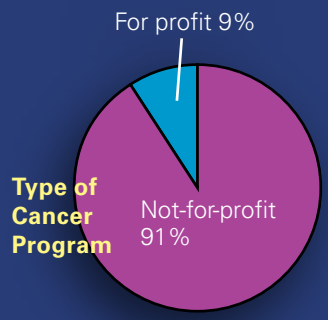
A Survey by the Association of Community Cancer Centers

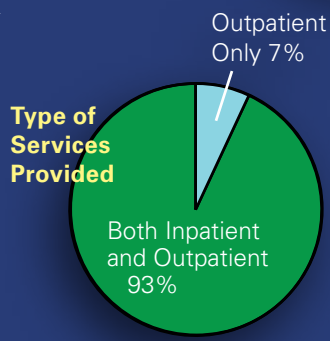
2009 Cancer Care Trends
in Community Cancer Centers

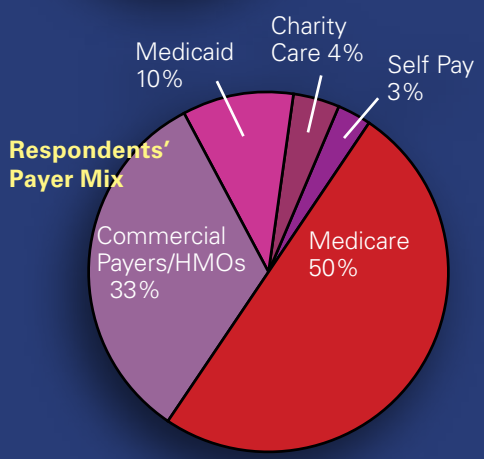
To identify and compare trends in conditions and organizational performance in the oncology marketplace, the Association of Community Cancer Centers (ACCC) initiated an annual survey of its membership in July 2008. The survey provides ACCC with information to assist members in evaluating their organizations' performance. The survey will be conducted annually for three years, and is a joint project between ACCC and Eli Lilly.

100 cancer programs submitted responses to the 2008 survey. Of these, 87 percent are community hospitals.

The mean number of patients on clinical trials is 68, and the mean number of new analytic cancer cases diagnosed yearly is 1,032.







ACCC
Association of Community Cancer Centers
Lilly

What We Did

In July 2008, ACCC's Center for Provider Education set up an Advisory Committee to select topics and scope of research for its new annual survey of community hospital cancer centers. A Steering Committee refined and approved the final survey instrument, and an Internet-based data collection was conducted between August 6, 2008, and September 23, 2008. Emails were sent to 586 ACCC members. One hundred members completed the online survey. The consulting firm of MattsonJack DaVinci collected responses, conducted follow-up interviews in November and December 2008, and analyzed results.

Members of the Advisory Committee include: Ernest R. Anderson, Jr., MS, RPh, Lahey Clinic; Connie Bollin, MBA, RN, Akron General Medical Center, Akron General McDowell Cancer Center; Becky L. DeKay, MBA, Feist-Weiller Cancer Center; Albert B. Einstein, MD, Swedish Cancer Institute; John Feldmann, MD, FACP, Regional Cancer Center, Moses Cone Health System; Brendan Fitzpatrick, MBA, Alamance Cancer Center; Patrick A. Grusenmeyer, ScD, FACHE, Helen F. Graham Cancer Center; Luana R. Lamkin, RN, MPH, Mountain States Tumor Institute; Jennifer Michelson, RN, BSN, Kingsbury Cancer Center; Richard Reiling, MD, FACS, Presbyterian Hospital - Charlotte; and Virginia Vaitones, MSW, OSW-C, Penobscot Bay Medical Center.

Steering Committee members include: Ernest R. Anderson, Jr., MS, RPh; Becky L. DeKay, MBA; Patrick A. Grusenmeyer, ScD, FACHE; and Luana R. Lamkin, RN, MPH.

