

Managing the Health of Your Patients and Your Practice

By Mike Kelly

As in many areas of medical practice, community oncologists face financial, operational and clinical challenges that require them to balance the health of their practice with the health of their patients. Through each phase of patient care, the “way an oncologist practices” influences the financial and operational efficiencies of the practice and has an impact on outcomes for patients.

According to a 2007 study presented to the American Society of Clinical Oncology (ASCO), demands for visits with oncologists will increase 48 percent by 2020, but the number of oncologists will fall 4,000 short.¹ With the number of people aged 65 and older expected to double by 2030 and the success of cancer treatments resulting in patients living longer, the

need for oncology practices to remain in business and have the most time to focus on patient care is critical.

To perpetuate the financial health of an oncology practice, each phase of patient care should be examined to identify the potential gaps affecting the practice’s ability to maximize resources for the benefit of all involved parties.

As illustrated in Table 1, the phases of patient care and practice operations include clinical decision making, patient treatment, financial management, and practice optimization. Within each of these phases, the practice is challenged with distinct financial, operational and clinical objectives. Underlying all phases of oncology practice is the pressure to improve the “bottom line” of the business to ensure the practice’s doors remain open.

The recurring theme to “closing the gap” for the oncology practice is technology. Through examination of each phase of oncology practice and patient care, healthcare information technology (HIT) plays a critical role in quickly and efficiently bringing the tools and information oncologists and their teams need to optimize the health of patients as well as their practice.

Clinical Decision Making

Treatment planning and regimen selection have financial implications for both the practice and the patient. With the cost of cancer treatment being highest among specialty drug therapies, the expense for the oncology practice purchasing and administering drug(s) and the patient receiving the therapy can be high.

According to Onmark’s 3rd Annual Office-Based Oncology Benchmarking

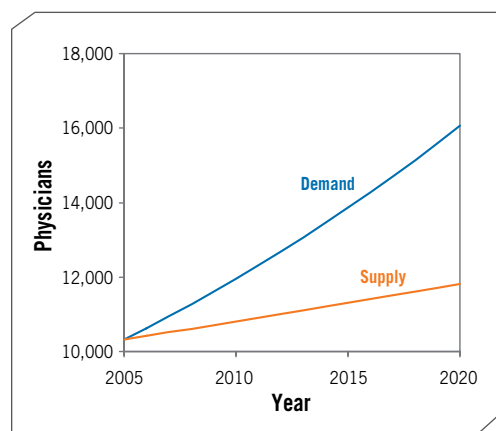


Figure 1. Supply and Demand of Oncologists, 2005-2020. Source: ASCO, “The Medical Oncology Workforce,” Richard Cooper, MD.

Table 1. Phases of Patient Care and Practice Operations

Clinical Decision Making	Patient Treatment	Financial Management	Practice Optimization
<ul style="list-style-type: none"> – Treatment planning – Regimen selection – Patient consultation and education 	<ul style="list-style-type: none"> – Ordering – Inventory management – Dispensing and mixing – Treatment administration and documentation 	<ul style="list-style-type: none"> – Evaluation of costs – Managing cash flow – Charge capture – Claims submission – Collection of payments from patients and payers 	<ul style="list-style-type: none"> – Analysis of treatment regimens – Identification of missed opportunities and improvement areas – Implementation of new strategies – Measuring and monitoring

Source: McKesson Specialty Care Solutions.

Survey, the average drug costs rose from 61 percent of a practice's budget in 2005 to 79 percent in 2007.² At the same time, the reimbursement for drugs administered in oncology clinics experienced significant declines. Additionally, the administrative burden of understanding and forecasting reimbursement can be high for an oncology practice.

Patients are likewise affected. In a 2009 survey conducted by the Association of Oncology Social Work, 40 percent of the cancer patients surveyed said their treatment was causing a "serious financial burden." When asked how they were addressing this financial burden, 29 percent of respondents said they were either not filling a prescription or delaying doing so; 23 percent skipped a doctor's appointment; 22 percent skipped a dose; and 19 percent cut a dose in half.³

In addition, understanding and managing side effects can impact adherence. In selecting a treatment regimen, the oncologist as well as the patient must have a clear understanding of potential side effects and how they will be managed in order to pursue the most optimal health outcome.

