

# Strategically Planning for Change in Oncology

**Association of Cancer Executives 2020 Annual Meeting**  
**Strategically Planning for Change in Oncology**  
**Nancy Bookbinder**  
January 22, 2020



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## Introductions



- Name and cancer program affiliation
- Position and oncology experience
- Hospital bed size
- Number of newly diagnosed cancer cases per year
- Priorities for this workshop

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## Workshop Goals



**At the conclusion of the workshop, participants are positioned to develop an oncology strategic plan for their cancer program.**

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# Strategically Planning for Change in Oncology

## Initial Planning Imperatives

- ➔ Confirm leadership support for plan development.
- ➔ Engage planning, business development, information technology, and marketing leadership.
- ➔ Confirm plan structural requirements for hospital/health system planning.
- ➔ Correlate plan with institutional mission, vision, and "pillars."
- ➔ Identify planning boundaries.

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## Strategic Planning Terms

<b>Mission Statement</b>	Describes organization purpose or reason for being
<b>Vision Statement</b>	» Defines desired future state, providing direction for the organization » Statement explains expected organization results that are measurable and attainable
<b>Guiding Principles</b>	Describes the organization's beliefs and philosophy
<b>Organizational Goals</b>	What does the organization want to achieve?
<b>Strategy</b>	» Approach to achieving strategic goal(s) » Typically long term and broad in scale
<b>Tactics</b>	» Activities intended to achieve an objective » Typically short-term series of activities

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## Strategic Planning Approach



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# Strategically Planning for Change in Oncology

## Key Oncology Planning Elements

- ➔ Medical and Administrative Leadership
- ➔ Clinical Cancer and Program Staff
- ➔ Program Development
- ➔ Alignment
- ➔ Care Transformation/Value-Based Care
- ➔ Research Program
- ➔ Affiliations
- ➔ Facilities and Equipment
- ➔ Technology Requirements, Including Information Technology
- ➔ Payer Relationships and Opportunities
- ➔ Financial Resources

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## Strategic Planning Process

### Data Collection and Interviews

Step

1

#### Methodology

- » Data requirements supporting information collection
- » Selection and scheduling of interviewees
- » Interviews

#### Outcomes

- » Quantification of hospital information, including:
  - › Oncology service trends
  - › Oncology financial information
  - › Oncology program activities
- » Key cancer program participants' input

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## Strategic Planning Process (continued)

### Internal Assessment

Step

2

#### Methodology

- » Data analysis
- » Inventory of oncology-related:
  - › Services and programs
  - › Facilities and equipment
  - › Affiliations
  - › Community education and screening

#### Outcomes

- Assessment of oncology
  - » Service trends and magnitude
  - » Financial position
  - » Cancer services inventory and assessment
  - » Strengths, weaknesses, opportunities, and threats (SWOT)

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# Strategically Planning for Change in Oncology

## Strategic Planning Process *(continued)*

**External Assessment**


**Step 3**

**Methodology**

- » Data analysis
  - › Age-specific cancer incidence rates
  - › Site-specific cancer incidence rates
  - › Oncology modality service demand
- » Competitive assessment
- » Payer opportunities assessment

**Outcomes**

- » Oncology market share by zip code, including five-year cancer patient projections
- » Current and future modality service demand, market share, and met/unmet needs
- » Site-specific market share
- » Competitive forces in the service area and potential partnership and/or affiliation opportunities

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## Strategic Planning Process *(continued)*

**Strategic Planning Facilitation**

**Step 4**

**Methodology**

- » Establish a multidisciplinary oncology steering group.
- » Present and review findings from steps 1 through 3.
- » Develop an oncology strategic agenda.
- » Establish working groups to address strategic opportunities.
- » Rank strategic initiatives.

**Outcomes**

- » Participants' review and input related to findings
- » Development and/or confirmation of oncology program vision
- » Identification of strategic opportunities

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## Strategic Planning Process *(continued)*

**Strategic Plan Development**

**Step 5**

**Methodology**

- » Documentation of planning findings and strategic plan
- » Strategic plan includes:
  - › Goals
  - › Tactics
  - › Timeline
  - › Responsible parties
  - › Outcomes
  - › Metrics

**Outcomes**

Strategic plan document

- » Program assessment
- » Oncology program vision
- » Strategic options and goals
- » Operational requirements to implement strategic plan

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# Strategically Planning for Change in Oncology

## Strategic Planning Steering Group



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## Charge to the Steering Group



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## Engage Planning Support Team

- Cancer Program Manager/Administrator
- Radiation Oncology Departmental Manager/Chief Therapist
- Infusion Area Nurse Manager
- Cancer Registrar
- MIS/Decision Support Staff
- Financial Analyst
- Marketing

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# Strategically Planning for Change in Oncology

## Resources




### Data Resources

- » Cancer registry
- » Electronic health record
- » MIS/decision support staff
- » Planning/marketing/business development staff
- » Financial services
- » Clinical service management staff, including outpatient and inpatient unit managers, radiation oncology administrators, infusion area, home care, hospice director, and survivorship staff



### Information Resources

- » Clinical and administrative staff interviews
- » State cancer registry
- » State/other databases
- » Oncologist(s) practices

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## Cancer Registry Data

Cancer registry data provides:

- » Analytic patient origin by zip code
- » Cancer site-specific patient origin by zip code
  - › In addition to the major sites of cancer, determine the cancer sites most important to your program
- » Analytic patients by class of case
- » Nonanalytic case patient origin (optional)



