2019 ACR-RBMA Practice Leaders Forum

National Outpatient Radiology Practice Models in Preparation for Changing Medical Reimbursement

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ACR American College of Radiology — Quality is Our Image

RBMA Radiology Business Management Association

Radiology Leadership Institute — American College of Radiology

DISCLOSURES

- I am an employee of RadNet.

LEARNING OBJECTIVES

- Discuss the features of my practice that are behind the success of our freestanding out-patient imaging center

- Reveal the compromises we make in utilizing these strategies

Lenox Hill Radiology

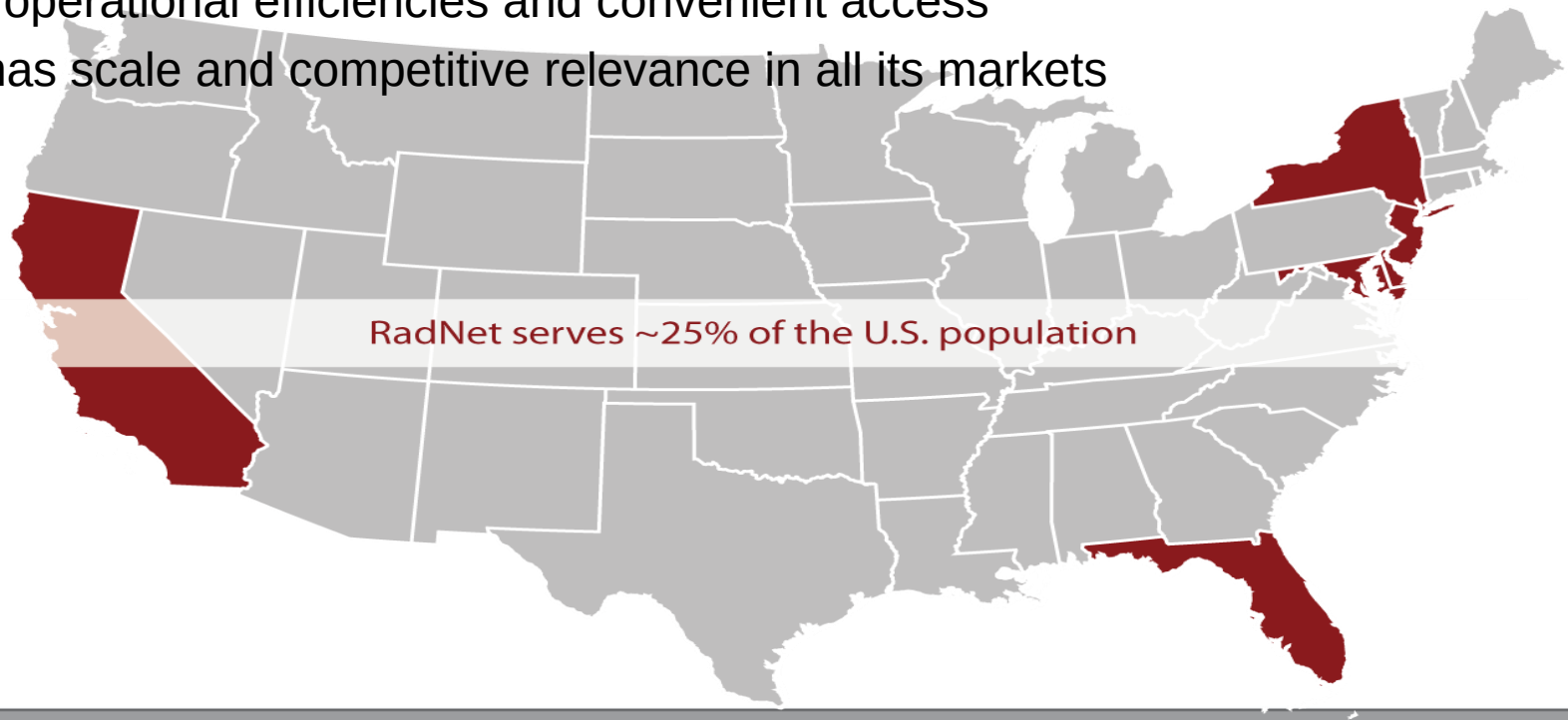
Organizing for Success in the City that Never Sleeps

STRONG REGIONAL PRESENCE

Enables access and service over competitors

- Consolidator in highly fragmented imaging industry with a 34-year operating track record

- 324 diagnostic imaging facilities in concentrated markets of CA, MD, DE, NJ and NY
  - Vast majority of facilities are multi-modality
  - Provides operational efficiencies and convenient access
  - RadNet has scale and competitive relevance in all its markets



Number of Imaging Centers	
NJ:	20
DE:	13
NY:	93
MD:	56
FL:	3
CA:	139

NORTHERN MANHATTAN

RadNet Affiliated Locations

SOUTHERN MANHATTAN

RadNet Affiliated Locations

WHAT DEFINES LENOX HILL RADIOLOGY

- Numerous outpatient offices in both the most and least affluent neighborhoods of NYC
- Highly sub-specialized organ-based approach to image interpretation
- Efficient, cost-effective care managed by administration with minimal red tape separating new ideas, action plans, and implementation
  - Salaried radiologists
  - Preferred provider relationships encouraged between referring doctors and radiologists
  - Services are maximally spread out

HOW WE FORMED: BUY ...