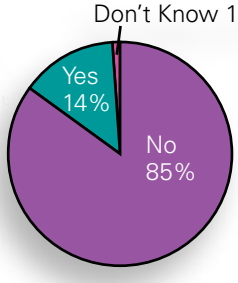
Staffing

After drug costs, the second highest expenditure in any outpatient cancer center is the cost of staff. Two areas to look at include developing appropriate staffing levels and ensuring adequate staff time to accommodate patient volumes. Successfully managing these two areas can save significant money and lead to improved staff morale and retention. For example, infusion centers that use an efficient scheduling system for chemotherapy infusion can simultaneously better accommodate patients and better manage staff expenses.

Nurses

Nursing accounts for the most FTEs followed by administrative staff. The mean number of nurses is 14.2, and administrative staff is 7.4.

Physician Fellowship Training

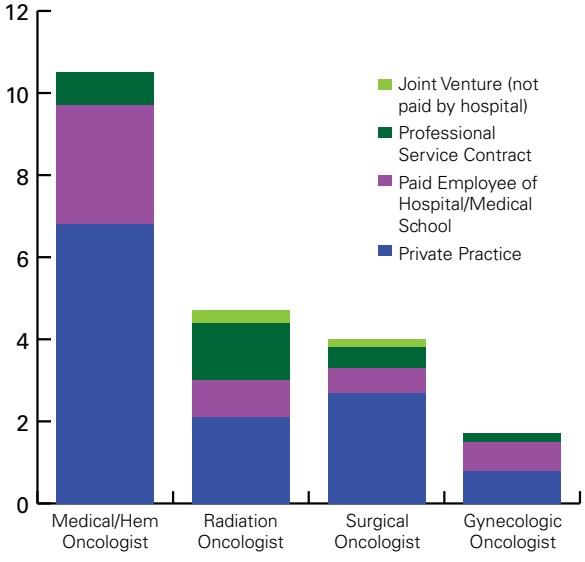


Most programs rely heavily on private practice physicians. As oncologists in private offices struggle with declining reimbursements and seek financial stability, many are opting for employment at hospitals. A major shift in site of care may loom ahead.

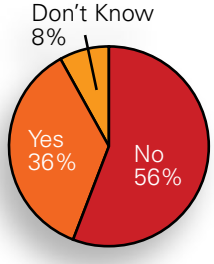
Staffing Acuity Systems

In 2008 most cancer service lines were not operating an acuity system to determine staffing levels, although such systems can decrease turnaround times, improve patient flow, and make a difference in operations. Of those that are using an acuity system, the mean number of cancer cases per FTE oncology nurse is 202. Of those not using an acuity system, the mean number increases to 220.

Mean Number of FTE Positions



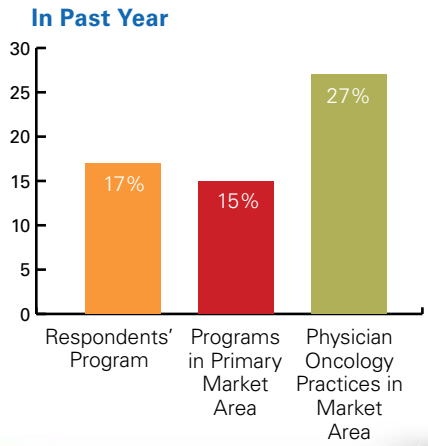
Does Your Program Use an Acuity-based System to Determine Staffing Needs?

