



Monograph: **Fox Chase Cancer Center**

## **Fox Chase Cancer Center Banks on Olympus**

*For Multi-Discipline Endoscopy, Minor Procedures and Bronchoscopy (EMB) Suite*



***"Timing is everything, particularly when the marketplace you service grows by virtue of the demand for your services. This is further amplified when you have the unique opportunity to establish a multi-disciplinary healthcare team by adding several nationally recognized physicians and equip them with the assets they need to fulfill the demand. This became a reality in September of 2001 when we opened our brand new, state-of-the-art EMB suite that houses the most updated endoscopic and radiographic equipment...all of it Olympus."***

— Wallace E. Young, CPM, Director of Materials Management  
Fox Chase Cancer Center

When you're at the helm of a thriving healthcare practice such as the Fox Chase Cancer Center, it's easy to rest on your laurels. But when the dynamics of the healthcare profession force you to diversify, where do you turn for new technology and the capital with which to fund it? The answer for Fox Chase was clear, Olympus.

In less than two years, this venerable Philadelphia-based institution has transformed itself into a model

multi-discipline center for cancer screening and interventional endoscopy. The endoscopic equipment of choice comes from Olympus. And thanks to the innovative Cost Per Procedure® (CPP®) program from Olympus Financial Services®, three endoscopy rooms were equipped with leading-edge Olympus equipment without spending one cent of precious capital. The arrangement has also spurred a broader opportunity to increase revenue and address reimbursement issues.

Fox Chase Cancer Center is an independent, non-profit institution devoted to improving cancer treatment and cancer prevention. Fox Chase is one of the nation's first comprehensive cancer centers designated by the National Cancer Institute and has been consistently named one of "America's Best Hospitals" for treatment of cancer by *U.S. News & World Report*. With more than 1,900 employees and an annual budget of \$130 million, Fox Chase's 100-bed hospital is the fourth largest in the country that is devoted entirely to cancer care. Its mission is to reduce the burden of human cancer through the highest quality programs in research and patient care, including cancer prevention, treatment, education and early detection.

This mission in action can be seen from the success of Fox Chase's recently created EMB Suite, where gastrointestinal endoscopy, interventional endoscopy and bronchoscopy procedures are performed. Since its creation within Fox Chase in September of 2001, the suite serves as a model for the modern multi-discipline endoscopy practice.

Endoscopy procedures, once performed mostly on an inpatient basis at Fox Chase, have risen more than 450% overall, primarily due to outpatient GI cancer screening. And, Fox Chase has become an important center for more difficult, therapeutic procedures such as ERCP, endoscopic ultrasound (EUS), balloon dilation and stenting throughout the GI tract.

“Previously, this institution had a small GI group that wasn’t particularly oriented toward interventionalist endoscopy,” says Oleh Haluszka, MD, Director of Gastrointestinal Endoscopy. “Now we’ve gone from a basic diagnostic suite to a much more interventional suite. This serves the needs of physicians within the hospital, and has allowed us to become a referring center from other hospitals and other gastroenterologists in the area.”

### ***A Closer Look At The Transition***

Fox Chase’s first step in expanding its endoscopy services was to consolidate GI, pulmonary and urinary endoscopy practices into a new space within the hospital, according to Michael Unger, MD, FACP, FCCP, Director, Pulmonary Cancer Detection and Prevention Program; Director, Pulmonary Endoscopy and High-Risk Lung Cancer Program. This suite of rooms, including three endoscopy rooms and five beds for patient recovery, was named the EMB Suite for Endoscopy, Minor Procedures, and Bronchoscopy.

At the same time, Fox Chase reorganized staff and recruited top physicians to expand the practice, including David Weinberg, MD, MSc, Director of Gastroenterology; Minh Nguyen, MD, Director of Clinical Gastroenterology; and Oleh Haluszka, MD, Director of Gastrointestinal Endoscopy, a well-known therapeutic endoscopist. The final step was to equip the new suite with state-of-the-art endoscopy equipment specified by the physicians.

The unanimous choice was Olympus, “the best endoscopic equipment available in terms of visualization, maneuverability of the scopes and endoscopic ultrasound,” says Haluszka. He performs the most complex interventionalist procedures at Fox Chase and previously at the University of Maryland where he was Director of Endoscopy. “We used Olympus equipment there and when I came here I told them that’s what I wanted and that’s what I got.”

***“Not only are the parts interchangeable, but we have one company and one contact for sales and service allowing us to achieve improved efficiency...***

***If it weren’t for Olympus, we would not have achieved 450% growth since 2001!”***

*—Karen Viola Beukers, RN, CNOR, RNFA, Clinical Coordinator, EMB Suite, Fox Chase Cancer Center*



Equipping three new rooms meant a considerable amount of equipment — numerous Olympus gastroscopes, bronchoscopes and cystoscopes, radial and linear endoscopic ultrasounds, an ERCP scope, new video processing equipment and two DSD scope cleaning machines. Fox Chase also wanted to purchase an Olympus service contract, since the experience of the staff has been that Olympus excels at servicing its equipment. They next had to decide how to finance the purchase, a task that fell to Wallace Young, CPM, Director of Materials Management.

“After we saw the price tag of this equipment, we conducted a rigorous due-diligence process,” Young says. First he compared the Olympus price structure to the cost of equipment and service from other manufacturers, to ensure that Olympus pricing was competitive. “Olympus passed this litmus test,” Young says, leading to the toughest question: How to finance the purchase?

