



Track today, for you will be asked tomorrow

— Dawn Holcombe, FACMPE, MBA, ACHE

Those who pay for health care want proof that their payments are justified, on many fronts including physician operational efficiency and good business practice. Payers are not going to shy away from asking hard questions and diverting patients to those care providers who can prove they follow good business practices, among other criteria. That is part of their required due diligence to the employers who pay their premiums.

HOPE is a key tool

The Hematology & Oncology Practice Excellence (HOPE) awards seek to provide practices across the country with a venue to illustrate differentiating characteristics that identify them

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as leaders in their field and community, as well as to share the processes and lessons learned along the way with others so as to raise the bar for all practices collectively. Recent questions from potential entrants in the HOPE awards have addressed interest, but concern about whether their programs or processes were sufficiently innovative or interesting to share. Others wondered about submitting specific numbers and results from their practice that may be shown publicly in the widely read *Hematology & Oncology News & Issues* magazine. The HOPE awards are your forum for exploring the basics of practice operations and for offering ideas for continuous improvement in each category. The entry questions are intended to provide a quick snapshot of some possible key indicators, and then to explore the processes that support excellence in the entry category.

Why are we focusing on practice basics and processes for improvement?

Payers and employers are starting to expect medical practices to justify their business operations as well as clinical services, with the cost of medical care outstripping employer capacity and funds for coverage. Oncology is under an even stronger spotlight due to recent reimbursement policy shifts and the size of the looming pipeline in ever more costly oncology drugs. Payers are increasingly asking for proof of not only effective medical decision-making, but effective operations management. Most business outside of the medical field understands and tracks financial indicators, as well as attending to the logistics of ensuring effective business operations, and expects that physician offices are as diligent. Many medical practices still do not have such processes and measures in place, so the HOPE awards serve a valuable function of not only spotlighting those practices who are raising the bar, but also in sharing processes to help other practices meet these new demands.

What about competition and privacy of our numbers?

We have heard your concerns and feel that it will be possible to collect the outcomes and measures data for presentation in aggregate with complete anonymity for the individual practices, and yet profile the processes of winning entries that led to their collection of such data. It is the processes that need to serve as models for the general community. Providing aggregated, blinded information on the ranges of measures and outcomes submitted with entries can still provide targets and benchmarks for the community without revealing sensitive details for any individual practice.

What steps should a practice take in moving toward control and improvement of the economic aspects of the practice?

1. Embrace knowledge and expertise—There is a wide range of “business sophistication” in medical practices. Business administration skills are not a part of traditional medical training. Practices should seek out skilled leadership and guidance

regarding the business of oncology. Managers and administrators should participate in professional medical practice administrative organizations such as the Medical Group Management Association (MGMA). MGMA offers professional education, self-testing, and professional certification as a medical practice executive. MGMA has a vast library of books and publications, as well as article packs on numerous targeted subjects (for example, physician compensation, managing accounts receivable, managing inventory, conducting staff performance reviews, etc.). The American College of Medical Practice Executives (ACMPE) is affiliated with MGMA and has compiled a body of knowledge that outlines the depth of subjects and skills one should have to function as a professional practice administrator. Administrators may complete a comprehensive exam process to become Certified Medical Practice Executives (CMPE), and develop major professional papers to attain status as a Fellow in the American College of Medical Practice Executives (FACMPE).

2. Own your own numbers—Develop an internal dashboard of key statistics. Basic dashboard reviews may be looked at daily, weekly, monthly, quarterly or annually. They can include financial and clinical information. These measures must be tracked against your own practice over time, and can be benchmarked against some external sources for comparison on a more global practice scale. The MGMA now offers free dashboards on its Web site with benchmarking to other practices on a national scale at www.mgmdashboards.com.

The process takes two minutes and is free. The American Society of Clinical Oncologists (ASCO) offers a clinical benchmarking Quality Oncology Practice Initiative (QOPI) to member practices at www.asco.org/qopi. Various oncology practices are gathering in groups and networks and sharing data for benchmarking and improvement opportunities.