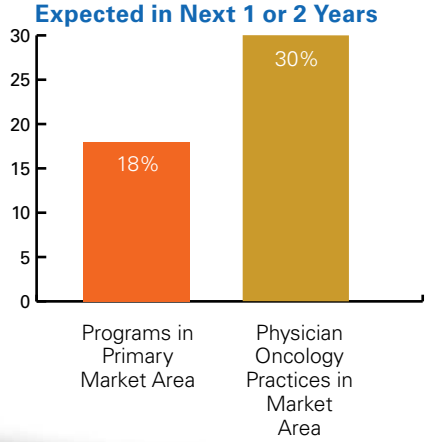


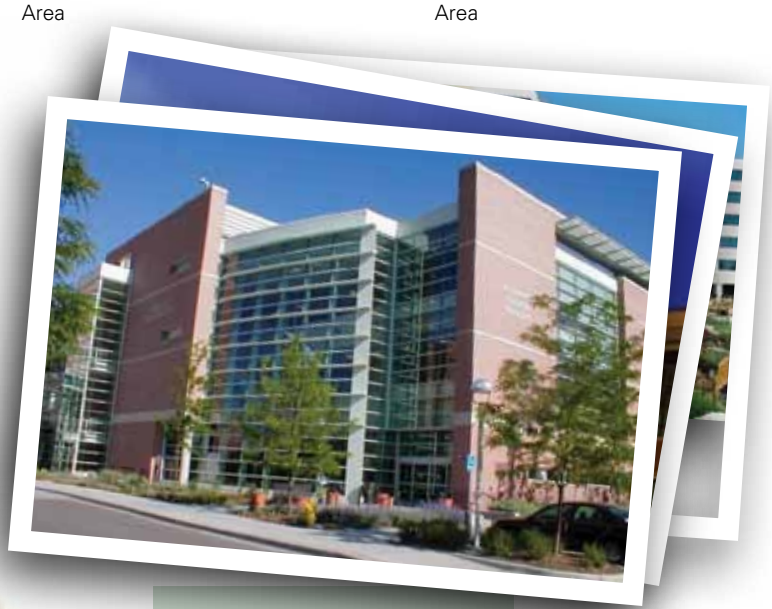
Market Consolidation

Hospitals are consolidating among themselves, but they are consolidating with physician practices in greater percentages.

Consolidation of Cancer Programs







Market Place Competition

The average program enjoys an estimated 44 percent market share although competing, on average, with three programs.

Oncology-Related Services

1

Funding for oncology-related services is commonly reported to be from general operating funds.

2

The majority of programs offer nutritional services (97 percent), social work services (94 percent), and clinical research (87 percent).

3

Genetic counseling is offered by 68 percent of programs.

4

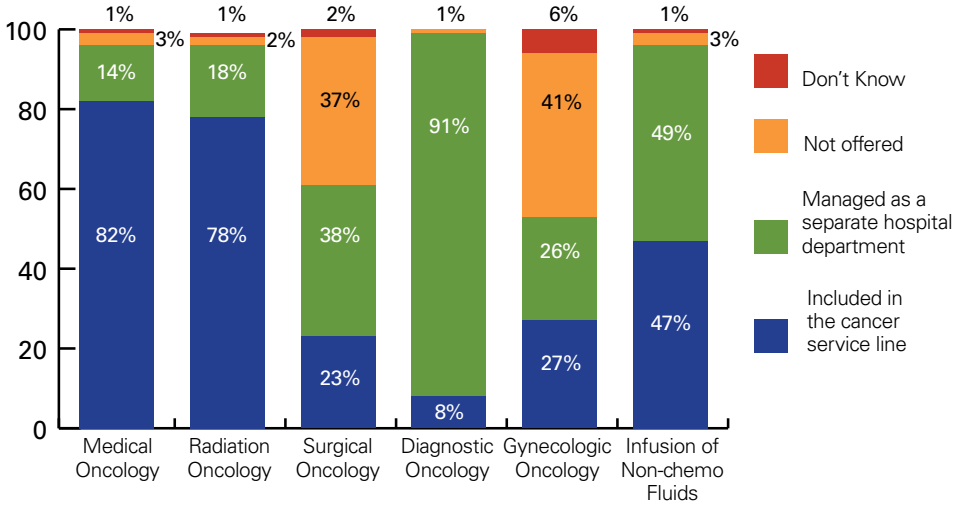
Navigation services are available—66 percent report using "nurse" navigators; 37 percent report using "patient" navigators.

5

Only one in five programs has tissue banking.

Scope Of Oncology Services

Most programs include medical and radiation oncology in their cancer service line. Although they may have tumor board sessions and some joint planning with the cancer service line, surgical and gynecologic oncology are operating separately. Only 8 percent of respondents include diagnostic radiology under cancer service line.



