

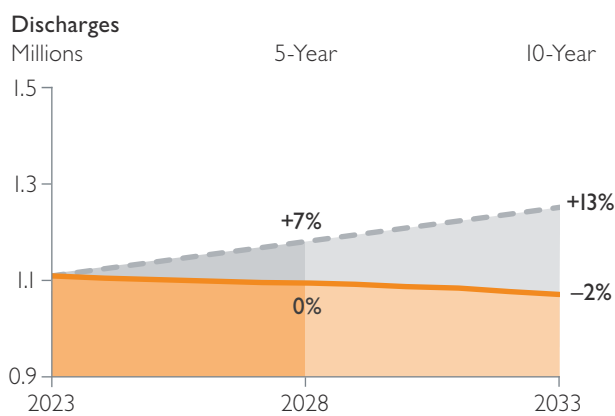


Snapshot 2023 CANCER

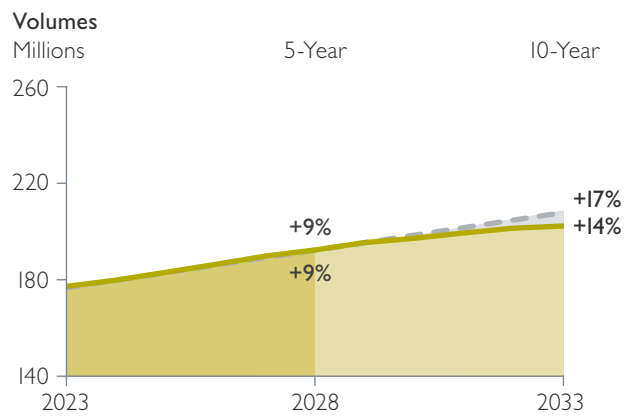
LANDSCAPE

Within their local markets and nationally, health systems' cancer programs increasingly face fierce competition and care delivery complexity. Among the most consequential dynamics: rapidly evolving targeted therapies and newly approved drugs, heightened revenue pressure, and a surging population of survivors. To contend with workforce constraints in numerous subspecialties, service line leaders are accelerating care redesign efforts. They are rethinking care delivery offerings (both in person and virtual) while safeguarding the high-touch, subspecialized care demanded by the majority of cancer patients. Magnified focus on value-based care is raising awareness among payers and consumers of how individual programs within a market perform on measures of cost and quality. Thus, programs should continue work to curb practice variation as a key to competitive success. Amid this tumultuous landscape, service demand remains strong, primarily in the outpatient setting. As cancer leaders look to keep pace, optimizing every decision point along the care continuum will be crucial to maintain market share and fuel future growth.