### ***Balancing the Budget***

Tailoring an Olympus® Cost Per Procedure® solution is relatively easy, following a basic four-step formula:

1. Estimate your practice’s annual number of procedures.
2. Multiply it by the number of years in the CPP® term.
3. Divide that by the financed amount (cost of the equipment times finance multiplier).
4. Add a per-procedure service contract fee (service cost divided by total number of procedures).

Using this analysis, Fox Chase was able to calculate a CPP® cost of \$41.85 per procedure fixed over a 48-month term. This is based on a projected 150 procedures per month or a total of 7,200 procedures for the life of the term. This CPP® Program covers Olympus® equipment and service.

***“...when we need something, we need it now — and we haven’t experienced any downtime....That’s crucial because we’re so dependent on the equipment to maintain patient schedules.”***

*—Karen Viola Beukers, RN, CNOR, RNFA, Clinical Coordinator, EMB Suite, Fox Chase Cancer Center*

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Courtesy of Fox Chase Cancer Center

*David Weinberg, MD, MSc, Director of Gastroenterology; Oleh Haluszka, MD, Director of Gastrointestinal Endoscopy; and Minh Nguyen, MD, Director of Clinical Gastroenterology are pictured with Olympus equipment.*

Young says. "This arrangement requires no initial outlay of funds, so it helped our cash flow position."

Young also appreciates the program's flexibility. As used at Fox Chase, CPP is, in effect, an operating lease, so there's no ownership — and no liability at the end of the contract. Instead of having to maintain or dispose of aging equipment, Fox Chase can simply upgrade the old equipment for new instruments under a new CPP term. "Because we're not purchasing the equipment, we have

repair and maintenance. "Whenever we need to troubleshoot anything, my rep is always available to me," Beukers says. "And when we need something, we need it now — and we haven't experienced any downtime. Turnaround on repaired scopes is fast and loaners are available when needed. That's crucial because we're so dependent on the equipment to maintain patient schedules."

Fox Chase physicians and administrative staff also benefit from the standardization of multi-discipline Olympus endoscopes with the video processing equipment: "The fact that the video processors are basically interchangeable makes it easy to move procedures from one room to the

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*—Oleh Haluszka, MD, Director of Gastrointestinal Endoscopy, Fox Chase Cancer Center*

"We turned it every which way but loose," Young recalls. Fox Chase thoroughly compared the cost and benefits of financing using every possible option, including commercial loans, capital lease agreements and operating leases. After all this, Fox Chase chose the option presented by Olympus Financial Services: Olympus Cost Per Procedure (CPP) financing. Says Young, "The CPP program made the most business sense for us by providing a unique off balance sheet financial solution."

CPP financing is a highly flexible, usage-based financing solution that helps healthcare organizations obtain leading-edge Olympus endoscopy equipment, services and supplies with a payment plan matched to procedure volume. The beauty is that CPP financing requires no up-front capital investment, with payments due only when procedures begin. "CPP financing from Olympus was most attractive because we didn't have to capitalize the purchase,"

the opportunity to turn it in for upgrades," Young says. "This keeps us on the cutting edge as technology advances, which differentiates Fox Chase with our patients and our physicians. No other vendor offered this type of asset management and technology refresh capability."

In negotiating the CPP agreement, the Olympus Financial Services representative worked closely with Fox Chase staff to estimate the number of procedures the EMB Suite would perform, which led to the CPP solution. Says Young, "Olympus is an easy company to work with. Our Olympus representative is on a first name basis with everyone in the department, and that's the kind of attitude you like to see."

Karen Beukers, RN, CNOR, RNFA, the EMB Suite's Clinical Coordinator, also appreciates the Olympus service-oriented mentality for equipment

next," Haluszka says. "That facilitates having a multi-discipline suite." Furthermore, Beukers states, "Not only are the parts interchangeable, but we have one company and one contact for both sales and service allowing us to achieve improved efficiency, turnaround time of the patients and cross-training of our staff. If it weren't for Olympus, we would not have achieved 450% growth since 2001!"

Clearly, the working relationship between Fox Chase and Olympus has contributed to the EMB Suite's success. In Young's words, "Olympus is truly our business partner in its contribution to our mission, enabling us to achieve our strategic goals as well as assisting us to stay within our financial plan."

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### Value Creation

Create and Execute Superior Strategies for Today's Economic Climate that Provide Intelligent Total Business Solutions.



### Olympus Financial Services®

Cost Per Procedure® (CPP®) is just one of the financial options from Olympus. Whether a medical practice, hospital, or laboratory plans to acquire new equipment, diversify healthcare services or improve liquidity, Olympus, with over 80 years of healthcare experience, offers a solutions-based approach.

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### Fox Chase Cancer Center At A Glance

#### Type of facility:

Independent, non-profit 100-bed hospital devoted to cancer care

#### Procedures:

Gastrointestinal Endoscopy  
Interventional Endoscopy  
Bronchoscopy

#### By the numbers:

Inpatient admissions averages 3,600

Outpatients exceed 50,000

Endoscopy procedures have increased 450% since 2001

#### Area served:

Located in Philadelphia, PA, serving patients nationwide

#### Medical staff:

325 physicians and scientists; more than 1900 employees in total

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