To integrate and simplify these types of clinical and financial interdependencies of the oncology practice, Web-based solutions are increasingly becoming available. Some of these solutions offer complete views of reimbursement, patient cost, side effect profiles and clinical guidelines information for each potential regimen for a patient's disease state. For the oncology practice, Web-based solutions are optimal, as they can be accessed from any computer or device with Internet service and may not require the purchase of additional equipment or software.

Carol Murtaugh, administrator for Hematology & Oncology Consultants, PC, an Onmark member practice in Omaha, NE told us that "these innovative tools differentiated our practice to several affiliated hospital systems that are working to create 'accountable care organizations', a concept that will become increasingly important in the era of healthcare reform."

Patient Treatment

Having the right drug at the right time for the right patient is the primary objective for an oncology practice initiating treatment. Since administering treatment in-office

often involves high cost, temperature-sensitive specialty drugs and biologics, ordering and inventory management processes are keys to minimizing waste and managing costs.

Larger specialty distributors have also diversified, offering services and solutions to the challenges resulting from treating patients with cancer. As a result, products and services aiding the oncology practice in driving efficiencies in ordering and inventory management have emerged. In examining a case study, we looked at how HIT became a solution for practice's multi-site clinic.

CASE STUDY:



Established in 1957, the Wilshire Oncology Medical Group, Inc. serves hospitals and has six clinic locations with a total of 76 infusion chairs. Over 25 patients are treated daily at each of the six infusion centers by the practice's nine medical oncologists and/or two radiation oncologists.

Problem: Inefficient multi-site management of inventory, patient treatment, charge capture billing and reporting.

Solution: In 2007, Wilshire Oncology implemented a Web-based HIT system designed specifically for community-based oncology practices and community-based infusion clinics. The system allows multiple users throughout clinics in different locations to access patient treatment history, confirm doses and capture charges at the point-of-care.

Table 2. Cost of Treatment by Disease State

Disease State	Monthly Cost-Specialty Drug Treatment
Cancer	Oral drug therapy: \$3500-\$5000 Multi-drug therapy: >\$15,000
Rheumatoid Arthritis	\$1500-\$3000
Multiple Sclerosis	\$1700-\$4000

Source: Medco

Results: As a result of implementing an oncology-specific, Web-based, HIT solution, Wilshire recognized quantifiable results in three key areas: 1) enhanced patient safety, 2) improved patient care, and 3) decreased administrative burdens. In addition, they saved money by eliminating the need to purchase upfront software licenses and annual maintenance fees.

1. **Enhanced patient safety:** Oncology-specific technology allowed the nurses to access each patient's treatment history, confirm doses to the queue work list and communicate validated orders to the in-house pharmacy, which then mixed and delivered the proper drugs to the infusion area. The system, thus, minimized errors and improved patient safety through automation and standardized protocols that the clinic set according to its standards.
2. **Improved patient care:** Implementing Web-based, oncology-specific technology enables Wilshire's oncology team to treat patients anytime and anywhere, even if the practice's internal IT infrastructure failed and patient records are not available.
3. **Decreased administrative burdens:** Reporting tools allowed users to analyze data captured throughout the clinic and identify costs, drug usage patterns, patient histories and amounts of drug waste to close gaps that had been negatively impacting resource efficiencies and revenue optimization.

Financial Management

Perhaps the phase of oncology practice that houses the most potential for revenue "leaks" as well as the highest administrative burden is financial

management, which includes charge capture, claims submission and payment collections from payers and patients.

