oncology Roundtable interviews and analysis.

# Positioned for Success

## Pathways Make Moffitt an Attractive Partner for Payers

**Since 2009…**

**55** Total number of pathways developed as of March 2017

**3** Number of payment reform models in which they are currently participating

"One of the visions of these pathways was to use them to engage with payers to pilot new payment models."

*Cindy Terrano, VP Payer Strategies*

### Case in Brief: Moffitt Cancer Center

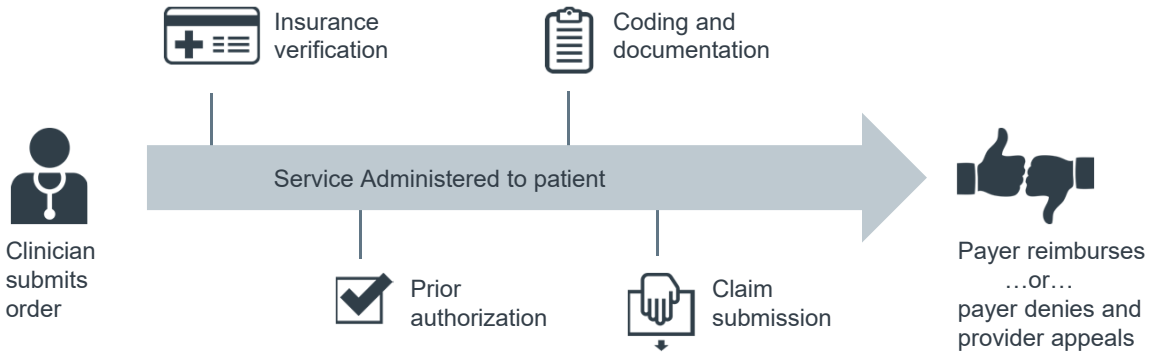
- NCI-designated Comprehensive Cancer Center based in Tampa, Florida
- Pathway department created in 2009
- Created a total of 55 pathways as of March 2017, specific to tumor sites, ranging from diagnosis to end of life
- Pathways developed by teams of cancer clinicians with input from pharmacy, palliative care, precision medicine, and other relevant specialties
- Currently working on integrating the pathways in their EHR; able to integrate three to four new pathways every three months



Source: Moffitt Cancer Center, Tampa, FL; Oncology Roundtable interviews and analysis.

# Maximize Revenue Capture

# Revenue Cycle Process Fraught with Challenges




## Common Causes of Denial

- Service provided outside of insurance coverage
- No prior authorization
- Insufficient information to illustrate medical necessity
- Incorrect coding and/or documentation
  - Wrong drug code
  - Wrong diagnosis code for drug
- Denied claim appealed outside appeal period



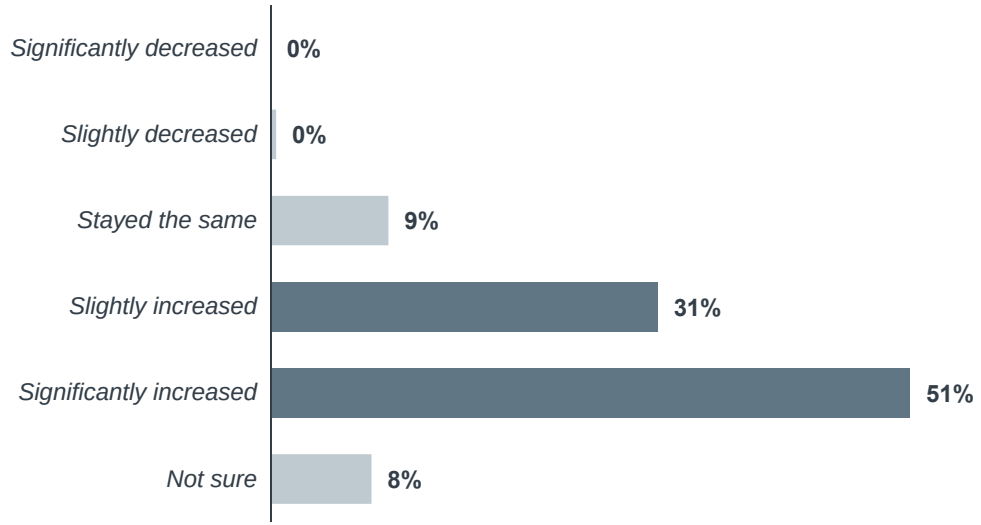
Source: Oncology Roundtable interviews and analysis.

