Detailed Market Intelligence Drives a Sound Outpatient Strategy

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In January, mammogram volumes at selected centers across St. John Health in southeast Michigan were nearly 10 percent ahead of the same period last year, and the number of breast cancer radiation treatments exceeded budget for the first time in two years.

How did St. John Health turn this formerly struggling service line into a winner? Better market intelligence showed us previously unseen nuances in the way care was delivered and subtle shifts within our market. With this knowledge, we devised a strategy that met patient needs, improved the delivery of care, and drove higher patient volumes.

A changing picture
The migration of care to outpatient settings creates opportunities (new service lines, new revenue streams) as well as threats (increasing competition, lost business). A primary obstacle to seizing opportunities and parrying threats is the apparent dearth of data on the outpatient market.

Reliable data is what planners need to answer key questions: How can we predict outpatient market volume and trends? What procedures are moving to outpatient settings and how fast are they growing? Who are our competitors in the outpatient arena? Where did the — insert name here — business go? What kinds of physicians are performing what types of procedures now? And what do we do about that?

In the absence of outpatient data, we turn to the data that's available and make assumptions. In Michigan, that includes the Michigan Outpatient Database (which provides no physician office data, no diagnostics, and limited freestanding facility information—and which does not include all Michigan hospitals); the Michigan Department of Community Health Survey (which offers dated calendar-year data only and is not defined by geography or service area); extrapolated national-level data from various sources applied to our local area; internal health system data (which is accurate, but offers no competitive comparison); databases of health system and hospital information; and the often messy and soft intelligence found on the Internet and in local phone books. Assumptions based on the inaccurate, incomplete, subjective, and limited data available from these sources are likely to be terribly wrong and lead to flawed strategy.

The St. John Health story
At St. John Health, comprising nine hospitals and more than 125 medical facilities in, finding the right outpatient data caused us to re-assess our initial incorrect assumptions and led to an effective strategy.

At St. John Health, radiation therapy treatments were down, though traditional sources of data pointed to expected growth and increasing incidence of new cancer cases. Where did

the volume go? Obviously we were not seeing the full picture with the available tools. We assumed our outpatient market share mirrored our inpatient market share. We assumed our competitors in the outpatient arena were the same as our inpatient competitors. We posited that, since 1 percent of mammograms lead to oncology treatment, an increase in the number of mammograms would lead to an increase of radiation therapy. All we had to do was increase the number of mammograms to get our radiation therapy numbers where they belonged.

Only one of our assumptions was correct, but we didn't find that out until we looked at the right data.

To get a clearer picture, we leveraged a tool that provides relevant, market-specific outpatient information. It showed us who our competitors are, where the business is, and why our radiation therapy numbers were down. The online tool from Thomson Healthcare's Solucient brand provides outpatient profiles based on an analysis of more than 500 million claims from providers. Combining claims-based models with information on local demographics, payer mix, and facilities allowed us to create precise estimates of local market size for specific clinical procedures. County-level market size estimates were further broken down into specific provider shares using complete facility claims histories from CMS.

What the right data revealed

The most eye opening revelation was finding out who our real competitors are. We found that in the outpatient arena, freestanding outpatient facilities were the market leaders, not the hospitals, and radiologists working at these sites had the biggest impact on where patients seek diagnosis and treatment if a mammogram showed an anomaly. The data showed us who had the business, and a deeper drill-down showed us what kinds of procedures were being done by whom.

We always understood that the business we were after was not just mammography, but biopsies. The data revealed, however, that we had a greater market share in mammography than in biopsies. Patients who had positive mammograms did not necessarily have biopsies (or, subsequently, radiation therapy) in our system. Why? Any woman who has had a positive mammogram could have told us the answer. It took too long. Waiting for a surgeon to do a biopsy might mean a delay of two or three weeks. Radiologists working in freestanding centers were able to perform biopsies right away. Why wait?

And if the results of the biopsy were positive, the radiologist made a referral for treatment – not necessarily to St. John Health. We had been working to secure referrals from surgeons. The data showed us that we needed to connect with radiologists as well.

Market intelligence also showed us that we needed to make our processes more customer-centric. We had to shorten the time between a positive mammogram and biopsy (St. John Health is aiming for five days) and we had to support patients through an

emotionally fraught time. We now have a coordinator and nurse navigators in place who guide patients through the various steps in breast screening and treatment — like setting up appointments, making the right phone call, establishing treatment plans, etc. In other words, we've adopted more of a retail model for breast care, where a customer can expect a range of services offered seamlessly and without hassle at a time when hassle is unacceptable.

A deeper look at the outpatient data showed us more. Cross referencing the data revealed that when an attending physician orders a mammogram for a patient with a particular kind of diagnosis — such as benign mammary dysplasia — the need for a biopsy is 20 percent higher. While this association was no surprise to clinicians, it was news to planners and other people in the business office. Armed with this data, a planner can quickly seize the opportunity. We checked with the clinical breast manager, the medical director, and administrative directors in addition to physicians. Indeed, this type of diagnosis indicated a higher risk for cancer and a greater need for treatment. Based on this research, we developed an expedited process for high-risk patients, then created better linkages with referring physicians, offering what they needed — an efficient and integrated fast-track process, coupled with improved communication.

Of course, a sophisticated outpatient profile database is not the only source of information a planner needs to build a strategic direction — although it helped us understand the kinds of questions we needed to ask as we continued to refine our processes. We also went directly to our customers, their attending physicians, and the radiologists. We learned that customers prefer digital mammograms, though St. John Health had primarily analog machines. We immediately began the process of changing over to digital mammography. In addition, we decided to move mammography out from under the direction of the radiology department to the oncology directors where the progression from screening to biopsy to therapy could be more effectively coordinated. We worked with the patients' attending physicians and radiologists to expedite biopsies and deliver a definitive diagnosis to the attending and, in turn, to the patient.

Healthcare planners know that implementing a strategy in a healthcare system is like turning the QE II. Reliable data confirms for everyone involved that a course change is necessary and the new bearings are correct. At St. John Health, the plan included enlisting a physician — an expert in breast care — to coordinate breast care throughout the system — at all our hospitals that span five counties. It was data that got everyone on the execution team on the same page and to consensus.

The results

One of our original assumptions panned out. We had assumed that increasing the number of mammograms would lead to more biopsies and radiation therapy. That turned out to be true.

In January of this year, mammogram volumes at selected centers in the health system were 8.6 percent ahead of the same period last year. In the same month, actual radiation

treatments were 4.3 percent ahead of budget. For the first time in two years the number of treatments met — and exceeded — budget.

Lessons learned

The St. John Health story shows the importance of having the right data to drive decision making. Without it, we would have developed and promoted the wrong product. Our strategy to increase radiation treatments would have been ineffectual at best and at worst exceedingly costly.

We learned the power of the right data to provide the foundation of an effective business plan and to convince all stakeholders to buy into the plan. An investment in the right data saved us from making mistakes that would have cost us revenue, and it set us on a course that is already paying dividends — not only in revenue but in customer satisfaction.

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