Components of a Successful Oncology Network

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by Louis Stripling

Community-based oncologists have endured a veritable parade of competitive strategies during recent years aimed at improving operations, driving market share, and increasing financial return. These strategies have had negligible practical impact on the practice of medicine and provided little, if any, protection from the continual storm that threatens the business side of running a medical oncology practice.

One such strategy of the last decade was the major hospital initiative to acquire primary care practices and attempt to control or limit patient referrals to specialists, or, at a minimum, direct those referrals to allied specialists. Multispecialty groups and health maintenance organizations (HMOs) followed this trend by seeking to purchase or acquire oncologists to create a captive network for care. Finally, fueled by Wall Street capital, entrepreneurs joined the parade by acquiring oncology practices as part of a disease-specific or market-focused strategy that resulted in the introduction of the professional practice management (PPM) industry. With rare exception, these strategies failed and faded in popularity. Though the reasons are many, the critical link missing in each case

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was a seamless integration of the administrative functions of the practice and the clinical needs of oncologists and their patients.

Most recent to capture the attention of oncologists and practice administrators is the initiative to reduce the dwindling margin on drug delivery. The ongoing scrutiny of the cost of medical care will just not end; neither will the relative sophistication and speed at which cancer treatment now evolves. The pace of change within medical oncology—especially the need to implement technology and refine processes to manage treatment and administrative information, control drug costs, and stay in step with new drugs and new treatment protocols—supports a continued, heavy demand for PPM services. Any successful oncology network strategy must provide processes and technology that enable oncologists to keep pace with the changing trends and comfortably weather relentless regulatory storms.

A NEW BUSINESS MODEL

The first step to making an oncology network strategy succeed is to apply proven business methods that drive value to community-based oncology practices. Such business methods begin with identifying critical assets.

After 20 years as a turn-around specialist in this industry, I can confidently argue that the only assets oncologists can leverage to improve their practices are their time and their staffs' time, and the only services that represent practice income are directly related to clinical care. Oncology networks, then, must provide access to tools to streamline and integrate the delivery of clinical services with the administrative business functions.

I firmly believe in the old management adage—successful businesses focus on the 20 percent that make the 80 percent difference. In this case, 20 percent of practice resources should commit to the effective application of technological tools that enable the other 80 percent of resources to focus on delivering quality patient care.

Clearly there are numerous health-care management software packages ranging from electronic medical records to electronic claims processing systems, which are designed to drive greater efficiency within medical practices. Experience indicates, however, that oncology practices will not embrace the "one-size-fits-all" health-care informatics systems currently offered or in development for use in a broad range of health care practices. There is good reason for such resistance. Oncologists need technology with a specialty-specific focus that not only efficiently captures billing and treatment data, but also collects outcome data to indicate best practices and provides protocols for the most effective drug regimens. Such a system would provide oncologists with a disciplined approach to accessing critical data for decision making—all at the point of care.
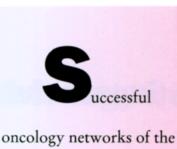
Even with the recent surge in new technology, it is difficult to afford designer systems on a community-based practice budget. To date, the relative small size and limited financial resources of the average community-based practice have, for the most part, prohibited the integration of sophisticated health-care informatics. The cost of the technology and the requirements for reengineering and staff retraining are not practical for a single practice. Fortunately, the development of Internet-based, scalable systems has made access to

expensive technology, collection of critical data, and application of sophisticated business systems only a mouse-click away.

Increasingly today, and certainly in the coming months and years, oncology networks will be able to "unbundle" the PPM suite of practice management services and deliver them, individually, across the web to a larger market of oncology practices than the PPM model could attract or serve. This new strategy will allow practices the flexibility to choose the right mix of tools to meet their practice-specific needs. It will also give practices the freedom to obtain these tools and services on a subscription and fee-per-service basis without forfeiting operational control or surrendering significant percentages of practice revenue.

As with many new e-commerce ventures, it is easy to dismiss this new competitive strategy as the latest, fashionable, high-tech trend. In addition, the relatively complex and unfamiliar business structure of start-up dotcoms often engenders confusion and suspicion. Often asked (and fitting) questions include "How will this work?" and "Who is paying for this strategy?" While successful practice management requires a new focus on the business assets of the practice, this new strategy, in turn, demands a new economic model.

MANAGING TREATMENT OPTIONS

A new and significant player has emerged on the oncology network scene. Pharmaceutical companies, always present as critical vendors in the oncology business cycle, now emerge as key drivers in the new, technology-enhanced delivery of clinical services. It is already apparent that practicing oncologists need processes and technology to implement "best practice" treatment standards, and capture, organize, and "harvest" point-of-care data within, and not as an adjunct to, the day-to-day treatment of patients. At the same time, the current ad hoc systems—through which pharmaceutical companies gain access to patients for clinical trials, collect information regarding the efficacy of specific chemotherapy regimens, and drive market share for new cancer

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drugs—is likewise antiquated.

The recent increase in the number of cancer drugs in development has overwhelmed the currently slow, labor intensive, and inefficient processes through which drugs are tested and introduced into the marketplace. Paper-based systems for reviewing charts to determine patient-trial eligibility discourage participation and are cost prohibitive for most community-based practices. Pharmaceutical companies, in turn, spend millions of dollars attempting to support this antiquated system and the enormous expense of managing meaningful data collection, only to experience inordinate inefficiency and delays in obtaining approval for and introducing new drugs. Even the most advanced attempts to create electronic or even semi-paperless informatics systems to accrue and manage the treatment of patients in clinical trials rely on stand-alone systems that are not integrated into the daily flow of patient treatment. These systems require duplicative entry and analysis of information, interrupt patient care, and impose heavy administrative burdens that most often outweigh the professional and financial incentives for oncology practices to participate in trials.

Easy-to-use and fully integrated processes that automate patient eligibility determinations and protocol management within the ordinary course of treatment, and that introduce new drugs in the pre-

approval or immediate post-approval stages, accomplish three valuable objectives for pharmaceutical companies. These strategies: 1) eliminate the oncology-specific barriers to trial participation, 2) decrease the cost and increase the accuracy of treatment data generated for trials, and 3) increase market share by providing guidelines for new drug administration and billing procedures. In addition, the many market-share drivers that result from aligning the interests of oncologists and pharmaceutical companies will likely lead to financial sponsorships for a variety of value-based offerings that improve efficiency and access to new drugs.

The demand for an integrated information management system and practice management process that addresses these needs for both oncology practices and pharmaceutical companies is clear and compelling. This need presents an enormous opportunity for new services and technology solutions that add value for both oncology practices and pharmaceutical companies. Cancer care, perhaps more than any other medical specialty, is positioned to embrace this means of distributing information management applications and online resources. The Internet, secure extranets, or virtual private networks will help oncology practices and pharmaceutical companies manage:

■ the explosion of rapidly evolving treatment options
■ opportunities for participating in clinical trials
■ regulatory changes
■ the proliferation of newly developed cancer drugs.

Perhaps most importantly, they will be better able to manage the need and opportunity to capture and analyze information regarding the efficacy of a specific course of treatment.

Successful oncology networks of the future will capitalize on the use of informatics technology to make a substantial, practical difference in the provision of care. This will be accomplished by linking community-based oncologists and their patient data to pharmaceutical companies that will use this data to continue the advancement of new and better treatments for cancer. ■