CANCER

Service Line Snapshot 2015

health care intelligence

CANCER

Service Line Landscape

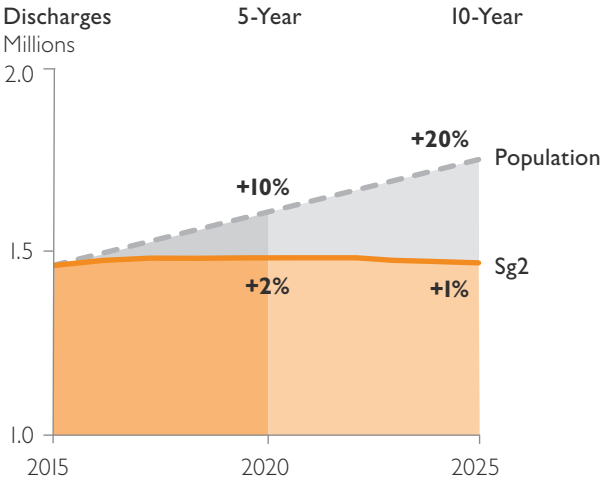
Demand for cancer services lies primarily in the outpatient setting, complemented by select inpatient opportunities. This trend is fueled by the aging population and an increasing number of cancer survivors who will continue to rely on surveillance, treatment and disease management. Increasing competition will require organizations to explore new channels and strategic priorities to differentiate their cancer programs. For some providers, establishing alignment models and acquiring physician practices are a means to grow volumes and improve overall quality. Others are tightening care coordination, improving patient experience and investing in technology to distinguish their programs. Regardless of the approach, cancer programs need to maintain control of the entire care continuum—from developing robust lung, breast and colorectal screening programs to integrating survivorship and end-of-life care. Strategies that enhance multidisciplinary care coordination and appropriately curtail unnecessary utilization (eg, oncology medical homes, clinical pathways) hold the key to growing long-term, value-driven volumes.

Top Trends

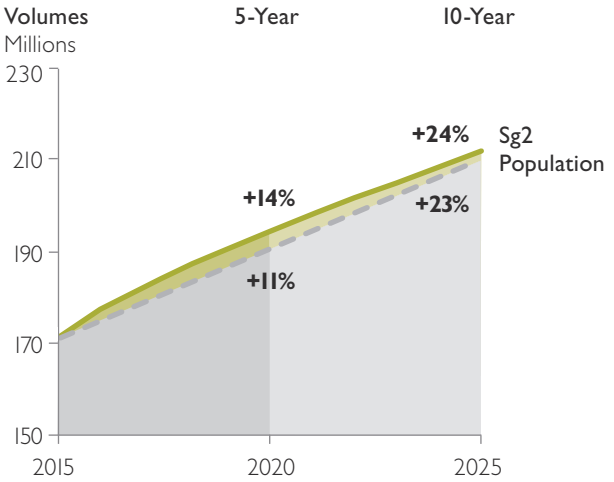
- Overall, IP surgical procedures will see modest growth, with tumor-specific opportunities. Medical admissions for cancer complications will steadily decline as improved OP coordination and end-of-life services keep patients out of the hospital.
- Low-dose CT lung screening programs for high-risk patients will expand now that reimbursement is in place. Successful screening programs detect early-stage tumors and drive demand for downstream surgery and radiation.
- Demand for infused chemotherapy will soften later in the decade as more oral medications are introduced and become stand-alone therapies. Next-generation immunotherapies represent an area of significant excitement, with impressive clinical results in melanoma and lung cancer.
- Hypofractionation* will continue to soften demand for 3D conformal therapy and drive strong growth in SRS/SBRT, especially in emerging extracranial applications for cancers such as lung, head and neck, and prostate.
- Advanced molecular diagnostics and genetic profiling will become an increasingly integral part of the cancer care pathway and personalized treatment planning.
- While primarily pilots, value-driven payment initiatives, such as bundled payment, episodes of care and shared-savings models (eg, CMS's recently announced Oncology Care Model), continue exploring ways to control the rising cost of cancer care.