# Pre-Authorizations a Growing Burden

**How has the percentage of services requiring pre-authorizations changed for your cancer program during the past 12 months?**

*Percentage of respondents, 2017*

n=223

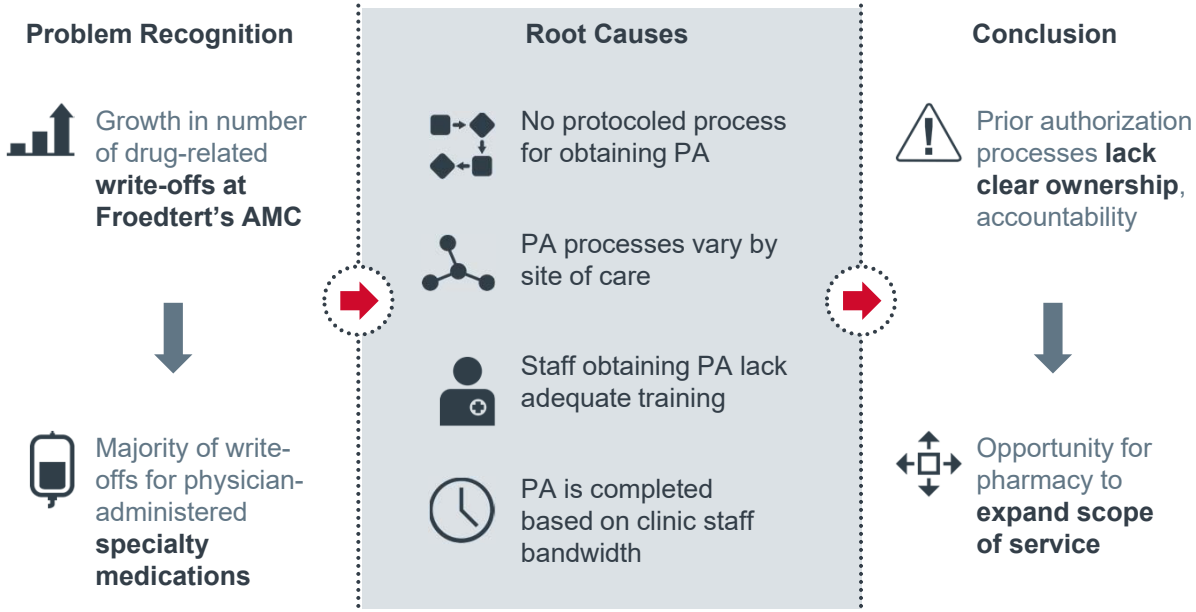





Source: 2017 Trending Now in Cancer Care Survey; Oncology Roundtable interviews and analysis.

# Review of Write-Offs Reveals Missed Opportunity

## Lack of Prior Authorization Ownership a Key Problem at Froedtert






Source: Froedtert and the Medical College of Wisconsin, Milwaukee, WI; Pharmacy Executive Forum interviews and analysis.

# Review of Write-Offs Reveals Missed…(continued)

**Case in Brief: Froedtert and the Medical College of Wisconsin**

- 3-hospital system based in Milwaukee, Wisconsin; system includes an AMC, over 25 outpatient clinics, and 10 pharmacies across Southeastern Wisconsin
- After identifying $4M in specialty medication write-offs from Froedtert's infusion center, the Chief Pharmacy Officer developed a program to ensure prior authorizations (PA) for specialty medications were obtained before drugs were dispensed
- The program started by hiring a Medicare billing and coding specialist to focus on reducing specialty drug write-offs; over the course of 7 years, one-person team grew into 20-person, pharmacy-led team which conducts PA across the system, facilitates petitions for Medicare LCD expansion, and assists patients in applying for vendor-sponsored financial assistance programs
- The team generated an 8:1 ROI in the first six months by reducing write-offs by over 80%; team consistently re-captures $4M in drug revenue per year



Source: Froedtert and the Medical College of Wisconsin, Milwaukee, WI; Pharmacy Executive Forum interviews and analysis.

