



CANCER CENTER BUSINESS SUMMIT

October 25 – 26, 2007
Chicago, Illinois

RESULTS OF THE CANCER CENTER BUSINESS INNOVATORS SURVEY

NOTEWORTHY INNOVATIONS

THE INNOVATORS SURVEY

In early 2007, the Cancer Center Business Summit undertook to identify examples of business or programmatic innovation in the organization and delivery of cancer care that might contribute to the respective cancer care organization's position as a market leader. A national Cancer Center Business Innovators Survey was conducted. We have summarized below a number of noteworthy cancer center business innovations that were identified as a result of this undertaking.

WHAT IS A CANCER CENTER INNOVATOR?

First, what do we mean by a "cancer center innovator?" Innovator organizations are ones that continually upgrade and reinvent themselves. We have proposed that a cancer center innovator combines or configures resources, such as manpower, capital, clinical processes, facility, equipment, typically in response to an environmental or market catalyst, in a manner that results in a distinguishable business model, practice or feature that positions the organization for future sustainability and success.

The innovation might be single-dimensional, such as adding a service line or developing a new work flow process, or it may be as complex as a model for integrating all elements of a comprehensive multi-modality cancer center. Whatever the form of the innovation, something occurs that stimulates this organization to evolve from the comfort level of status quo to a future state organizational construct.

WHAT ARE THE ENVIRONMENTAL-MARKET CATALYSTS?

We have postulated that certain environmental-market catalysts are stimulating such innovation in cancer care delivery and that innovative business models, practices or features are originating in response to some or all of these environmental-market trends.

The catalysts that appear to be fostering innovation are (1) declining reimbursement; (2) increasing cost of new technologies; (3) competitive threats; (4) increasing patient volume and service demand (cancer survivorship and aging population); (5) declining medical manpower pool; (6) patient/consumer expectations; and (7) demand for the demonstration of quality, performance, value.

In our Cancer Center Business Innovators Survey, we asked provider organizations around the country to respond to the above list of catalysts. Responses are shown in Table 1. Those catalysts marked as "consensus" means that for the most part, there was clear agreement among respondents that these were environmental-market catalysts that they were concerned about and/or responding to. Where there was no clear consensus viewpoint as to a particular catalyst, we have listed comments made as to that particular catalyst.

TABLE 1: ENVIRONMENTAL-MARKET CATALYSTS

Environmental-Market Catalyst	Clear Consensus Among Respondents?	Comments from Respondents
(1) declining reimbursement	YES	Lower margins and increasing costs; need to eliminate the “middlemen”
(2) increasing cost of new technologies	YES	Hospital-physician collaboration helps
(3) competitive threats	YES	Hospital v. physician now - Wal-Mart next?; Differentiation is key; 2-hospital JV has eliminated that; consider “internal” threats like the unwillingness to change
(4) increasing volume demand	NO	Not an issue today, but is a 5-year timeframe concern; local competition has resulted in volume decline
(5) declining medical manpower pool	NO	Not directly affected yet – but coming; experience some difficulty in recruiting MDs; staff shortages for RNs, techs
(6) patient/consumer expectations	NO	Affluent and sophisticated market; internet a factor; Not a real factor for us yet
(7) demand for the demonstration of quality, performance, value.	YES	Early stage, but happening; demand is there from payors; hard to measure/ demonstrate

CHARACTERISTICS AND DISTINGUISHING FEATURES

We have further postulated that there are certain characteristics that are common to successful cancer center organization. We asked cancer center innovator survey respondents whether they agreed or disagreed that these were critical success characteristics. Again, where there was clear agreement among respondents that these were important characteristics and critical to organizational success, we indicated “YES” in the consensus column in Table 2, on the following page.

TABLE 2: CHARACTERISTICS AND DISTINGUISHING FEATURES

Characteristic and Distinguishing Feature	Clear Consensus Among Respondents	Comments from Respondents
(1) physician leadership	YES	Physician Vision; governance is the issue
(2) managerial leadership	YES	Mgt. implements the vision; a real weakness in the industry
(3) sustainable capital structure	YES	No money, no mission
(4) sufficient number of providers organized in care teams	NO	Care teams not a necessary element
(5) clinical excellence: evidence-based practice	YES	NCCN guidelines; EBM hard to implement
(6) economic incentives aligned among the providers and other important stakeholders	YES	Hard to achieve
(7) multidisciplinary and multimodality approach to care delivery	NO	Neither are critical to success; know your limits
(8) continuity of care across a broad spectrum of services	YES	Nurse navigator will help
(9) service excellence: patient-focused care	YES	View your service from the patient/customer perspective
(10) cost control and financial management	NO	Don't overlook making investment in tomorrow; economic analysis before implementation
(11) highly visible/dominant in their market	NO	Market dominance not critical; OK to be a niche player

CANCER CENTER BUSINESS INNOVATORS PROFILED

Representative innovator organizations and their respective noteworthy characteristics are profiled in the summary grid that follows. The organizations profiled are by no means an exhaustive list of all cancer care organizations out there that may have innovative business or programmatic features, but is instead a “fly over” of the national scene that gives us a general sense of the trends in the sector and the noteworthy features common to those that have assumed the risk of innovation in response to their market challenges.