Accurately capturing all appropriate charges and assigning them to the appropriate patients is the first step in optimizing the financial management of the practice. "One of the biggest administrative nightmares for oncology is uncharged drugs," stated Frank Sabash, chief operations officer for South Carolina Oncology Associates. After implementing HIT to improve charge capture, this practice recognized a 15% improvement in revenue.⁴

According to an article published in Medscape⁵, the majority of revenue leaks come from two sources:

- **Patients who do not pay** the balances owed for treatment—a study published in *The McKinsey Quarterly* in June 2007 showed that physicians collect an average of only 40% to 50% of patient post-insurance balances.

- **Claims denied by payers**, which are often not resubmitted or are resubmitted past the allowable date—according to the Medscape article, an average of 7-15 percent of claims submitted to insurers are denied.

Analyzing and categorizing denials can be a labor-intensive process for the administrative staff and require a skill set that may not be available within the practice's current employee base. Again, opportunities exist to close this gap without decreasing the resources available to focus on patient care through implementing technology.

Web-based claims management technology can be enlisted to help decrease claim denials. Working synergistically with the practice's existing financial management systems, an electronic claims submission analysis tool can help a practice enhance its reimbursement process and accelerate collections. Custom, downloadable reports also enable the practice to monitor the practice's Physician

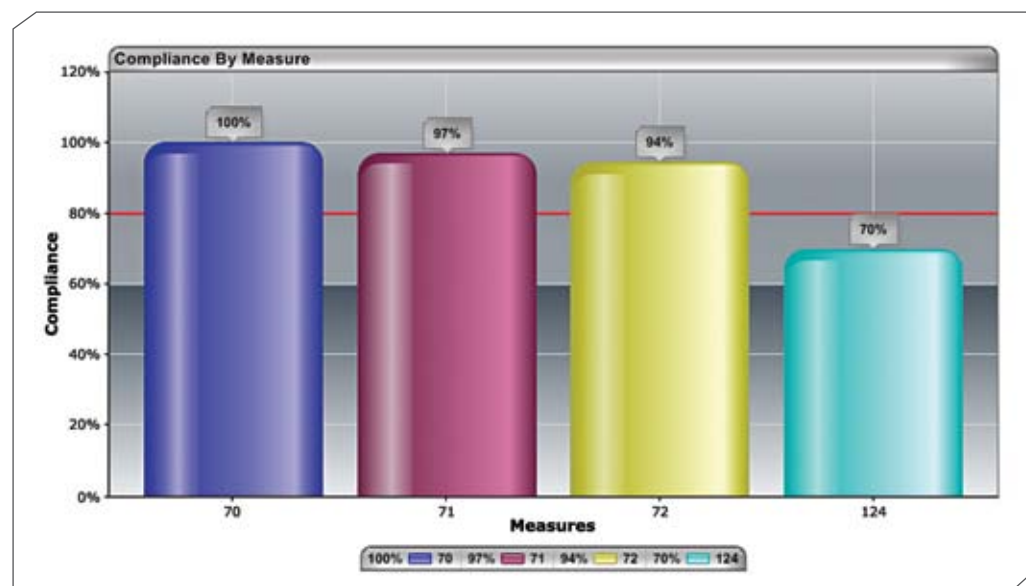


Figure 2. PQRI Compliance Sample Report. Source: McKesson Specialty Care Solutions.

Quality Reporting Initiative (PQRI) compliance and patient eligibility.

“Many doctors offices focus on getting claims posted, but they spend no time on claims that get denied or need a second look,” says Susanne Madden of The Verden Group, Nyack, NY, a firm that monitors managed care companies. Drilling down further and categorizing the denials by type and by biller can help practices identify denial trends and make procedural changes to reduce denials.⁵

Practice Optimization

Critical to choosing the right Web-based oncology HIT is the technology provider’s ability to help the practice improve care on a by-patient basis and easily aggregate information to optimize the health of the practice in the long term. Benchmarking has become a popular tool for practices in assess-

ing their performance among their peers. Third parties conduct annual “benchmarking surveys” to provide their physician members visibility to their practice’s performance in key areas such as net revenue per oncologist, patients per oncologist and days of accounts receivable.