# Three Key Steps to Program Build-Out

## Prioritizing ROI Leads to Immediate Value, Rapid Growth

**Froedtert's Step-Wise Implementation Process**

1

### Designed Initial Roll-Out to Maximize ROI

- Started with specialty medications billed to Medicare (simpler than commercial payer PA)
- Focused on GI, neurology, and rheumatology PAs (specialties with highest volume of write-offs)
- Expanded to all commercial payer PA for chemotherapy drugs

2

### Demonstrated Value-Add of Pharmacy

- Conducted a pilot study to show value-add of pharmacy techs working on PA as opposed to other staff
- Generated $134K in additional retail revenue capture, justifying two additional FTEs

3

### Centralized Team to Maximize Impact

- Expanded scope of service across entire system, allowing techs to see higher volumes, develop expertise (e.g. Part B or Part D)
- Central location of PA staff facilitates troubleshooting, best practice sharing, and prevents distractions from clinic environment



Source: Froedtert and the Medical College of Wisconsin, Milwaukee, WI; Pharmacy Executive Forum interviews and analysis.

# Current Team a Well-Oiled Machine

## Centralized Team Composition

20 FTEs, all pharmacy technicians

- 6 specialize in Part B
- 11 specialize in Part D
- 3 specialize in patient assistance

## Scope of Services

### Primary responsibility

Prior authorization for all specialty drugs across the system[1]

### Additional work

Facilitate petitions to expand Medicare LCDs

Help patients enroll in medication payment assistance programs

## Centralized Prior Authorization Team Yields Significant Results

**3%**
Payment denials after pharmacy ownership

**$4M**
Annual re-captured drug revenue

**8:1**
Overall ROI of centralized PA team

1) Including drugs dispensed by the infusion center, prescribed by medical group physicians, or filled by Froedtert's specialty pharmacy.



Source: Froedtert and the Medical College of Wisconsin, Milwaukee, WI; Pharmacy Executive Forum interviews and analysis.

# One Size Does Not Fit All

## Decentralized Prior Authorization for Non-Specialty Equally Impactful

### Mizzou Pharmacy's Prior Authorization Team

**Staffing Model**

**Staff Located in Clinics**

Allows faster, more effective communication with clinical staff who inform medical necessity information on PA applications

Team develops close working relationships with physicians and nurses in clinics, expertise with specialty-specific drugs

**Span of Work**

**PA for All Prescriptions**

Expanding beyond specialty drugs allows team to serve additional staff and patients across the system

ROI on non-specialty services comes primarily from converting patients to Mizzou's pharmacy

**Benefits of Decentralized Prior Authorization Team**

| | | | | | |
|---|---|---|---|---|---|
| 8x | Faster turnaround time using pharmacy technicians | $75K | Increase in Mizzou pharmacy margin over first 9 months | 3 | Months until positions paid for themselves |

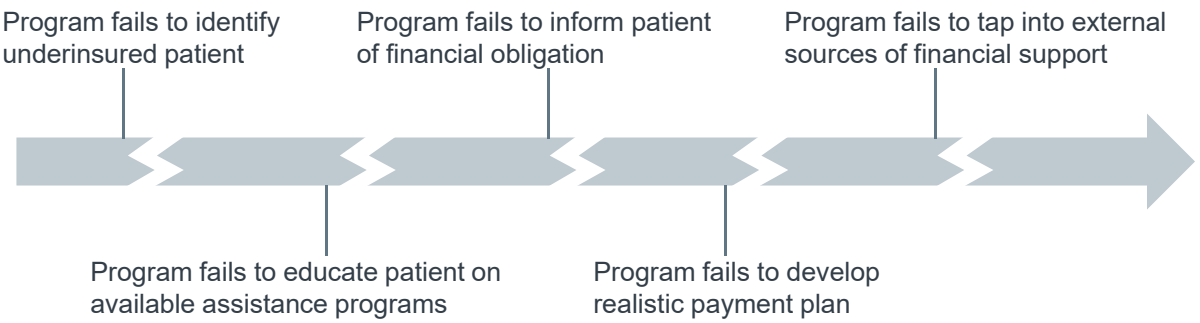
1) Turnaround time.