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## Service Area Characteristics

- » Population pool/age
- » Cancer incidence rates
- » Calculation of cancer patient pool
- » Market share assessment
  - › New or analytic cancer cases
  - › Modalities
  - › Cancer site-specific cases
- » Competitive analysis
- » Geographical/perceived boundaries
- » Outmigration



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# Strategically Planning for Change in Oncology

## Oncology Market Share

	Hospital Oncology Inpatients
	Radiation Therapy
	Ambulatory Chemotherapy and Infusion
	Oncologic Surgical Subspecialties

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## Key Interview Topics

Level of Interest/Support	Care Transformation/Value-Based Care
Programs and Services	Alignment/Integration Opportunities
Competitor activities	Education/Research
Referral Relationships	Affiliations
Payer Landscape	Other Issues

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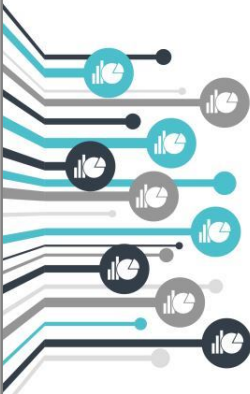
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## Key Areas Supporting Cancer Program Growth



- Projected Cancer Pool Growth
- Clinician Requirements
- Human Capital/Staffing Requirements
- Program Opportunities
- Research
- Technologies
- Markets, Including Outreach
- Affiliation Potential

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### Market Retention



- » Market dynamics may require a focus on market retention rather than market share growth.
- » Realistic projections of market potential or retention are key to success planning.
- » Rapid market changes and consolidation in oncology are a reality.

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### Steering Group Program Assessment Presentation

- Oncology Service Definition and Market Share
- Oncology Referral Patterns
- Competitor Assessment
- SWOT Assessment
- Oncology Program Recommendations



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### Vision Statement Development: Program Vision Component Examples

- Care Integration
- Care Transformation/Value-Based Care
- Recognition/Visibility for Oncology Care
- Geographic Reach/Access to Care
- Research and Innovation



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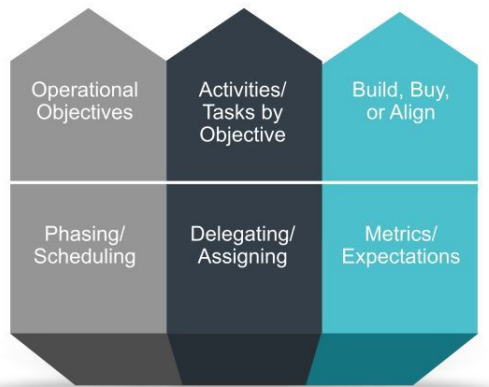
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# Strategically Planning for Change in Oncology

## Strategic Planning Working Groups

- ➔ Convene planning topic-specific working groups.
- ➔ Individual working groups composed of clinicians, administrative staff, and, potentially, cancer survivors or community leaders with experience relevant to working group topic.
- ➔ Working group reviews/articulates best practices for new or expanded cancer program or service.

## Oncology Strategic Plan Components



## Financial Projections

- » Operating pro formas
- » Patient service volumes
- » Gross/net patient revenues
- » Expenses
  - › Operating
  - › Direct
  - › Fixed (equipment, building, land, interest, depreciation)
- » Profit (loss)
- » ROI/net present value

### Strategic Plan Implementation

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### Planning Pitfalls to Avoid

- 1 Focusing on Activities Prior to Setting the Program Course
- 2 Underestimating the Magnitude of Cancer Services
- 3 Failing to Consider Payment Implications of Program Plans
- 4 Limiting "Ownership" In the Program
- 5 Promoting Inappropriate Marketing Messaging or Absence of Program Marketing
- 6 Disregarding Physician Financial Impediments/ Conflicts

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### Keys to Successful Plan Implementation

- 1 Senior Leadership Buy-In and Support
- 2 Clinician and Program Staff Involvement In Planning
- 3 Plan Based On Market Assessment and Metrics
- 4 Clear Accountability and Defined Roles and Responsibilities
- 5 Expeditious Decision-Making
- 6 Oncology Leadership Team Embraces Plan Vision
- 7 Ongoing Monitoring of Outcomes and Metrics— Clinical, Service, and Cost
- 8 Oncology Marketing and Communications Correlate with Planning Goals

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## Additional Resources

## National SEER 21: Incidence Rates

Age Groupings	National SEER Data
AGE 0_4	22.3
AGE 5_9	12.4
AGE 10_14	13.9
AGE 15_19	22.5
AGE 20_24	36.4
AGE 25_29	58.2
AGE 30_34	90.6
AGE 35_39	137
AGE 40_44	222.6
AGE 45_49	360.2
AGE 50_54	574.6
AGE 55_59	863
AGE 60_64	1,245.20
AGE 65_69	1,721.10
AGE 70_74	2,080.30
AGE 75_79	2,346.50
AGE 80_84	2,421.10
AGE 85+	2,245.70

Source: Surveillance Research Program, National Cancer Institute SEER\*Stat software, version 8.3.5, released April 2019 ([www.seer.cancer.gov/seerstat](http://www.seer.cancer.gov/seerstat))

## Comprehensive Cancer Program Organization and Leadership

Product Line

Service Line

Comprehensive Cancer Program Organization and Leadership