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## STANDALONE INFUSION CENTER CEO: 'THE PATIENT EXPERIENCE IS SUPERIOR'

ANALYSIS | BY **CHRISTOPHER CHENEY** | AUGUST 03, 2022

Health systems and hospitals have an opportunity to open their own standalone infusion centers or to establish joint ventures with standalone infusion center companies.

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### KEY TAKEAWAYS

- Standalone infusion centers have been experiencing strong growth, according to the American Society of Health-System Pharmacists.
  - Standalone infusion centers can offer patients amenities, such as private suites, that are not common at hospital-based infusion programs.
  - Standalone infusion centers are more cost-effective than hospital-based infusion programs, with lower overhead and expenses.
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The CEO of a standalone infusion center business says patient experience and low operating costs are key market differentiators for the facilities.

Standalone infusion centers have been experiencing strong growth, according to the [American Society of Health-System Pharmacists](#). Most standalone infusion centers specialize in providing intravenous medications to patients with chronic or complex conditions such as cancer, Crohn's disease, multiple sclerosis, and rheumatoid arthritis.

"There is no question that infusion is moving in the direction of standalone infusion centers. I can't imagine that five years from today there will still be large numbers of patients going to acute-care hospital systems for monthly IVs," says [Shane Reeves](#), PharmD, CEO of Murfreesboro, Tennessee-based [TwelveStone Health Partners](#).

TwelveStone operates seven standalone infusion centers in Georgia, Tennessee, and Virginia.

The patient experience delivered at most standalone infusion centers is far better than the patient experience at hospital-based infusion programs, Reeves says. "You can't imagine sitting in a dental office with 30 people in one room getting their teeth cleaned. Why would you want to have 30 people sitting in one room at a hospital getting their IVs? We think standalone infusion centers where people have their own private suites is a market differentiator, and we are finding that patients love it. The patient experience is superior, and the five-star Google reviews we get daily prove that."

TwelveStone has tried to look at all aspects of patient experience, he says. "We are not simply trying to be the pharma side of care. From the second when you walk in the door at one of our locations, it feels like a spa. From the sights and the smells, it feels like a spa. When patients are in their individual suites, we offer comfortable massage chairs. We offer places for their family members to sit. We offer WiFi. We offer Netflix. We offer snacks. If people cannot get to us, we have a transportation service to get them in."

TwelveStone addresses the personal side and the clinical side of patients' needs, Reeves says. "We have a full-time chaplain service. For many patients with chronic conditions, they not only have clinical needs but also spiritual needs for comfort and hope. We have a holistic approach to taking care of the patient."

Convenience is a hallmark of standalone infusion centers, which are often closer to where patients live and work than hospitals. Standalone infusion centers are often located in suburban communities to avoid the traffic and parking challenges at

downtown hospitals, he says. "We have sited our centers intentionally. If the patient has a two- or three-hour infusion, the family can leave and go to places in the local area such as restaurants and places to shop."

## **COMPETITIVE FINANCIAL MODEL**

Standalone infusion centers are a lower-cost setting than hospital infusion programs, Reeves says. "Acute-care facilities are the most expensive setting to receive any medical service. We do not have nearly the overhead or expenses of hospitals. We can negotiate with payers at a lower price. Standalone infusion centers are more affordable, to the point where we have several payers who are referring patients to us. The payers are pushing patients our way because we are more affordable and have a better patient experience."

TwelveStone's services are reimbursed by Medicare, Medicaid, and commercial payers, he says. "We are contracted with all of them."

TwelveStone provides infusions on a fee-for-service basis and provides patients with price transparency, Reeves says.

"We are transparent with the patient from the very beginning. As soon as a patient gets admitted for our service, we have to go through the process of adjudicating claims and determining what the service is going to cost. We let our patients know about out-of-pocket costs at the very beginning, so they know exactly what they are getting before they walk in the door to get a service. The last thing anyone wants is to come in and get a therapy, then realize they owe thousands of dollars. We are transparent on the front end. We know what your out-of-pocket cost is going to be before you get infused."

## **OPPORTUNITY FOR HEALTH SYSTEMS AND HOSPITALS**

Market forces are boosting standalone infusion centers, he says. "There are three significant trends in the healthcare marketplace that have promoted standalone infusion centers. First are the payers—it is just cheaper to get services in our standalone settings than in acute-care settings. Second, the big pharma companies are developing new medications that require IV delivery as opposed to oral medications. Third is the patient experience—people want to get their medications in outpatient settings near where they live and where they work."

Health systems and hospitals should consider seizing on standalone infusion center opportunities, Reeves says.

"Is there an opportunity for health systems and hospitals to open their own standalone infusion centers? The answer is absolutely 'yes.' But I would encourage health systems and hospitals to reach out to companies such as TwelveStone. Let's do something together. As opposed to trying to reinvent the wheel, health systems and hospitals can do joint ventures with companies like TwelveStone. We can establish partnerships to take care of these patients. There is quite a bit of infrastructure that is involved. I would encourage health systems and hospitals to find standalone infusion centers in their markets and establish relationships."

TwelveStone is in joint venture conversations with several large hospital systems including HCA Healthcare and Memorial Hermann in Texas, he says. "We are working with Skyline, which is an HCA Healthcare hospital system in Tennessee. There are a couple of reasons they want to work with a company like ours. First, they are trying to open up hospital beds. So, rather than having a patient in a hospital bed receiving an IV antibiotic, they could come to us. Second, there are revenue-sharing opportunities."

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