Source: MU Health Care, Columbia, MO; Pharmacy Executive Forum interviews and analysis.

# Many Patients Falling Through the Cracks

## Cancer Costs Impact Access to Care, Long-Term Financial Health

### Common Breakdowns in Patient Access




**32%**
Percentage of cancer patients reporting cancer-related financial problems

**23%**
Percentage of cancer patients reporting that they postponed recommended health care due to cost

**2.65x**
Times more likely cancer patients are to go bankrupt than people without cancer

Source: Kent EE, et al., "Are Survivors Who Report Cancer-Related Financial Problems More Likely to Forgo or Delay Medical Care?" *Cancer,* 119, no. 20 (2013): 3710-3717; "A National Poll: Facing Cancer in the Health Care System," American Cancer Society, http://acscan.org/ovc_images/file/mediacenter/ACS_CAN_Polling_Report_7.27.10_FINAL.pdf; Ramsey S, et al., "Washington State Cancer Patients Found to Be at Greater Risk for Bankruptcy Than People Without a Cancer Diagnosis," *Health Affairs*, 32, no. 6 (2013): 1-8; Oncology Roundtable interviews and analysis.

# Casting a Wide Net

## LVHN[1] Engages Patients and Staff to Drive Use of Financial Coordinators

### Five Channels Connect Patients to Financial Coordination Team

**Self-Referral**

Patients receive brochure introducing them to financial coordination services, providing contact number for questions and concerns

**Staff Referral**

All new cancer program staff educated about financial services, encouraged to refer any patient at any time

**Multidisciplinary Conferences**

Financial coordinators review weekly multidisciplinary conference schedule, attend conference if patient indicates financial concerns

**Infusion Schedule Review**

Financial coordinators review schedule three days in advance to identify and reach out to high-risk patients, including:

- ✓ Self-pay
- ✓ Medicaid
- ✓ Medicare only

**Distress Screening**

Patients screened at every visit, referred to financial coordinator if they indicate financial concern

1) Lehigh Valley Health Network.



Source: Lehigh Valley Health Network, Allentown, PA; Tobias PF, Ring K, "Financial Coordination Services at Lehigh Valley Health Network," 2014 Patient Assistance and Reimbursement Guide, (2014): 4-10; Oncology Roundtable interviews and analysis.

# Reducing Patients' Financial Burden

## LVHN[1] Secures Significant Assistance, Patient Satisfaction

### Program Successes Across 2013

**$1.3M** Amount secured from drug replacement programs

**$4.3M** Amount of free or reduced self-administered medications secured via pharmaceutical assistance programs

**749** Number of patients who received discounted or free care from internal assistance

**93.3** Patient satisfaction score (out of 100) for financial coordination services

### Case in Brief: Lehigh Valley Health Network

- Health network based in Allentown, Pennsylvania; includes three hospitals, community health centers, a health plan, and primary care and specialty physicians
- Created robust financial assistance program with goal of improving patient access to care while protecting cancer program's revenues
- Through patient education and collaboration with clinical staff, financial coordinators recover significant assistance for patients through drug replacement, pharmaceutical assistance, internal assistance programs, and community resources

1) Lehigh Valley Health Network.

Source: Lehigh Valley Health Network, Allentown, PA; Tobias PF, Ring K, "Financial Coordination Services at Lehigh Valley Health Network," 2014 Patient Assistance and Reimbursement Guide, (2014): 4-10; Oncology Roundtable interviews and analysis.