- LHR started off as a 26-radiologist group, operating four offices in Manhattan
- Acquired by RadNet, then became a launching pad for providing access points throughout New York City
- Further acquisitions of competing practices has grown LHR into 100 radiologists with 70 offices across New York City

HOW WE FORMED: ... AND BUILD

- Aggressive and intelligent investments in:
  - Updating imaging equipment
  - Advanced communication tools to enable the highest levels of service
  - Upgrading aesthetics of physical plant

HOW WE MANAGE OUR RADIOLOGISTS: RECRUITING

OUR FILTERS:

- Years worked as a radiologist
- Prestige of training program attended
- Existing skills: biopsy, mammo-enabled, cardiac
- Skills willing to be learned: biopsy, hysterosonogram
- Intangibles: leadership skills, marketing, flexibility (e.g., willingness to travel to uncovered offices)

→ All of the above feed into customized salary packages

HOW WE MANAGE OUR RADIOLOGISTS: WORK EXPECTATIONS

- Hard work: at least nine hours/day

- RVUs are reviewed monthly by administrative staff
  - No communication to radiologists in good standing unless they request their numbers
  - Intervention for radiologists who are slipping or not meeting expectations
    - Check macros to optimize efficiency
    - Check use of RIS to optimize efficiency
    - Use of timer for improved time management
    - Put in more time (i.e., stay longer in the office)
    - Re-negotiate package (e.g., slow mammographer willing to go to less desirable neighborhood when other doctors decline)

HOW WE MANAGE OUR RADIOLOGISTS: COMPROMISES

- Upper tier of most productive radiologists do not see immediate compensation for their increased output

- We do not (for the most part)
  - Pay per case
  - Pay as a function of RVU production

- Radiologists who work a full day and have met their individual volume expectations are not forced to stay late to ensure all cases are read
  - Overflow cases are dealt with by clean-up readers who are given overtime pay
  - We are exposed to delayed turnaround time due to availability of radiologists looking for overtime

ADVANTAGES IN HOW WE MANAGE

- We never accept speed at the cost of highest quality
- All interventions are designed to enhance focus
- Aggressive Radpeer program to maintain quality
  - Sub-specialty reviewer for each sub-specialty
  - Discrepancy cases are organized by radiologists and then batch-reviewed with reviewer looking for trends
- Creates positive group dynamics
  - Cooperation
  - Consultation
  - Teaching
  - Volume sharing
  - No cherry-picking
  - Being available to technologists looking for guidance

HOW WE MANAGE OUR REFERRERS: PREFERRED PROVIDER PROGRAM

- Referring providers can ask for a specific radiologists to read their cases
- The program allows close relationships to develop inside our large, spread-out organization
- Relationships promote:
  - Loyalty from referring doctors
  - More efficient throughput of work as the radiologist has history of what referring doctor is looking for
  - Increased job satisfaction for radiologist
- Compromise we accept in having a Preferred Provider Program
  - Hard to balance individual work volumes with the work distribution constraints created by preferred providers

HOW WE MANAGE DISTRIBUTION OF SERVICES

ADVANTAGES

- Marked service availability
  - For example, most sites that do mammography are provided with biopsy days
    - *Number of biopsy days per week is established by biopsy demand on the site*
    - *Number of sites doing diagnostics and procedures is a function of the number of radiologists with those skill sets available that day*
- Provide patients with access to care within their own communities, often an important offering for the NYC population

COMPROMISES

- When a radiologist calls out sick, we are challenged to find an equal replacement
- Many of our team have different skill sets, and often, a substitute radiologist will not be able to cover all the services scheduled that day
- We scramble to fill the scheduled services
  - Minimize patient inconvenience
  - Sacrifice radiologist schedules – at a loss of their maximum productivity

CORE COMPONENTS OF LHR

- Sub-specialized organ-based approach
- Minimal red tape separating new ideas, action plans, and implementation
- Customized physician salary packages
- Never accept speed at the cost of quality
- Physician cooperation/team work
- Preferred Provider Program
- Major challenge to our approach: balancing radiologists' daily work volumes vis-à-vis our work distribution constraints
    - Sub-specialty care, fixed salary, and our preferred provider program