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Oncology Administration in a Managed Care Environment: The Basics

by Cecilia Lojek, R.N.

More than with any other health diagnosis, the care of cancer patients requires a team effort. Medical and radiation oncologists, nurses, radiation therapists, social workers, nutritionists, and the various support staff are part of a team that strives to provide a seamless continuum of care for cancer patients and their families. That care includes screening, diagnosis, surgery, treatment (inpatient and outpatient), follow-up, and home care. The cancer program administrator is charged with facilitating coordination among these disciplines while increasing operational efficiency and decreasing costs.[1]

The skills required of the administrator/administrative team include:

- entrepreneurial flair
- interpersonal skills
- negotiating talent
- financial management skills
- quick decision-making abilities
- ability to maintain solid working relationships with medical and clinical staff without viewing either as adversaries
- attention to quality
- capacity to acknowledge service deficiencies and be accountable.[2]

The role of the cancer program administrator is as expansive as the diverse backgrounds of individuals in such a position. Often cancer program administrators have arrived at their position by various professional paths, such as an oncology nurse new to management, or the complete opposite, an administrator experienced in management but new to oncology. Those cancer program administrators needing fundamental management skills should take advantage of management classes available in the local community college. For the administrator new to oncology, building relationships with oncologists and physicians in supporting disciplines will be an important step in understanding the oncology environment. Joining peer organizations will help create a network of consultants who can be called on for support.

The alliance between the administrative director and the medical director is perhaps the most important relationship to develop. Often the roles and responsibilities of the two positions overlap, and turf issues can result.[3] Areas of commonality can include strategic planning, standards of care, new program development, marketing/public relations, payer relations, education/screening, and staffing requirements. The administrative director and the medical director should share responsibilities for many of the issues that affect cancer patients, including standards of care, program development, and quality issues.

Communication is critical to ensure a positive relationship between the administrative and medical directors. The administrative director needs to respect the medical director's perspective and incorporate that perspective into the plan of care.

MANAGING COSTS AND MONITORING QUALITY

The cancer program administrator must monitor the budget to ensure that increases in program expenses coincide with correlating increases in revenue and volume. Conducting monthly budget review meetings with department managers is a productive way to track where and why unforeseen budget expenses are incurring. The administrator should work with managers to develop action plans for adjusting expenditures to stay within budget.

As managed care continues to increase across the country, hospitals are taking steps to identify their total costs of care to proactively plan for managed care contracts. A cancer program administrator does not have to be an accountant, but a solid financial background helps. At the very least, the cancer program administrator must be able to work well with financial consultants and the hospital's accounting and MIS departments as they gather meaningful statistical information about the costs of inpatient and outpatient care. Such data are crucial for developing capitated rates for managed care contracts.

Critical pathways can be an effective tool for identifying costs, patient satisfaction data, and other quality indicators that must be disclosed to managed care companies and other payers to determine the overall caliber of the cancer program. The first step in developing critical pathways is to establish a multidisciplinary team to define the primary components and most appropriate sequence of care. Pathways standardize care across diagnoses by reducing the number of outliers, thus enabling the team to more accurately examine the resources, staffing requirements, and services required within each pathway component. Costs can then be allotted to each itemized function within the treatment process.

Hospitals lacking accurate cost data information run the risk of underbidding managed care contracts. The cancer program administrator must work closely with staff responsible for negotiating managed care contracts to ensure that proposals reflect accurate costs.

At the same time, patient feedback is needed to measure the progress of the program and to indicate areas for improvement. The cancer program administrator is responsible

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for quality improvement initiatives, which should include an ongoing patient survey that measures patients' level of satisfaction with cancer services and documents their recommendations for the program. The cancer program administrator can help set up focus groups with both current and former patients as well as with members of the general public to assess their needs and expectations.

The input of the multidisciplinary team—physicians, department managers, nurses, administration—must also be included in any assessment of the cancer program's strengths and weaknesses. The administrator, along with the multidisciplinary team, must prioritize the identified problems and develop a specific action plan for follow-up.

Of course, factors such as the size and structure of the institution and the level of managed care penetration in the area will drive the range of responsibilities expected from an administrator. For example, a cancer program administrator at a 500-bed hospital in southern California may coordinate a wider range of clinical services or may be involved in a larger number of managed care contracts than his or her counterpart at a 100-bed hospital in Idaho. Administrators at larger hospitals also tend to assume more non-oncology-related management functions such as business development or managing the ambulatory outpatient surgery unit.

Despite the varying degree of roles and responsibilities, all cancer program administrators must strike the balance between cost and quality cancer services. In addition, administrators should also remember what the core of their "business" is: caring for patients with cancer.

A Customer Service Approach to Oncology Administration

As director of oncology services at Methodist Regional Cancer Center in Oak Ridge, Tenn., Wilma Brantley, R.N., M.S.N., believes that her previous experiences as a hospice nurse and quality improvement educator helped prepare her for administrative responsibilities. "I had seen how improving quality and standardizing care can lead to decreased costs," said Brantley.

Brantley's strategy for improving the quality of Methodist Regional's oncology services involves a customer service approach, which requires accurate patient satisfaction data. "Such information is crucial for incorporating the patient's perspective into the plan of care," said Brantley, who recommends collecting patient responses from various sources, including surveys and focus groups.

In 1994, for example, an annual Gallup survey for breast cancer care was generally positive. However, participants of a breast cancer survivor focus group voiced dissatisfaction with cancer services. In addition, a separate study revealed that Methodist Regional had experienced a steady 15 percent decline in the number of patients diagnosed and treated for breast cancer over a three-year period, despite an aging population and more women being diagnosed with breast cancer nationally.

Brantley's response was to help organize internal multidisciplinary teams to evaluate and streamline oncology services across the continuum of care. One team developed pathways to improve patient satisfaction and reduce variation in the care of breast cancer patients from diagnosis to follow-up.

The team developed CareTrax, a breast cancer surgery pathway that standardized treatment for breast cancer patients and incorporated the following into the plan of care:

- arranging routine follow-up appointments with the surgeon after biopsy
- introducing the medical and surgical oncologist(s), radiation oncologist, and plastic surgeon early in the process
- designating a breast cancer case manager as the patient's primary point of contact.

With implementation of CareTrax, customer satisfaction improved from 3.68 to 3.97 on a four-point scale in which 1 is "very dissatisfied" and 4 is "very satisfied." While improving satisfaction, CareTrax also helped decrease the average length of stay from 3.7 to 1.7 days. This decrease resulted in cost savings to the hospital and a decrease in charges to the patient from $5,289 to $4,073. Yet another indicator of success has been the 58 percent increase in new breast cancer cases treated at Methodist Regional in the last two years.

Cancer program administrators must respect the expertise of physicians and all clinical staff, Brantley said. "In the early stages of pathway development, our physicians had definite ideas about what pathways should be developed. They took the lead in selecting the first pathways to be designed," said Brantley, who credits the entire team with minimizing turf issues so everyone could concentrate on a commitment to cancer patients.

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