# Cancer Patient Financial Navigation

Access the Full Publication on advisory.com/or

## 1

*Connect Patients to Financial Navigation*

1. Capture patients from multiple channels
2. Hardwire financial checkpoints

Make the case to expand financial navigation

## 2

*Educate Patients About Their Financial Responsibility*

3. Provide up-front comprehensive benefits review
4. Provide patients with out-of-pocket cost estimates
5. Script compassionate conversations

## 3

*Optimize Patient Coverage*

6. Screen patients for coverage eligibility
7. Enhance partnership with external Medicaid assistance agency
8. Coordinate treatment start with clinical team
9. Hardwire monthly insurance checks

## 4

*Maximize External Assistance*

10. Screen for assistance program eligibility up-front
11. Automate patient eligibility screening
12. Assign billing point person for copay assistance
13. Foster best practice sharing among financial navigation staff

## 5

*Improve Patient Collections*

14. Increase patient awareness of point-of-service collections
15. Train staff for point-of-service collections
16. Develop staff incentive program for point-of-service collections
17. Build realistic payment plans



Source: Oncology Roundtable interviews and analysis.

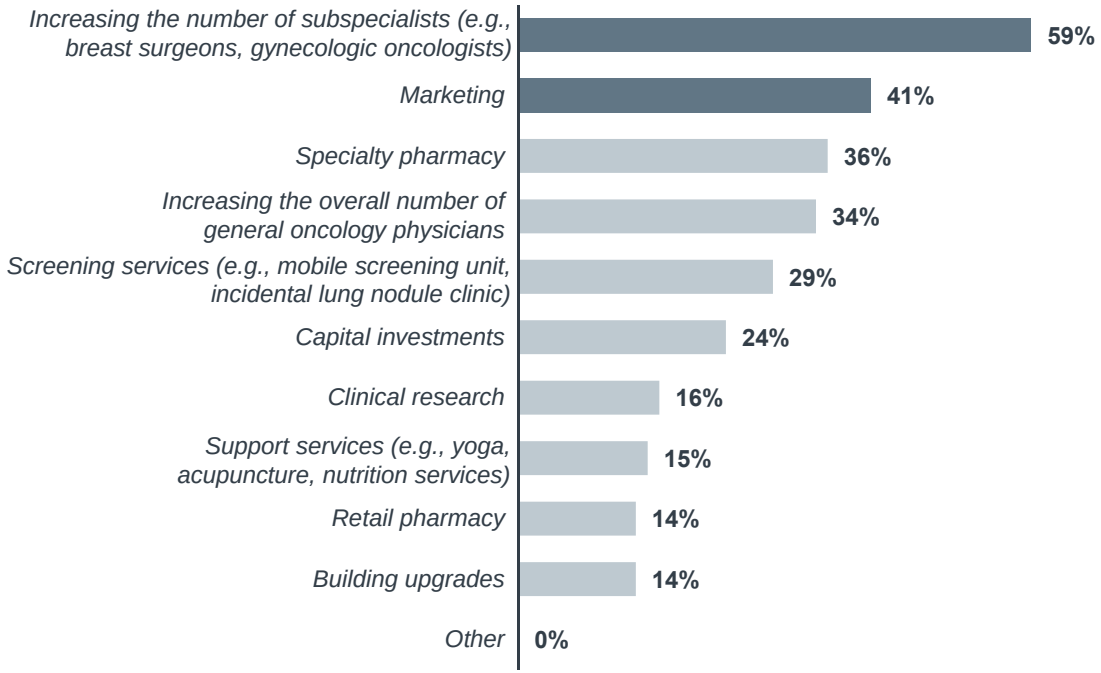
# Prioritize Profitable Growth

# Top Opportunities for Growth

**Which of the following investments do you believe are most likely to yield a return for your cancer program?[2]**

*Percentage of respondents who ranked investment in top three, 2017*

n=221



# Patients Becoming More Independent

## Disrupting Traditional Referral Patterns

### Growing Price Sensitivity

- Rising health care costs
- Patients shouldering larger portion of health care costs
- Patients developing habit of “shopping” for providers to maximize value of care

### Increasing Access to Health Care Information

- Access to and use of the Internet now nearly ubiquitous
- More organizations publishing health care cost and quality data
- Growth in online communities and availability of patient reviews

### Rising Expectations for Service

- Patients gaining experience with retail clinics (e.g., Walgreens, MinuteClinic)
- Patients expect different type of doctor’s visit
- Nature of patient-physician relationship changing; patients become more skeptical and empowered to make decisions about their care



Source: Oncology Roundtable interviews and analysis.

