

Launching a Community Oncology Center: 5 Key Considerations

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Rapid evolution in diagnostics and treatment for cancer care, innovation through genomics and predictive analytics, the continuing shift toward value-based care are hastening the migration of oncology from hospital settings to community-based centers. This raises the question: Is now the right time to invest in a community oncology center?

The experiences of multiple health systems point to five key considerations in determining how to design a strong go-to-market approach once it is determined that the service area population will support a cancer center.

STRATEGIC CONSIDERATION NO. 1: SPEED TO MARKET.

The level of urgency an organization faces around establishing an oncology presence in a particular market will guide decisions around facility design, the types of services offered, and more. For example, if the goal is quick entry into the market, the organization could start with a smaller array of the most essential services and expand them over time, as well as make use of an existing facility or adapt a pre-fabricated structure that could be attached or adjacent to an existing structure. If speed to market is not an issue, the health system could consider new construction and take its time planning and offering a more comprehensive set of services.

A regional hospital system in northern California identified a suburban community as an attractive target market for a new community cancer center and recognized they had to rapidly establish a center before a competitor did so. The system elected to establish a narrowly-defined set of services (infusion, radiation therapy, support services) in a modular structure and support it with treatment planning, imaging, pathology, and surgery resources available through its other cancer centers and hospitals.

STRATEGIC CONSIDERATION NO. 2: CAPITAL INVESTMENT.

The amount of capital a health system wishes to invest will shape decisions around facility design as well as the equipment, staffing, and services.

A health system desiring a low capital investment approach accomplished its objective applying a combination of: a leased rather than owned linear accelerator, modular construction, reduced size of facility (achieved through the use of shared exam rooms and “off stage” work space), and, similar to the northern California system, use of clinical and IT resources already available in other settings rather than replicating them.

STRATEGIC CONSIDERATION NO. 3: REFERRAL NETWORK.

A well-developed and maintained patient referral network is critical to the success of a community-based cancer center. A successful organization took the following steps to achieve that outcome:

- Included both oncologists and potential referring physicians in the planning for and the decisions related to the center
- Encouraged and supported oncologists in proactively informing potential referring specialists about how the new center’s services would meet the needs of their patients better than competitors and emphasizing the intent to return patients to the original physician
- Planned to implement centralized scheduling, a health information exchange to enable data sharing across disparate EMRs, and coordinated patient care functions
- Identified and resolved barriers to patient referral

STRATEGIC CONSIDERATION NO. 4: PAYER CONTRACTING.

To establish a strong relationship with payers and employers a community cancer center must meet the “value” they seek specific to quality/clinical outcomes, coordinated care, ease of use, and patient satisfaction while also having a competitive cost. This is particularly crucial for strong performance under value-based payment models, particularly the anticipated CMS radiation oncology bundle.

A health system that applied the positioning strategy referenced above found that it was both effective with health plans and enhanced its direct-to-employer contracting strategy.

STRATEGIC CONSIDERATION NO. 5: DIFFERENTIATION.

Community cancer centers must differentiate themselves in three areas:

Clinical. Demonstrating oncology-specific accreditation and quality designations—such as the Commission on Cancer Accreditation, Quality Oncology Practice Initiative Certification, and Radiation Oncology Program Accreditation—is a basic necessity. So is the ability to highlight strong outcomes for specific groups of patients. Beyond those features, one organization differentiated itself by emphasizing the availability of tumor-site experts; offering leading-edge treatment and clinical trials; and drawing attention to its outcomes in treating patients with late-stage and low-incidence tumors.

Innovation. Some health systems, are differentiating their cancer centers through incorporation of genomic and predictive analytics in diagnostics and treatment planning, and adoption of emerging FDA-approved oncology treatments.

Consumerism. In an era of consumerism, community cancer centers must differentiate themselves on patient experience. A large health system recently launched a center emphasizing ease of scheduling, excellence in communication, seamless care coordination and care transitions, and an anesthesiologically pleasing and therapeutic environment. It also offers oncology navigators and specialized care management for patients via an oncology-specific software platform. There are plans to implement a telehealth platform for an even more seamless care experience.

Careful consideration of each of these strategies is critical to making the right decision around investment and designing a competitive, consumer-driven model for oncology services. ●