



6 Questions to Answer **BEFORE** You Build a New Cancer Center

by Lynn M. Jones, M.H.A.

1. What is My Market?

Determine who lives in your area and how old they are. Identify the primary conditions your facility treats daily, the incidence of cancer in your region, and the number of cancer patients you have treated in previous years. Using this information, estimate the number of patients your cancer center can expect to treat in the future. These analyses will help you assess the potential profitability of your service lines.

2. Are We Effective Fund Raisers?

If a major donor's contribution does not come through, you may have to decide to stop, redesign, or incorporate a phased plan for your construction project. Although philanthropic monies usually account for only a portion of a project's cost, successful fund raising will ensure that you receive that portion prior to groundbreaking.

3. Do We Understand Medicare Reimbursement?

Changes in reimbursement under Medicare may impact the care you provide and your patient volume, both of which change the revenue potential of the new facility. Since the Centers for Medicare and Medicaid Services (CMS) continues to change physician reimbursement levels, consider what such changes might mean to your center. Currently, 70 to 80 percent of chemotherapy infusions are done in physician offices. If chemotherapy drug reimbursement for private oncology practices is reduced by 10 or 20 percent, physicians might no longer be able to afford to provide chemotherapy. Instead, they may send their patients to the hospital for infusions. If those patients are directed to your cancer center, will your center be able to accommodate them?

Think about how the new generation of oral cancer drugs will affect your infusion center. Oral drugs might offset the possible increase in the number of patients, or they might reduce your need to provide infusion services.

4. How Does Our Cancer Care System Integrate Into the Hospital?

Look at the formal or tacit agreements you have with other departments of the hospital to provide care for oncology patients, and analyze how increased patient volume will impact these agreements.

Assess how other departments, such as radiology and the central lab, respond to requests for services. CT scans or blood work often need to be performed immediately. Even if such requests are being adequately handled now, consider the effect that an increased number of oncology patients will have on the hospital departments that directly support the cancer center.

A new or upgraded facility brings new responsibili-

ties. Housekeeping must have the resources to handle the additional wear and tear more patients will produce. Additional patient parking may also be necessary.

If the cancer center will not have a separate billing staff member, make sure your hospital's billing department fully understands oncology reimbursement.

Finally, identify how much money the cancer center will be expected to contribute to the institution's bottom line. If you don't think the new center will produce the required revenue, the time to discuss the matter is before construction starts.

5. How Does Our Department Work?

Study your patient flow, including when and where patients arrive and depart and how the patient stream flows through the treatment area. Ensure that patients have access to private spaces when privacy is needed.

Know how your physicians and nurses provide care. If you have a multidisciplinary care team, that team will need a place to meet. PACs and automated medical records should also be provided if the staff requests them and your finances permit.

Assess the location of your pharmacy, lab, and other ancillary support services. If the staff does not like the arrangement, change the location of these services in the new center. Understanding how your facility operates now will allow you to design a center that will work effectively for your team in the future.

6. Can We Be Flexible?

By designing flexibility into the space plan of your new center, you will be able to make changes when changes becomes necessary. New technology or unanticipated growth means using the building differently. For example, facilities currently purchasing linear accelerators anticipate a cost of \$1.5 million for each machine and \$400 per square foot for their vaults. Those centers implementing IMRT will need more pre-planning and physics space immediately and will probably add an additional accelerator in the future. Methods of planning radiation therapy are changing as well. Many centers are changing to CT simulators and adding other new devices, all of which must be adequately housed.

If you change from a hospital-based to a freestanding center, HIPAA requirements, registration information, co-payment capture, or coding issues could require a change in your cancer center's space utilization or even design. Potential changes in the support areas for both medical and radiation oncology should also be anticipated. ☐

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