# Two Mandates for Cancer Programs

## How to Address Consumerism in Cancer Care

### 1 Help Patients Select the Right Provider

- Make information about quality, treatments, and service offerings readily available
- Help patients understand quality data
- Make information about physicians readily available
- Train staff to talk to prospective patients
- Help patients understand the importance of a second opinion

### 2 Help Patients Select the Right Services

- Encourage productive patient research
- Improve patient education
- Provide information on availability and value of support services
- Support informed decision making
- Provide comprehensive support for caregivers



Source: Oncology Roundtable interviews and analysis.

# Tailor Your Strategy to Your Patients

## Four Approaches for Marketing Cancer Programs to Patients


**Physician Promotion** | **Team-Based Care** | **Timely Consults** | **Short Wait Times**

### Oncology Roundtable Related Resources

- Physician specialization: Inside the Mind of the Cancer Patient
- Technology and treatment options: Inside the Mind of the Cancer Patient
- Clinical quality: Inside the Mind of the Cancer Patient
- Recommendation from physician: Elevating Oncology Referral Strategy and Oncology Marketing Strategy

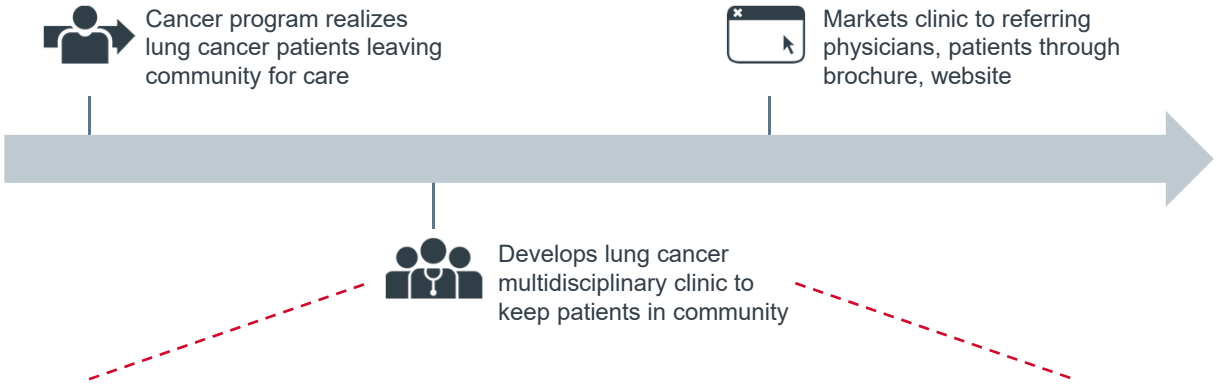


Source: Oncology Roundtable interviews and analysis.

# Overhauling Lung Cancer Care

## Developing and Promoting a Team-Based Approach

### Building a Lung Multidisciplinary Clinic at Aurora Health Care




**Clinical Team**

- Radiation oncologist
- Medical oncologist
- Thoracic surgeon
- Pulmonologist

**Care Coordinator Responsibilities**

- Communicates with patients, families, clinic physicians, referring physicians
- Schedules clinic conferences
- Ensures tests obtained, available to physicians at least one day before clinic

**Clinic Logistics**

- Meets every third week of the month
- Physicians review patient information and develop treatment recommendation
- Team identifies lead physician to consult with any other necessary specialists, patient and family

Source: Aurora Health Care, Milwaukee, WI; Bjegovich-Weidman M, et al., "Establishing a Community-Based Lung Cancer Multidisciplinary Clinic as Part of a Large Integrated Health Care System: Aurora Health Care," *Journal of Oncology Practice*, 6, no. 6 (2010): e27-e30; Oncology Roundtable interviews and analysis.