Sources of Funding for Oncology-related Services

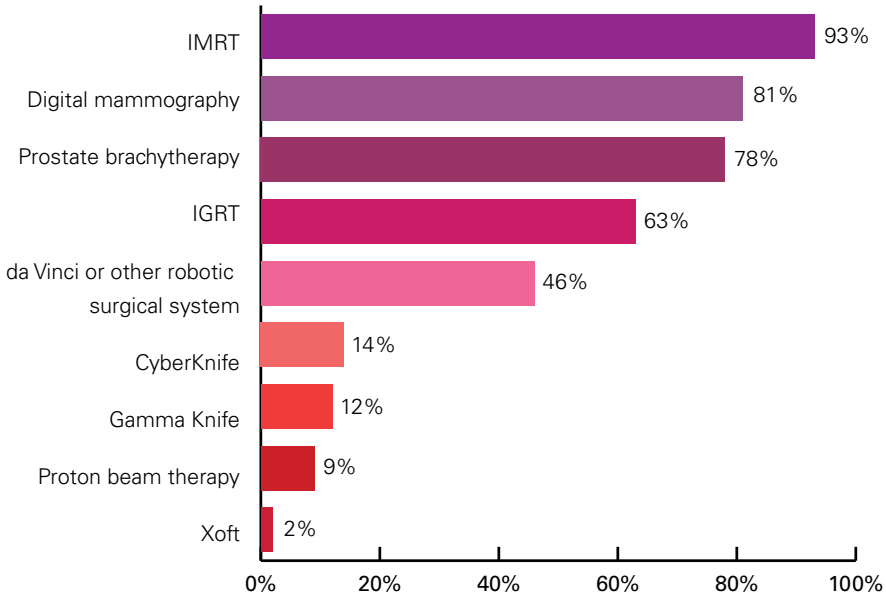
	General Operating Funds	Endowment	Philanthropy	Grants	State Funding	Trial Sponsors	Patient Pays	Insurance
Nutrition	93%	1%	4%	1%	1%	0%	13%	18%
Social work	96%	3%	2%	1%	3%	1%	4%	6%
Clinical research	79%	8%	22%	52%	7%	78%	8%	44%
Genetic counseling	63%	2%	7%	10%	3%	2%	46%	40%
Nurse navigators	96%	3%	15%	17%	5%	0%	0%	0%
Cancer rehabilitation	81%	0%	5%	8%	0%	0%	35%	54%
Survivorship	79%	8%	44%	37%	3%	0%	13%	8%
Psychology	67%	2%	7%	4%	2%	0%	33%	43%
Integrative/ complementary medicine	56%	8%	56%	44%	6%	4%	40%	19%
Patient navigators	84%	5%	22%	19%	11%	0%	0%	0%
Tissue banking	40%	10%	20%	46%	10%	25%	15%	5%
Blood and bone marrow transplantation	91%	0%	9%	9%	9%	9%	36%	82%

Capital Equipment

The numbers of linear accelerators and CT scanners budgeted for next year are lower, while the picture may be slightly less bleak for PET, PET/CT, and MRI machines.

Cancer Center Equipment

The majority of programs offer IMRT, digital mammography, and prostate brachytherapy. The use of the da Vinci® or other robotic surgical system is approaching 50 percent. Use of Xoft, proton beam therapy, Gamma Knife®, and CyberKnife® is limited.



EMR Systems

Of survey respondents, 65 percent report using EMRs, with 47 percent using more than one software system. Radiation oncology departments frequently need separate EMR systems because of their special needs. IMPAC Medical Systems' MOSAIQ and Varian's ARIA are the most frequently used systems.