Inpatient Cancer Forecast, US Market, 2023–2033



Outpatient Cancer Forecast, US Market, 2023–2033



■ Sg2 IP Forecast ■ Population-Based Forecast ■ Sg2 OP Forecast

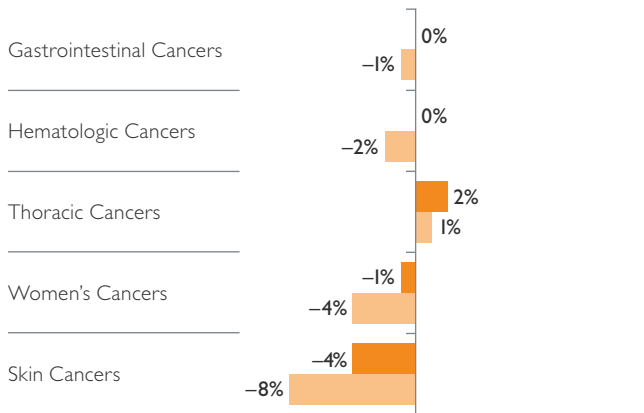
TOP TRENDS

- Rollout of the [CMS Enhancing Oncology Model](#) begins July 1, 2023. This and other novel approaches will challenge traditional clinical standards and offerings (eg, drugs, diagnostics, supportive care), heighten attention to treatment inequities for vulnerable populations and likely require updated growth strategies.
- Breakthroughs in tumor-specific molecular and genomic testing (eg, liquid biopsy, next-gene sequencing) are spurring expanded screening and diagnostic offerings. Programs must ensure adoption is in step with updated screening recommendations for younger populations and with broader initiatives to tackle cancer health disparities.
- Payers increasingly are weighing in on where and how (eg, infusion centers, home) patients receive care and treatment, often restricting service options.
- Combined therapies that use emerging clinical therapeutics and technologies (eg, neoadjuvant) and expanding drug indications (eg, innovative cellular therapies, targeted checkpoint inhibitors) are garnering attention and utility.
- Private equity-backed networks are disrupting existing channel strategies, requiring health systems to prioritize physician alignment to mitigate patient leakage and invest in differentiated clinical and operational capabilities (eg, clinical decision support, cutting-edge technology, ancillary care resources).
- Leading programs are expanding the reach of their services regionally and nationwide, aligning resources (eg, advanced care capabilities, virtual access to tumor-specific subspecialists, clinical trials access) to enable new partnerships and affiliations.

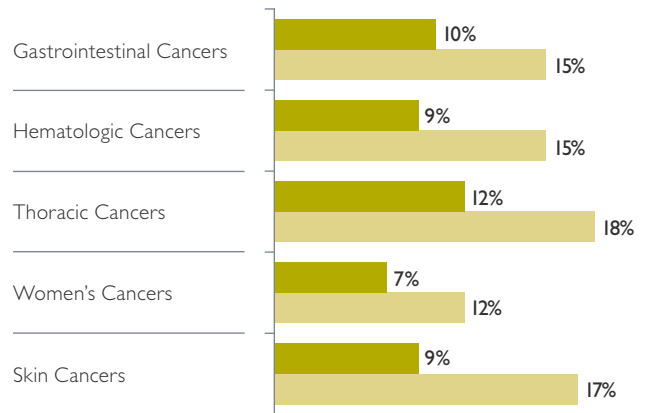
Note: Analysis excludes 0–17 age group. 0% indicates forecast is flat (less than ±1%). Sources: CMS, Enhancing Oncology Model. Accessed April 2023; Impact of Change®, 2023; HCUP National Inpatient Sample (NIS). Healthcare Cost and Utilization Project (HCUP) 2019. Agency for Healthcare Research and Quality, Rockville, MD; Proprietary Sg2 All-Payer Claims Data Set, 2021; The following 2021 CMS Limited Data Sets (LDS): Carrier, Denominator, Home Health Agency, Hospice, Outpatient, Skilled Nursing Facility; Claritas Pop-Facts®, 2023; Sg2 Analysis, 2023.

CANCER SNAPSHOT 2023

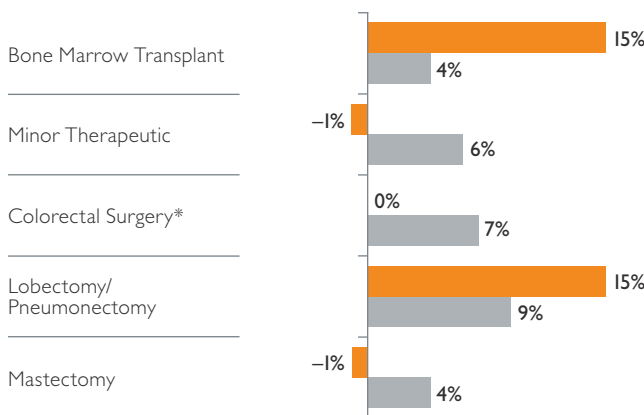
Inpatient 5- and 10-Year Forecast by Service Line Subspecialty
US Market, 2023–2033