# Clinic Provides Multiple Benefits

## Aurora Health Care's First Year Results


Percentage increase in lung cancer patient volumes


Percentage increase in gross revenue


Percentage point increase in lung cancer patient retention


Decrease in time from biopsy to treatment initiation

### Case in Brief: Aurora Health Care

- 15-hospital health system based in Milwaukee, Wisconsin
- Realizing that 33% of lung cancer patients were leaving the system to receive care at competitors, cancer program established lung multidisciplinary clinic that includes medical and radiation oncologists, a thoracic surgeon, and a pulmonologist
- Care coordinator manages the program; communicates with patients, families, and physicians; retrieves patient diagnostic information; schedules team conference for thethird week of each month
- Cancer program markets clinic to public and |referring physicians through website, brochures
- During first year of operation, clinic improves patient volumes, retention, satisfaction, gross revenue, and timeliness to treatment start

Source: Aurora Health Care, Milwaukee, WI; Bjegovich-Weidman M, et al., "Establishing a Community-Based Lung Cancer Multidisciplinary Clinic As Part of a Large Integrated Health Care System: Aurora Health Care," *Journal of Oncology Practice*, 6, no. 6 (2010): e27-e30; Oncology Roundtable interviews and analysis.

# Matching Social Media Content to Patient Interest

## Analyze User Behavior to Identify Topics, Format That Resonate

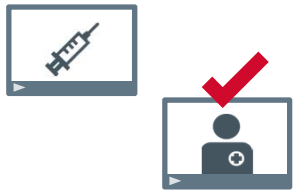
### Analyzing YouTube Viewership at The Nebraska Medical Center

**Identify Highest-Demand Services** → **Pinpoint Precise User Needs** → **Determine Optimal Delivery Methods**

| | Radiology | Cancer |
|---|---|---|
| **Views** | 984 | 2,375 |
| **Shares** | 58 | 186 |
| **Watch time** | 0:56 | 1:39 |

Video engagement statistics found cancer to be most popular by views, shares, and total watch time


Analysis of user viewing patterns revealed frequent re-watching of segment on cancer treatment options



Videos featuring physician narratives performed better than videos featuring treatment graphics



Source: Marketing and Planning Leadership Council, *Capturing ROI on Social Media,* Washington, DC: The Advisory Board Company, 2012; Oncology Roundtable interviews and analysis.

# Using the Right Language

## Keeping the Patient Perspective in Mind

### Building Off the Patient-Doctor Conversation


- Marketing team interviews physicians to identify words commonly used during diagnosis conversation
- YouTube videos are tagged with those specific words

**18%**

Percentage increase in oncology volumes over one year, heavily credited to YouTube strategy

### Case in Brief: The Nebraska Medical Center

- 627-bed hospital located in Omaha, Nebraska
- Analyzed viewership behavior to determine what type of content resonated with patients and found that passionate physicians explaining innovative procedures was most engaging
- To increase appearance of their videos in search results, marketers tagged YouTube videos with key words commonly used in cancer diagnosis discussions
- Strategically tagged videos contributed to an overall 18% increase in annual oncology visits, as well as referrals of complex subspecialty cases tied directly to the related YouTube video

Source: Marketing and Planning Leadership Council, *Capturing ROI on Social Media*, Washington, DC: The Advisory Board Company, 2012; The Nebraska Medical Center, "Head and Neck Cancer," YouTube, https://www.youtube.com/watch?v=kI7qOPqvVy8; Oncology Roundtable interviews and analysis.

# Key Takeaways: Improve Your Online Presence

1. **Your website is the best opportunity to communicate your value to patients.**
   Cancer patients use cancer program websites as a key source of information. To maximize your program's appeal, ensure that your website contains the information patients want, includes language and media that resonate with patients, and is easy to navigate. Use the Website Redesign Toolkit to collect feedback from patients in your market and optimize your website.