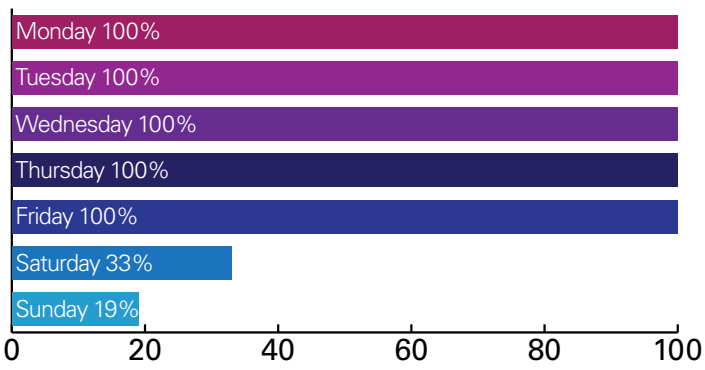
Infusion

- Half of survey respondents report that their program infuses only cancer drugs.
- Two-thirds offer infusion services Monday through Friday only. One-third of respondents treat on Saturday, and almost one in five treat on Sunday. Saturday infusion helps decompress the other five days of the week, and may be especially good for those patients who are on regimens that last many months and who would prefer not to take off work. This might be an opportunity for cancer centers.
- The average nurse-to-patient ratio in the infusion center is one nurse to four patients. The range of reported ratios ranged as low as one nurse to two patients and as high as one nurse to 13 patients.
- Pharmacists, not nurses, do 89 percent of the chemotherapy infusion mixing in hospitals, whether the pharmacy is in the infusion center or in the hospital pharmacy.

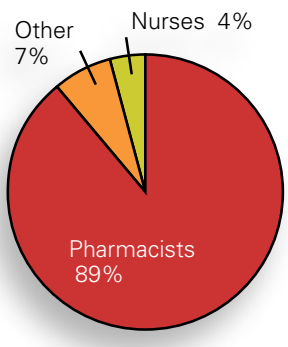
Infusion Center Ownership

Respondents report that hospitals own the majority of space and beds included in their cancer programs. The mean number of infusion beds and chairs is 15. The mean infusion center square footage is just under 5,000 square feet, compared to the average physician office infusion area, which might be in the hundreds of square feet.

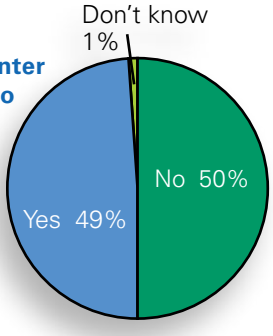
Days of Week Chemotherapy Administered



Drugs Mixed By



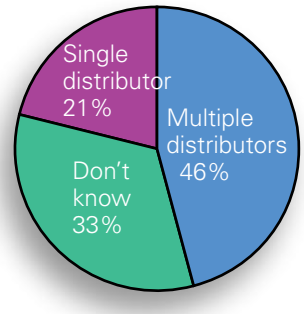
Infusion Center Dedicated to Cancer

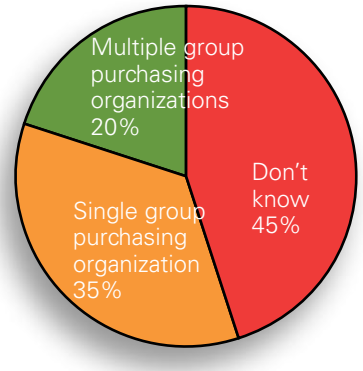


Want to Learn More? Visit *www.accc-cancer.org*

Drugs and Biologicals

How Do Programs Purchase Drugs?





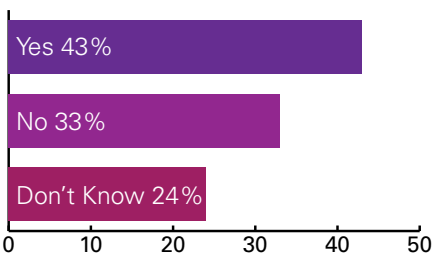
Most programs purchase anti-cancer drugs through multiple distributors, but through a single group purchasing organization.

Drugs represent the largest cost in medical oncology programs today. For most community cancer centers, approximately 20 drugs make up 80 percent of drug costs. Now more than ever, programs need to assign a staff member to monitor drug costs on a weekly basis and direct purchasing efforts to the least expensive source for the high-cost drugs. (Lower-cost drugs can be monitored on a monthly basis.) Failure to properly manage drug purchases can bankrupt an outpatient cancer center. To ensure that significant cash is not tied up in excess drug stock, cancer programs should regularly review drug stock and par levels.