Having benchmarking reports generated by a Web-based, oncology HIT system readily available in practice empowers physicians to identify specific areas where revenue leaks may be occurring. This solution also allows physicians to see where resources may not be maximized and identify where the long-term health of the practice is being impacted negatively. This information can help the practice set realistic goals for improvement and work with community oncology peers to address the larger issues facing this sector of the healthcare industry. **MK**

Key Points

- The value in working with a Web-based, oncology HIT services provider lies in its demonstrated understanding of the daily challenges and concerns the oncology practice faces in the phases of patient care.
- External vendors can provide solutions to decrease the time and resources needed to have a clear view of the reimbursement landscape before treatment begins and costs are incurred.
- Choosing a service provider to work with the practice to analyze these gaps enables the practice to focus on the business of patient care and helps with the business of practice management.
- Ultimately, the provider of those solutions should help the practice manage the business for the long term so the oncologist can do what she/he does best—practice medicine.

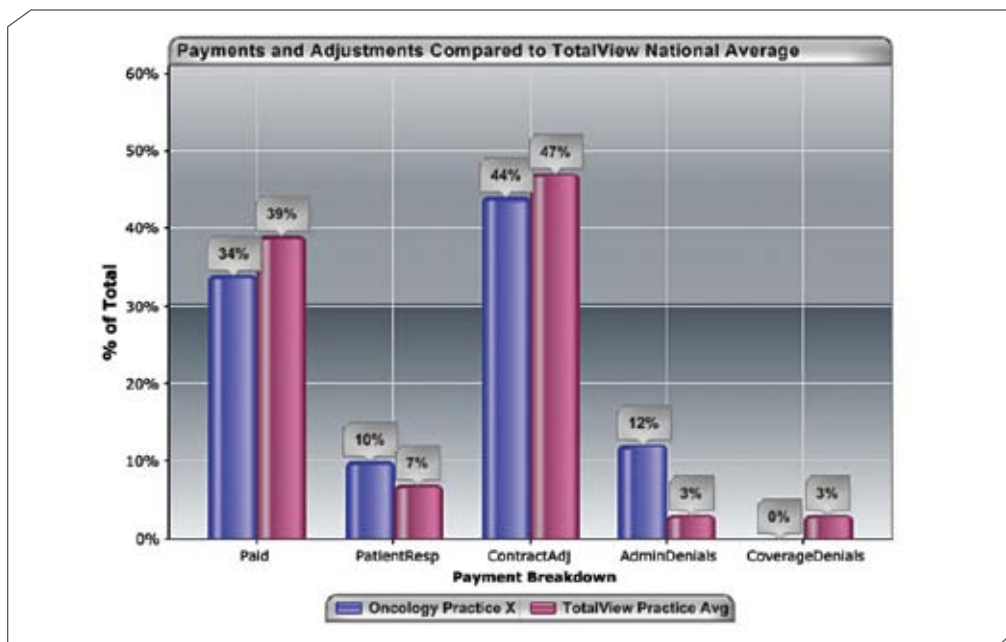


Figure 3. Benchmarking Sample Report. Source: McKesson Specialty Care Solutions.

About the contributor of this article:



Mike Kelly,
Chief Information Officer

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Empowering Healthcare

Mike Kelly is Chief Information Officer (CIO) for McKesson Specialty Care Solutions, a business unit of McKesson Corporation. In his current role, he is responsible for strategy and operations of all enterprise applications, infrastructure and customer technology solutions, including the Lynx® technology platform.

1 Centers for Workforce Studies. “Forecasting the Supply and Demand for Oncologists.” March 2007.
 2 Onmark 3rd Annual Office-Based Oncology Benchmarking Survey, [press release], July 29, 2008.
 3 Stacey Burling, “Patients Tell of Financial Stress,” *Philadelphia Inquirer*, December 3, 2009.

4 Bill Briggs, “I.T. Helps Battle the Big C.” *Health Data Management*, May 2004.
 5 Kane LR. Billing and collections: plug revenue leaks. *Medscape* January 2009.