2. **Ensure patients can find you online.**
   Programs that develop patient-friendly websites should maximize their benefit by improving patient access to the website. Search engine optimization ensures that your website contains the most common and appropriate search terms used by patients. Programs that invest in search engine marketing need to continually re-evaluate which words to place on ads to maximize conversion rates.

3. **Focus on the content patients want.**
   The most effective way to improve connection with patients online is to deliver the content they find most valuable. In addition to posting patient-driven content on the cancer program website, programs should carefully plan their social media strategy to maximize its impact. Delivering the information patients are interested in and the format that appeals to them can be a cost-effective way to attract new patients.



Source: Oncology Roundtable interviews and analysis.

# Road Map

1 Making Progress, Slowly

2 Six Opportunities for Cancer Programs

3 Prioritizing for Your Program

# Moving the Mark on Margin Management

## Narrowing Our Focus to Six Key Opportunities

### 1

**Reduce Clinical Care Variation**

1. Implement clinical pathways
2. Create comprehensive care pathways

### 2

**Maximize Revenue Capture**

3. Improve prior authorization processes
4. Double down on financial navigation

### 3

**Prioritize Profitable Growth**

5. Speak directly to patients' priorities
6. Invest in online content marketing



Source: Oncology Roundtable interviews and analysis.

# The New Margin Playbook

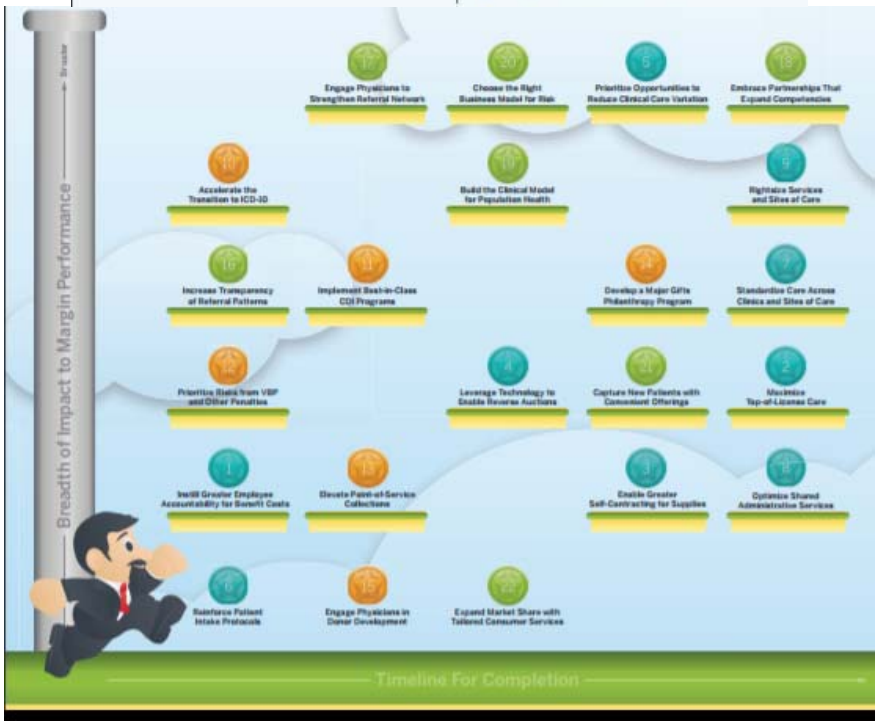
*22 Improvement Opportunities to Reach the Next Level of Performance*

Hospital margins are under intense pressure as the health care industry undergoes permanent structural changes, and slashing costs just isn't enough to adapt. A new margin management strategy is critical to a sustainable financial position. This poster highlights 22 strategies to help steer you in the right direction encompassing cost growth containment, maximizing revenue capture, and capturing new sources of growth. We've organized the strategies below to help you prioritize what to do first, based on immediacy and breadth of impact. For more information or a customized "Margin Intensive" onsite contact fic2@advisory.com.

Main Areas for Improvement

- Containing cost growth
- Maximizing revenue capture
- Capturing new sources of growth

Number of improvement strategy outlined in the New Margin Playbook



# Thank you!

Feel free to reach out with questions:

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