Imaging Centers: Where Have All the Patients Gone?

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By Zach Bauer [1]

Changes in the market have more of the effect of 1,000 paper cuts on your imaging business, rather than one giant crashing anvil that is easy to see coming. However, without an effective plan of action, death by paper cuts or by anvil is inevitable.

It was the 250th anniversary of the birthdate of Wolfgang Amadeus Mozart. The Human Genome Project published the last chromosome sequence in the publication, Nature. Pluto was demoted from ‘planet’ to ‘dwarf planet’ by the International Astronomic Union. It was 2006, and since then imaging center volumes have been declining across the nation.

We’ve all heard the cost of health care is increasing. Employers are moving more of the costs to employees in their employee benefits packages to help mitigate those costs. And with unemployment reaching 9.2 percent in June, compared to the 4.5 percent rate of 2006, fewer patients are insured and subsequently covered for the same imaging studies they were covered for in 2006. Reimbursements are diving. There is also the now highly publicized risk of unnecessarily overexposing patients to radiation that has also slowed the referring physicians from ordering as many studies as they used to.

These changes in the market have more of the effect of 1,000 paper cuts on your imaging business, rather than one giant crashing anvil that is easy to see coming. However, without an effective plan of action, death by paper cuts or by anvil is inevitable.

So what will be your plan of action? Do you ever get into the imaging center in the morning and say to yourself, “Things just aren’t humming like they used to.”? Do you look at the schedule and see enough space or openings to make you uneasy?

All of these marketplace forces and mechanisms have exceedingly shifted imaging marketplace supply and demand. The supply and demand paradigm in imaging has consequently restructured and reorganized the imaging provider market in most locales across the nation. Hospitals are purchasing imaging centers or entering into joint ventures and turning those centers into their outpatient imaging centers. Stand-alone imaging centers are being purchased by conglomerates, closing their doors or selling to the hospitals in their communities. Physician groups and their members are referring only to the facilities that their groups are affiliated with or that they own. In all of this, we find that many imaging center operators and owners (hospital-owned, privately owned and radiologist-owned) are continuing to run their businesses as they did in 2006. What’s hurting all of them is all of the recent paper cuts.

We work to help clients keep up with their always changing imaging center markets by offering them uncommon information that helps them quickly and effectively make decisions about their imaging businesses. It’s in these partnerships that we ask and help them answer the following questions:

When was the last time you assessed your marketplace, or your Imaging Service Area?
Has your patient demand changed?
What does your current market capitalization look like?
Have you addressed outdated and unnecessary patient pursuit costs?
What are your competitors doing?
How will what your competitors are doing (buying, selling, gaining capacity, etc.) affect what your center does?
Will your specific volume growth strategy need to change based on the answers to the questions above?
Stop the paper cuts by designing a strategy around them. Obtaining knowledge on your ever-changing imaging market can help you effectively target the referring providers, patients and niche markets that you may otherwise be missing.

Then you can stop asking, “Where have all the patients gone?” and instead start asking, “Where have all the openings on the schedule gone?”

Zach Bauer is responsible for all management and operations within Medical Imaging Specialists. Zach also leads the MIS Client Delivery Strategy Team, which focuses on delivering the Volume
Generation, RCM, Imaging Center, and Hospital Radiology Department Operations Management and Finance offerings for MIS.

Disclosures:

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