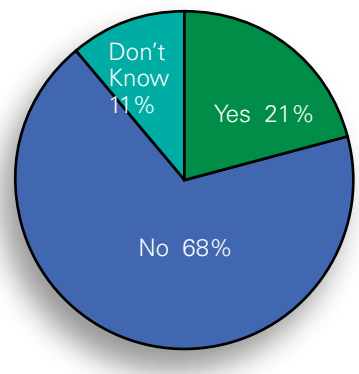
Oral Agents

- Oral agents remain unpopular in cancer programs. Just 21 percent of programs dispense oral cancer drugs at the infusion center.
- Prices for most oral agents can be high and margins tend to be low. Still, the use of oral agents is likely to increase in the coming years.
- Oral chemotherapy is effective only if patients adhere to their administration schedule.
- It can be challenging for providers to monitor true adherence because the patient is not taking the drug at the hospital or practice. Clinicians are further limited by the lack of a gold-standard measurement for assessing patient adherence.
- Of those infusion centers that do dispense oral agents, less than half (43 percent) have quality initiatives in place.
- Hospital pharmacies must increase involvement in patient education, counseling, and compliance related to oral agents.

Quality Initiatives Related to Oral Agents?



Are Oral Agents Dispensed at Infusion Center?



Financial Performance

Bottom Line: Healthy and Happy?

When this survey was taken late in the summer 2008, the impact of the nation's severe recession was just beginning. Anecdotally, respondents report concern about the future, given the harsh economic downturn in late 2008 and early 2009 coupled with reimbursement pressures—particularly with regard to reimbursement for chemotherapy administration.

Oncology is one of the three top service lines based on billed charges. Surprisingly, just two-thirds of respondents report the ability of the cancer center to track profit and loss. Monitoring financial performance is critical to an organization's financial health. Some metrics, such as charges and treatment and procedure volumes, should be monitored daily. Others, such as total staffing hours, might be monitored weekly. A full statement of actual revenues and expenses compared to budget should be reviewed monthly.

Can programs assess their financial status unaware of profit and loss? We'll leave that for you to decide. Most respondents (90 percent) characterize their program's financial status as good or very good. Just 4 percent report poor financial health. Programs with financial or reimbursement specialists are more likely to describe their program's financial status as very good—22 percent vs. 11 percent not using reimbursement specialists.

In Their Own Words

Cancer program executives speak out about financial challenges

Luana Lamkin, RN, MPH, administrator, St. Luke's Mountain States Tumor Institute, Idaho

One of our biggest challenges is caring for uninsured or underinsured cancer patients. I do not pretend to understand the connection between cancer cell biology and the national economy, but it is clear that the number of patients seeking care has declined in the last few months along with the economy. I fear those people with symptoms are avoiding healthcare because of the expense and lack of insurance, and we will see them in the future, only later in their disease process.

James Whiting, MHSA, vice president for Oncology Services at Moses Cone Health System, North Carolina

Our financial challenges are to maintain our margins as we experience a decrease in our projected volumes. Our volumes are off in ambulatory procedural areas, particularly surgery. As a healthcare system we have cut our expenses by 3 percent and reduced our anticipated capital expenditures by nearly 50 percent. We have also required our employees, those who are not involved in direct patient care, to take time off—we must take at least as much as we earn, so there is no "banking" of hours.

Virginia T. Vaitones, MSW, OSW-C, oncology social worker, Penobscot Bay Medical Center, Maine

We are a small, rural community hospital that is facing tough financial times as we serve a large Medicare and Maine Care population. We have put the purchase of an oncology-based EMR on hold. Our physicians meet with fiscal services on a regular basis to address denials and changes in coding. The director of pharmacy and our physicians meet to review the formulary for chemotherapy and supportive medications. We have recently purchased digital mammography equipment, but will not be purchasing breast MRI equipment. Although the hospital continues to recruit physicians, the focus is on primary care.