We have concluded that there is a growing trend in considering new and innovative business relationships and constructs for cancer care delivery in response, at least in part, to environmental and market challenges. And we believe that by taking calculated business risk and being shamelessly persistent in implementation and follow through, a cancer care services organization increases its chances of sustaining itself in the long term, that is, in surviving and thriving in a rapidly evolving market environment.

Respectfully submitted,

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Noteworthy Cancer Center Business Innovators

- Community Hospital
- Medical Group Practice
- Academic Medical Center

Community Hospitals

1. Cedars-Sinai Outpatient Cancer Center
Los Angeles, California
2. Mount Sinai Comprehensive Cancer Center
Miami Beach, Florida
3. Cancer Institute at St. Joseph Medical Center
Towson, Maryland
4. Cancer Institute at El Camino Hospital
Mountain View, California
5. Trinitas Comprehensive Cancer Center
Elizabeth, New Jersey
6. St. Luke's Cancer Center
Bethlehem, Pennsylvania
7. Alta Bates Summit Comprehensive Cancer Center
Berkeley, California
8. Virtua Health
Marlton, New Jersey
9. St. Vincent's Comprehensive Cancer Center
New York, New York
10. Swedish Medical Center Cancer Institute
Seattle, Washington
11. Van Elslander Cancer Center, St. John's Hospital
Grosse Pointe Woods, Michigan
12. West Michigan Cancer Center
Kalamazoo, Michigan
13. Virginia Piper Cancer Center
Scottsdale, Arizona

Medical Group Practice

14. Comprehensive Blood & Cancer Center
Bakersfield, California
15. Palmetto Hematology Oncology
Spartanburg, South Carolina
16. The Center for Cancer & Blood Disorders
Ft. Worth, Texas
17. New Mexico Oncology Hematology Consultants
Albuquerque, New Mexico
18. California Cancer Care
Greenbrae, California
19. South Carolina Oncology Associates
Columbia, South Carolina
20. Kansas City Cancer Center
Overland Park, Kansas
21. Pacific Oncology Cancer Center
Portland, Oregon
22. New Hampshire Oncology-Hematology
Hooksett, New Hampshire

Medical Group Practice, cont.

23. Commonwealth Oncology Hematology
Quincy, Massachusetts
24. Cancer Care Northwest
Spokane, Washington
25. Central Indiana Cancer Centers
Indianapolis, Indiana
26. The West Clinic
Memphis, Tennessee
27. Integrated Community Oncology Network
Jacksonville, Florida

Academic Medical Centers

28. UPMC Cancer Centers
Pittsburgh, Pennsylvania
29. Dana-Farber Cancer Institute
Boston, Massachusetts
30. Huntsman Cancer Institute
Salt Lake City, Utah
31. Mary Crowley Cancer Research Centers
Dallas, Texas

Oncology Networks (national in scope)

32. **Cancer Clinics of Excellence**
Network of 21 community oncology practices organized to improve patient care through implementation of evidence-based treatment protocols and monetizing the intellectual property generated through such care.
33. **Oncology Circle**
"Knowledge Exchange" and 35 member community oncology practice peer group for clinical and management data benchmarking and data mining.
34. **Catholic Health Initiatives**
System-wide network to develop program consistency within CHI hospitals. Focus on implementing multidisciplinary care approach at community level.

NOTEWORTHY CANCER CENTER BUSINESS INNOVATORS

OCTOBER 2007

ORGANIZATION	PROFILE	NOTEWORTHY INNOVATION
1. Cedars-Sinai Outpatient Cancer Center Los Angeles, CA	Community Teaching Hospital 39 MDs - private practice + faculty. (Med onc, rad onc, surg onc) Major metro, intense competition	<ul style="list-style-type: none"> • All support services contiguous space • Dedicated imaging services – patient convenience • Center open 24/7 • Managed in affiliation with corporate partner
2. Mount Sinai Comprehensive Cancer Center Miami Beach, FL	Community Teaching Hospital 21 MDs (Med onc, rad onc, surg onc) Major metro, intense competition	<ul style="list-style-type: none"> • Satellite facility managed from central office – economies of scale • Satellite radiation treatment planning done remotely • Managed in affiliation corporate partner
3. Cancer Institute at St. Joseph Medical Center Towson, MD	Community Hospital 19 MDs (medc onc, employed + private practice; rad onc JV; surg onc, employed) Suburban, intense competition	<ul style="list-style-type: none"> • MD Director + Admin Director Leadership as model for “co-management” • Multidisciplinary model – patient sees all 3 med specialties at one appointment
4. Cancer Center at El Camino Hospital Mountain View, CA	Community Hospital 10 MDs ((med onc, rad onc, surg onc) Suburban, intense competition	<ul style="list-style-type: none"> • Hospital-based services with private medical practice tenant • Shared admin and support personnel costs
5. Trinitas Comprehensive Cancer Center Elizabeth, NJ	Community Hospital 4 med onc, 1 rad onc Major metro, intense competition	<ul style="list-style-type: none"> • Patient-centered healing environment • Concierge meet & greet and NaviCare patient tracking system • Managed in affiliation with corporate partner