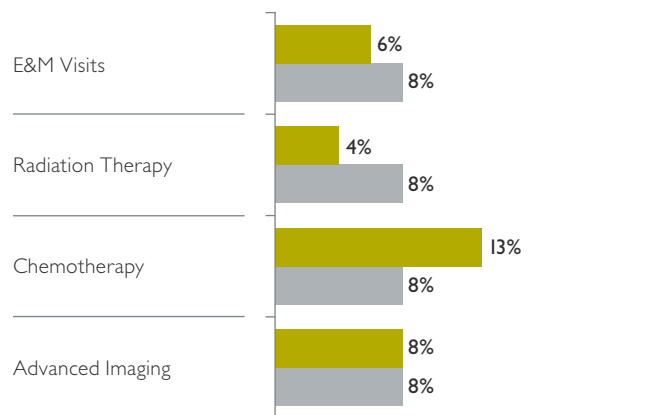
Outpatient 5- and 10-Year Forecast by Service Line Subspecialty
US Market, 2023–2033



Inpatient Procedures Forecast, US Market, 2023–2028



Outpatient Procedures Forecast, US Market, 2023–2028



■ Sg2 IP 5-Year Forecast
 ■ Sg2 IP 10-Year Forecast
 ■ Population-Based Forecast
 ■ Sg2 OP 5-Year Forecast
 ■ Sg2 OP 10-Year Forecast

ACTION STEPS TO DRIVE VALUE

- ▶ Solidify patient-centered strategy in oncology by creating a well-coordinated, diverse offering across the care continuum. Deploy highly integrated care teams (eg, disease-specific navigators, pharmacists, advanced practitioners), services and ancillary support (eg, financial counseling, education).
- ▶ Identify gaps in current clinical expertise that warrant investment in further subspecialization (eg, fellowships). This may be essential to expand services that require innovative therapeutics and treatment approaches (eg, targeted immuno-oncology/immune checkpoint inhibitor, biosimilars) and advanced technologies (eg, molecular and genomic radiation therapy).
- ▶ Explore nontraditional or new care models (eg, care at home, home chemotherapy) to extend consumer-friendly service offerings; collaborate with payers to mitigate financial and safety risks.
- ▶ View payment bundles as an opportunity to collect longitudinal data, identify potential cost savings, improve patient experience and develop well-aligned clinical care teams. Organizations willing to go at risk should prioritize opportunities and services that support multiple specialties (eg, dedicated oncology-trained pharmacists, home infusion, palliative care, hospice).

*Colorectal surgery includes large bowel resection and rectum resection procedures. **Note:** Analysis excludes 0–17 age group. Gastrointestinal cancers includes Colorectal and Anal Cancer, Hepatobiliary Cancer, Pancreatic Cancer, and Small Intestine and Peritoneal Cancer CARE Families. Hematologic cancers include Leukemia, Lymphoma and Multiple Myeloma CARE Families. Thoracic cancers includes Esophageal and Stomach Cancer, and Lung and Thoracic Cancer CARE Families. Women's cancers includes Breast Cancer, Cervical and Other Female Reproductive Cancer; Ovarian Cancer; and Uterine and Endometrial Cancer CARE Families. Skin cancers includes Skin Cancer and Melanoma CARE Families. Radiation therapy forecast is based on fractions. Advanced imaging includes PET, CT and MRI. 0% indicates forecast is flat (less than ±1%). CARE = Clinical Alignment and Resource Effectiveness; E&M = evaluation and management. **Sources:** Impact of Change®, 2023; HCUP National Inpatient Sample (NIS), Healthcare Cost and Utilization Project (HCUP) 2019. Agency for Healthcare Research and Quality, Rockville, MD; Proprietary Sg2 All-Payer Claims Data Set, 2021; The following 2021 CMS Limited Data Sets (LDS): Carrier, Denominator, Home Health Agency, Hospice, Outpatient, Skilled Nursing Facility; Claritas Pop-Facts®, 2023; Sg2 Analysis, 2023.