US MARKET FORECAST

Inpatient Cancer Forecast
2015–2025



Outpatient Cancer Forecast
2015–2025

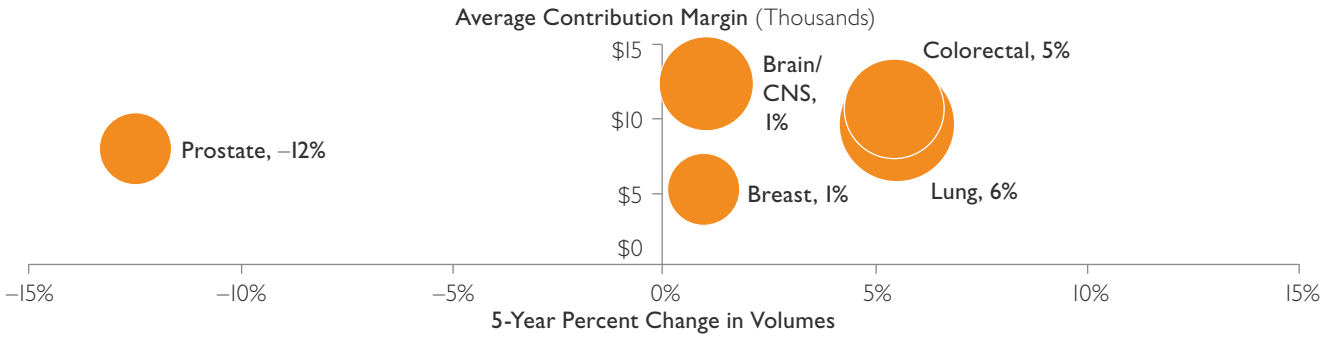


Note: Analysis excludes 0–17 age group.
Sources: Impact of Change® v15.0; NIS; PharMetrics; CMS; Sg2 Analysis, 2015.

Action Steps to Drive Value

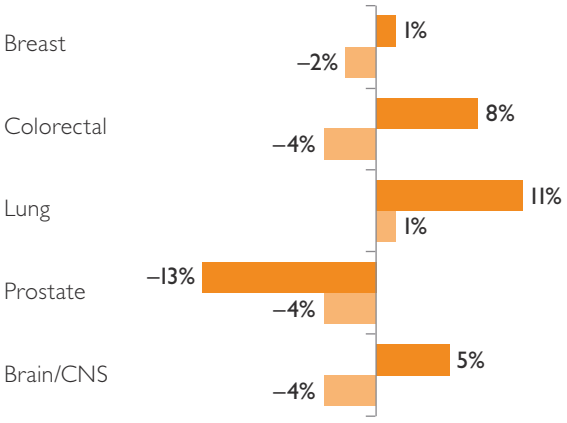
- Build strong System of CARE connections across the cancer care continuum. Identify strategies to fill service and quality gaps that impair the patient experience, threaten quality and lead to patient leakage.
- Build alignment models with cancer specialists within and outside of your organization to support tumor-specific multidisciplinary care.
- Create a patient-centered, coordinated cancer program through patient navigation, ancillary support services, survivorship programs and integrated palliative/hospice care.
- Investigate innovative payment models to prepare for payment reform. Early results from risk-based payment models suggest that the most significant cancer cost-savings opportunities fall into 3 areas: (1) reduced variation through adherence to evidence-based pathways; (2) strong outpatient coordination to avoid unnecessary hospitalizations; and (3) reduced aggressive end-of-life interventions through collaboration with palliative care and hospice services.

Inpatient Opportunities Vary by Tumor Type

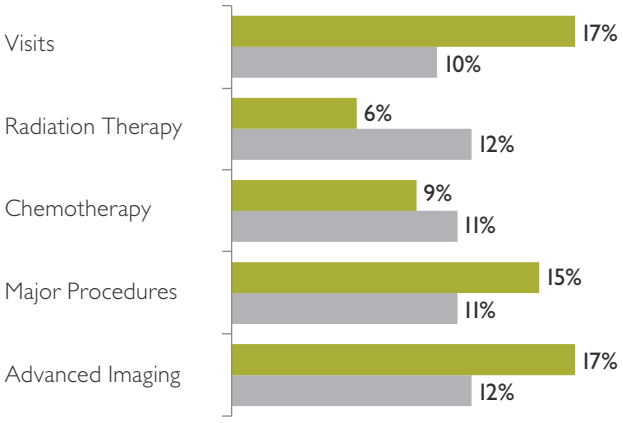


*Hypofractionation involves completing a course of radiation therapy with fewer, higher-dose treatments. **Note:** Financial data for Large Community Hospital Peer Group; excludes 0–17 age group and includes select Sg2 CARE Families. The size of the bubble represents the CARE Family's proportion of overall IP cancer service line volumes. CNS = central nervous system; SBRT = stereotactic body radiation; SRS = stereotactic radiosurgery.
Sources: Sg2 Comparative Database, 2015; Impact of Change® v15.0; NIS; Sg2 Analysis, 2015.

5-Year Inpatient Cancer Discharges by Select Tumor Type, 2015–2020



5-Year Outpatient Cancer Volumes by Procedure or Visit Type, 2015–2020



Sg2 IP Surgical Forecast | Sg2 IP Medical Forecast | Sg2 OP Forecast | Population-Based Forecast

Note: Analysis excludes 0–17 age group.
Sources: Impact of Change® v15.0; NIS; PharMetrics; CMS; Sg2 Analysis, 2015.

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Anticipate the Impact of Change

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