ORGANIZATION	PROFILE	NOTEWORTHY INNOVATION
6. St. Luke's Cancer Center Bethlehem, NJ	Community Hospital 16 MDs (med onc, rad onc, surg onc) Suburban, intense competition	<ul style="list-style-type: none"> Advanced technology radiation and surgery Multidisciplinary care teams
7. Alta Bates Summit Comprehensive Cancer Center Berkeley, CA	Community Hospital 15 MDs (med onc, rad onc, surg onc) Major metro, intense competition	<ul style="list-style-type: none"> Pediatric rad therapy with ped oncologists at Children's Hospital Managed in affiliation with corporate partner
8. Virtua Health Marlton, NJ	Community Hospital 47 MDs – staff Suburban, intense competition	<ul style="list-style-type: none"> Fox Chase Cancer Center – Affiliate First in market with JV for rad therapy RN Navigator program for patient care continuity
9. St Vincent's Comprehensive Cancer Center New York, NY	Community Teaching Hospital 24 MDs -staff (med onc, rad onc, surg onc) Major metro, intense competition	<ul style="list-style-type: none"> Freestanding self-contained facility, includes breast center and ambulatory surgery center 24/7 treatment unit Focus on "niche" services Management in affiliation with corporate partner
10. Swedish Medical Center Cancer Institute Seattle, WA	Community Teaching Hospital – 3 campuses 55 faculty and staff physicians (med onc, rad onc, surg onc) Major metro – intense competition	<ul style="list-style-type: none"> "Virtual clinic" orientation to 12 multidisciplinary cancer programs Matrix management organization: MD Exec Director with full authority & accountability for cancer service line
11. Van Elslander Cancer Center, St. John's Hospital Grosse Point Woods, MI	Community Teaching Hospital 24 physicians (med onc, rad onc, surg onc) Major metro – intense competition	<ul style="list-style-type: none"> Freestanding outpatient cancer center Multidisciplinary approach Mixed staff model: private practice community oncologists plus staff oncologists housed in same facility
12. West Michigan Cancer Center Kalamazoo, MI	Community Hospital Joint Venture 9 physicians (med onc, rad onc, gyn onc) Suburban – friendly competition	<ul style="list-style-type: none"> Freestanding NFP center owned by 2 Community Hospitals

ORGANIZATION	PROFILE	NOTEWORTHY INNOVATION
13. Virginia Piper Cancer Center Scottsdale, AZ	Community Hospital Major metro – intense competition	<ul style="list-style-type: none"> • Blend of community oncology, academic medicine and genomic research • Corporate genomic research partner • Translational Genomics and Molecular Profiling Institutes
14. Comprehensive Blood & Cancer Center Bakersfield, CA	Medical Group Practice 18 MDs (Med onc, rad onc, surg onc) Suburban - rural, intense competition	<ul style="list-style-type: none"> • Freestanding cancer center • Academic Affiliation: UCLA • International: satellite site in India
15. Palmetto Hematology Oncology Spartanburg, SC	Medical Group Practice 5 MDs (med onc) Suburban-rural, intense competition	<ul style="list-style-type: none"> • Private medical practice within hospital-based cancer center • Academic Affiliation: M.D. Anderson • Fully operational EMR practice-wide • In-office dispensing pharmacy.
16. The Center for Cancer & Blood Disorders Ft. Worth, TX	Medical Group Practice 15 MDs (med onc, rad onc) Major metro, intense competition	<ul style="list-style-type: none"> • Freestanding cancer center • Multidisciplinary care • Flexible holding company practice model with multiple service lines • JVs with City for land and hospital for cyberknife
17. New Mexico Oncology Hematology Consultants Albuquerque, NM	Medical Group practice 15 MDs (med onc, rad onc) Secondary metro, intense competition	<ul style="list-style-type: none"> • Freestanding cancer center • Incorporate surgical and rehab services • Satellite site under contract with Indian Health Services • Organizer of community-wide physicians organization
18. California Cancer Care Greenbrae, CA	Medical Group Practice 11 MDs (med onc) Major metro/suburban, intense competition	<ul style="list-style-type: none"> • Leadership in community-based clinical trials • Leadership in defining quality measures • AAAHC Accreditation

