Large PACS vendors woo small hospitals and centers

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For much of the last decade, the future of PACS seemed intertwined with that of digital radiography. The widespread adoption of DR would signal the end of film-based radiology, according to PACS advocates. No one foresaw the haymaker that multislice CT would land or the follow-up cross coming from MR. Together they have ended the debate over the value of PACS.

PACS is now essential for handling the digital images buffeting radiology. And the progression of MSCT from tertiary medical centers to smaller facilities has landed PACS on the doorsteps of imaging centers as well as midsize and community hospitals.

Smaller medical institutions had been the province of smaller companies, which specialized in less powerful but adequate PACS that were priced lower than those developed for larger institutions. That has begun to change, however, as multimodality vendors and major IT providers have satisfied the demands of larger early adopters and are looking elsewhere for sales.

Many of these large companies made their first overtures to smaller institutions by trying to scale back their PACS, but the Goliaths designed for sprawling enterprises could be scaled back only so far. The vendors are now addressing small institutions in earnest.

Working with data storage provider EMC, GE Healthcare has developed Centricity SE (small enterprise), a PACS tailored specifically to community hospitals and imaging centers. This PC-oriented system has the same functionality as GE's enterprise edition PACS but on a smaller scale. The centerpiece of the archival solution is EMC's new low-cost Clariion AX100 networked storage system. A fully functional configuration with all the bells and whistles that accompany archive and retrieval costs about $1 million.

The first site to install a Centricity SE was driven to PACS by mounting clinical pressure. Katherine Shaw Bethea (KSB) Hospital, a 99-bed institution in Dixon, IL, was nearly overwhelmed by images from computed radiography, MR, and quadslice CT. An upgrade to 16-slice CT was on the way, and a 64-slice scanner was all but inevitable, so the situation was only going to get worse.

"It was a growing challenge just trying to make everything work," said Linda Martinex, director of medical imaging at KSB.

The hospital installed a Centricity SE last year, and its Web-based technology provided the means to bring outlying imaging clinics into the digital fold.

GE is among the first multimodality vendors to fashion a PACS for the smaller facility, but it is not likely to be the last. Small firms that once competed for this market segment are preparing to meet technological incursions by doing what they do best. CoActiv Medical Business Solutions is promoting Exam-PACS, an affordable modular PACS designed specifically for imaging centers and hospitals with tight budgets. Exam-PACS is flexible, easy to use, and lists at a quarter to a third the price of other PACS products, according to Ed Heere, president and CEO of CoActiv.

"They're selling for a million to a million and a half. We're around $350,000," he said.

At these prices, institutions can almost justify the cost of a PACS on the film and chemical savings alone. Northern Westchester Hospital in Mount Kisco, NY, did exactly that when deciding to install Exam-PACS a year and a half ago.

"The price got low enough that we could make the leap," said Scott Nadell, chief of radiology. Exam-PACS is also running at three of the five imaging centers of which Nadell is part-owner. It interfaces effectively with the DR Systems PACS that is installed at two of the centers. DR Systems' founder, Dr. Murray Reicher, a practicing radiologist, began developing an IT solution 13 years ago to manage data flow at his imaging centers. Today, the company's Release 7 extends well beyond the archiving and display of images to allow administrative functions, such as scheduling, and access to productivity tools. These capabilities are part of an integrated suite.

"It is a unified system that requires no third-party brokers," Reicher said.

INTEGRATION DRIVERS
Small hospitals may not want PACS that were designed with massive healthcare systems in mind, but small radiology departments want and need many of the bells and whistles to keep their clinical colleagues satisfied. For them, integration is becoming increasingly important to meet the productivity needs of customers. Radiology information systems are being positioned as the engines behind PACS, and the major vendors are emphasizing their ability to drive this integration.

"The product of the radiology department is not just the image, but the report," said Henri Primo, Siemens' national director of marketing and strategic relationships. "By integrating RIS and PACS, our users have the capability to shorten the time between exam and report."

Siemens has developed iMaxcess, a fast transmission protocol that accelerates data transfer. The protocol works with Siemens' Cosmos RIS/PACS, which was designed to be scaled across hospital enterprises or down to individual hospitals and imaging centers.

Small hospitals are adopting once-niche technologies as part and parcel of their PACS purchases. The burgeoning use of 16-slice CT and the prospect of 64-slice scanners in the context of faster MR systems have made speed critically important. Three-D imaging also figures into this equation. Philips' ViewForum, integrated into the company's EasyAccess PACS, supports protocol-driven 3D viewing of large data sets. This capability, called Volume Inspection, addresses new clinical applications such as CT coronary measurements and virtual colonography.

"Three-D is more than just making a nice volume picture. It aids the decision-making process of the radiologist," said Sybo Dijkstra, marketing director for Philips Medical IT. The expansion of capabilities is accompanied by an interest in extending the reach of PACS. Radiology is no longer the only department concerned with image processing; cardiology, orthopedics, and emergency medicine now routinely use PACS. Both large and small vendors are addressing this reality. Agfa HealthCare is developing an Orthopedics Spine Module for its Impax ES to help surgeons make quantitative measurements and plan spinal surgeries. RealTimeImage's newly developed iPACS Cardio was created as an advanced cath lab solution that enables full digital cardiology image analysis and workflow support.

NAME RECOGNITION

Large firms' growing interest in the smaller markets is putting the squeeze on niche PACS players that built business around catering specifically to small hospitals. In an industry dominated by multinational companies, small vendors must fight the perception that bigger is better.

Two years ago, 79-bed Marlborough Hospital in Massachusetts bought an Amicas PACS to handle its CT, MR, and ultrasound images. Now the hospital's parent, University of Massachusetts Memorial, is requiring that all facilities in its system install the same equipment, and that may force a change. Companies that already have a foot in the door have an advantage. At Mississippi Baptist, McKesson installed the hospital and radiology information systems. GE built much of the radiology equipment, including three CTs, two MRs, and a PET/CT. Padgett views the balance of technological power as a win-win for the hospital.

"It will be a tough decision, but either way we go, the outcome will be good for us," he said. "The Merge PACS sounded like a good product," Martinez said. "But I guess it was just the GE reputation."

The argument for small PACS firms is becoming tougher to make as larger companies hone their message, adjusting equipment for smaller institutions and raising concern about whether small companies have the wherewithal and the longevity to do the job. Hospital and imaging center administrators who must weigh the relative merits and risks of accepting their proposals are caught in the middle.

Mr. Freiherr is business editor of Diagnostic Imaging.

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