3. What do I measure?

Typical financial measures indicate the financial health of your practice, and might include:

- ▶ Number of days in accounts receivable
- ▶ Gross revenues, by payer, by physician, by department (inpatient and outpatient)
- ▶ Net collections, by payer, by physician, by department
- ▶ Cost of goods sold
- ▶ Inventory turnover
- ▶ Denial rates and top reasons for denials
- ▶ Practice break-even rates, per department, per regimen, per drug, per payer, per physician
- ▶ Practice costs, department mix, drugs as a percent of total cost, per physician
- ▶ Drug costs, by class of drug compared to total, cost of top 30 drugs to practice, to payer, and to patient under different co-payment scenarios, annual analysis of available generics and alternative products

Typical clinical measures may indicate the clinical health of the practice, or provide competitive or marketing intelligence:

- ▶ Per MD FTE
 - ▷ Number of new patient visits
 - ▷ Number of established patient visits
 - ▷ Number of total patient visits
 - ▷ Patient mix by payer, by disease, by stage, by regimens
 - ▷ By diagnosis code, disease stage mix, top 4 regimens used to treat each disease stage
 - ▷ Payer mix, top diagnosis codes and disease stage
- ▶ Clinical measurements
 - ▷ Percent regimens prescribed on label (FDA), off-label (compendia) and off-off-label, per MD
 - ▷ Percent imaging tests ordered only after internal compliance review with guidelines, per MD
 - ▷ Percent diagnosis codes ordered in compliance with NCCN compendia
 - ▷ Compliance in choice of regimen, Re: Established guidelines (and which guidelines), percent and volume of variation – by disease state, payer, and physician, reasons for non-compliance – patient or physician choice, financial, clinical, individual health status issues, logistics, etc.
 - ▷ Symptoms and disease management – tracking incidence, response and outcomes.

Payers are increasingly asking for proof of not only effective medical decision-making, but effective operations management.

- ▷ Labs/imaging management
 - percent compliance with indicated testing prior to treatment (ie. HER2 testing, Onco-type dx, hemoglobin, iron saturation levels)
 - percent compliance with selection and utilization management for imaging studies
- ▶ Clinical research
 - ▷ Number of outstanding trials
 - ▷ Number of accrued patients, in total, per trial, per disease state
 - ▷ Sources of trials (study group, pharma, private, federal, NCI)

Typical operational measures may indicate the operating efficiency of the practice, and provide wisdom for payer marketing and negotiations and patient marketing, as well as indications for improvement opportunities. These measures might include:

- ▶ Number of physicians, staff in each department
- ▶ Number of FTE, physicians, staff in each department

- ▶ Annualized collections per billing staff FTE
- ▶ Initial chemotherapy volume per RN FTE
- ▶ Infusion chair capacity/utilization tracking
- ▶ Infusion chair turnover time
- ▶ Per MD FTE
 - ▷ Number of total staff, billing staff, clinical staff, imaging staff
 - ▷ Number of staff per patient visits
 - ▷ Number of lab staff per procedure volume
 - ▷ Percent documented chemotherapy plan, consent
 - ▷ Percent patients with survivorship plan
 - ▷ Percent patients with documented discussion of palliative care alternatives at first, second, third lines of therapy per disease state

There are very few practices across the country measuring such dashboards on a regular basis, but those who do are well positioned for survival in the new world in which they are practicing. If you do not have the tools or technology to track your business and clinical operations, these suggestions may help you to plan how to go about getting started.

In the meantime, the HOPE awards will continue to be available, and all entrants are encouraged to participate. All entrants are winners, just for having the vision to create processes by which attention to financial, management, and operational issues is paid. Your numbers will be aggregated into ranges for general information, but more important, even the smallest practice can show leadership in developing processes. Sharing the information on processes and how to integrate them into a busy practice is actually more important than what your individual measurements are (since there are so many variables and variation between practices).

Help yourself and your community as you position yourself for success. Share your knowledge and expertise. If you are not yet able to share, watch carefully and implement quickly, so that you are not left behind in negotiations and market positioning. 

Resources

1. "ValuSource and MGMA Launch Free Benchmarking Dashboards for Medical Practices", Medical Group Management Association Media Release, July 1, 2008, www.reuters.com/article/pressRelease/idUS197561+11-Jul-2008+BW20080711
2. "Benchmarking practice operations: Results from a survey of office-based oncology practices." Akscin J, Barr TR, Towle EL: *J Oncol Pract* 3:9-12, 2007
3. "Is your practice ready for an uncertain future? The questions you should be asking your staff," by Dawn Holcombe, *Community Oncology*, Volume 3, Number 3 (March 2006)
4. "Pay for Performance & Oncology Practices, At the Crossroads, What Your Oncology Practice Can Do Today," by Dawn Holcombe, *Oncology Issues*, published by the Association of Community Cancer Centers (ACCC), March/April 2007 issue, Pages 26 - 30.
5. "Evidence-based Practice Management," by Ben Favret and Steven Kirchof, *Hematology & Oncology News and Issues*, February 2007, Pages 18-25.



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