ORGANIZATION	PROFILE	NOTEWORTHY INNOVATION
19. South Carolina Oncology Associates Columbia, SC	Medical Group practice 19 MDs (med onc, rad onc, gyn onc) Secondary metro, collaborative	<ul style="list-style-type: none"> ● Freestanding cancer center ● Multidisciplinary and multimodality ● Founding member of oncology network initiative
20. Kansas City Cancer Center Overland Park, KS	Medical Group Practice 36 MDs (med onc, rad onc) Major metro, intense competition	<ul style="list-style-type: none"> ● Clinical pathways: 100% evidence-based practice ● Multiple practice sites ● Management in affiliation with corporate partner
21. Pacific Oncology Cancer Center Portland, OR	Medical Group Practice 15 MDs (med onc) contract for rad onc Major metro, intense competition	<ul style="list-style-type: none"> ● Freestanding cancer center ● Early adopter of mid-level providers ● Protocol standardization through Formulary Committee
22. New Hampshire Oncology Hematology Hooksett, NH	Medical Group Practice 12 MDs (med onc) Suburban - rural, friendly competition	<ul style="list-style-type: none"> ● Multiple practice sites ● Dedicated Oncologic Hospitalist program ● Dedicated patient Advocate program ● JV cancer center development with Community Hospital and AMC
23. Commonwealth Oncology Hematology Quincy, MA	Medical Group Practice 23 MDs (med onc) Major metro/suburban, intense competition	<ul style="list-style-type: none"> ● Freestanding cancer center JV in affiliation with corporate partner ● Multiple practice sites ● Central corporate office management economies of scale
24. Cancer Care Northwest Spokane, WA	Medical Group Practice 16 MDs (med onc, rad onc, surg onc) Secondary metro, friendly competition	<ul style="list-style-type: none"> ● Integrated multidisciplinary care model ● Fully operational EMR practice wide ● Clinical pathways: evidence-based practice ● Management in affiliation with corporate partner

ORGANIZATION	PROFILE	NOTEWORTHY INNOVATION
25. Central Indiana Cancer Centers Indianapolis, IN	Medical Group Practice 13 MD (med onc, rad onc) Major metro, intense competition	<ul style="list-style-type: none"> • Freestanding cancer center • Cyberknife radiosurgery • Autologous transplants
26. The West Clinic Memphis, TN	Medical Group Practice 18 MDs (med onc, gyn onc) Secondary metro – intense competition	<ul style="list-style-type: none"> • Diagnostic & interventional radiology • Fully operational EMR practice wide • International: satellite site in Singapore
27. Integrated Community Oncology Network Jacksonville, FL	Medical Group Practice 47 MDs (med onc, rad onc) Secondary metro – intense competition	<ul style="list-style-type: none"> • Merger of two medical group practices (med onc and rad onc) in LLC format • Multi-State (FL and GA)
28. UPMC Cancer Centers Pittsburgh, PA	Academic Medical Center Secondary metro, intense competition	<ul style="list-style-type: none"> • Private medical practice responsible for full cancer service line • Central cancer center with multiple “hub and spoke” model • Innovative approach to develop JVs with local providers for cancer treatment services • International: satellite site in Ireland
29. Dana Farber Cancer Institute Boston, MA	Academic Medical Center Major metro, intense competition	<ul style="list-style-type: none"> • Clinical research center of excellence with broad-based affiliates program • Developing regional “hub and spoke” model program
30. Huntsman Cancer Institute Salt Lake City, UT	Academic Medical Center Secondary metro, intense competition	<ul style="list-style-type: none"> • Multidisciplinary care: 12-teams • Genetic and clinical trials research • 50-bed cancer hospital

ORGANIZATION	PROFILE	NOTEWORTHY INNOVATION
31. Mary Crowley Cancer Research Center Dallas, TX	Private Academic Research Center Major metro	<ul style="list-style-type: none"> • Community-based outpatient research in vaccine, gene and cellular therapies • Multiple outlet affiliates program • Independent within AMC setting
32. Cancer Clinics of Excellence National	Community Practice Oncology Network 21 medical group practices All market types, intense competition	<ul style="list-style-type: none"> • National network of community oncology practices organized to improve patient care through implementation of evidence-based treatment protocols and monetizing the intellectual property generated through such care • Corporate partner
33. Oncology Circle National	Community Practice Oncology Network 35 medical group practices	<ul style="list-style-type: none"> • Knowledge exchange and peer group for clinical and business data benchmarking and data mining • Industry sponsorship
34. Catholic Health Initiatives National	Hospital System Network	<ul style="list-style-type: none"> • Hospital system sponsored clinical trials clearinghouse • New initiative in community-based multidisciplinary care model at affiliated hospitals