

# MILLENNIUM GROWTH STRATEGIES

## for Health Care

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### Organizing Services to Address a Major Women's Health Issue

According to the Agency for Health Care Policy and Research, about 185,000 women nationwide are diagnosed with breast cancer annually and 45,000 die from the disease, making it the second most common form of cancer and the second leading cause of cancer deaths in women. Over three-quarters of breast cancers occur in women over age 50 and the lifetime risk that a woman will get breast cancer increases with age until it reaches 1 in 9 among women age 85 and older.

Leading health care providers are positioning themselves to meet the needs of a growing population of midlife and elderly women by offering an interdisciplinary, comprehensive approach to the care and treatment of breast cancer.



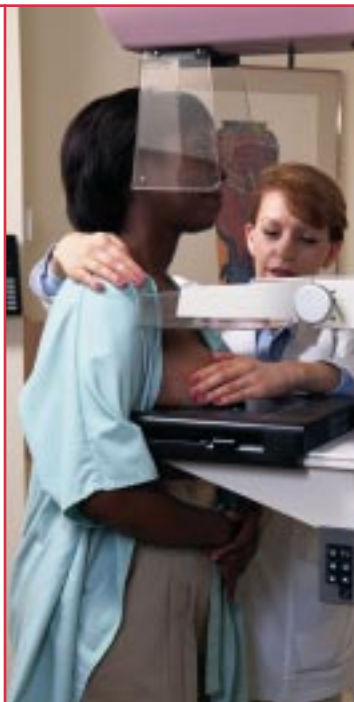
### Growth and Revenue Opportunities: Breast Centers

**B**reast cancer has captured tremendous nationwide attention in the past two decades. Public awareness combined with population growth and available funding will lead to continued increases in demand for breast cancer screening and early detection.

Breast centers are gaining interest from providers attempting to capture a market of well-informed female health care consumers over age 50. Nearly 500 breast centers have joined a National Consortium of Breast Centers. In some metropolitan areas breast imaging is on the cutting edge of retail-oriented ambulatory services with mammography services in shopping malls and department stores, frequently packaged with other services (e.g., massage, bone densitometry, manicure, etc.).

Breast centers offer several advantages over mammography services offered in more traditional outpatient settings. Breast centers can enhance

- Quality and customer satisfaction
- Competitive positioning in a retail-oriented ambulatory care market
- Access to a growing population of peri- and post-menopausal women
- Related product lines (e.g., women's health and oncology)
- Overall financial performance



Breast center revenue comes from three main sources: the diagnostic and screening procedures themselves, incremental surgical cases, and other follow-up activity. Unlike other women's centers that typically offer many low-tech (often unreimbursed) services, breast centers usually operate with margins of 10 percent or greater. One large center in the Southeast with 25,000 annual mammograms experienced a 15 percent margin on

### Breast Center Services

- Mammography
- Consultation and exam
- Breast ultrasound
- Immediate reading capabilities
- Biopsy (fine needle, open, stereotactic, core, sentinel node)
- Consults/referrals
- Surgery (implants, lumpectomy, mastectomy)
- Radiation therapy and chemotherapy
- Patient education (counseling, support groups, resource library)
- Complementary and alternative medicine
- Related retail services (wigs, prosthesis fitting, mastectomy bras, etc.)
- Emerging technologies:
  - Digital mammography
  - Scintimammography
  - Preoperative chemotherapy

breast center operations plus over \$1 million in net revenues from other services for breast center patients. A mid-sized center (6,500 annual mammograms) in a highly competitive Northeast market also enjoys a 15 percent operating margin.

Nationwide, for 1,000 screening mammograms, approximately five to six women are diagnosed with breast cancer. Almost every woman with

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breast cancer is treated surgically, often with breast conserving procedures, such as lumpectomies, instead of mastectomies, when cancer is found in early stages. Depending on the type and stage of the cancer, surgery may be followed by radiation therapy, chemotherapy, and/or hormonal therapy. Other follow-up activity includes breast reconstruction as well as frequent testing and office visits to ensure early detection of any recurrence.

For providers seeking to improve their market position in women's health and oncology services, breast centers can be an attractive and potentially lucrative strategy.

### KEYS TO SUCCESS

- High standards of accessibility, service, and convenience
- Comprehensive understanding of the competitive environment
- Attractive packaging of services
- Availability of high-quality follow-up services
- Collaboration with physicians



For more information on breast centers and other growth and revenue enhancement opportunities, please contact one of our directors:

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