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Hospital Based Radiologist Services Are Now a Commodity

The days of radiologists having collegial relationships between other medical specialists, Cross Town Radiology Associates, PA, and "support" from the hospital are not dead, but are both acutely and chronically ill with few chances of survival. The only reasons radiologists have been able to hang on to the "good old days" as long as they have is due to the shortage of physicians, the demographic changes in the country compelling more radiographic services, and the advancements in the field making radiographic services the first diagnostic option of choice. One would think in a pure market economy that these would be the salad days. Things are bad and going to get worse.

Hospitals facing competition in arguably their most profitable revenue area recognize that many specialists who admit patients to the hospital, order services, and basically own the diagnostic treatment pathway of the patient are the sponsors of a revenue stream. They are to be courted and loved. Any case which does not get performed within the hospital auspices is revenue lost. Hospitals weighing the benefits of a busy and happy cardiologist, neurologist, OB, or surgeon against the happiness of the radiologists will result in the radiologists being the losers. Yes, we all know that quality radiology can draw business to one hospital over another. But if acceptable radiology (the commodity level) is practiced, most hospitals would tell you (but not to your face) that is good enough if all the admitting and ordering docs are happy in return.

The disturbing trend is that ultimatums are being given to radiology practices who have been in place for many years by hospitals. The radiologists are being expected to sign contracts which are short term, include 100% night and weekend call, share

modality services for with other specialists during the day, result in teaching some specialists how to do certain cases, and agree to burdensome non-compete terms. Considering the facts laid out in the first paragraph, one would think that radiologists have some leverage. Not so. I know of several practices, where just in the last year, the group was fired for not signing under these terms. If they did sign, they accepted the terms as a trend in the industry. If they got fired, a new director was brought in who accepts the deal and he staffs the department with mostly the same docs who don't want to leave town to work somewhere else. I regret to tell you that the hospitals are winning.

If you are at risk, you probably know today. The time to act is today. Most solutions include "mutual non-aggression pacts" with the other group in town and getting into the outpatient business either by collaboration with the hospital or with investors (other specialists). Stark allows some wiggle room to make some of these work. Opening an imaging center yourself is high risk/high reward and the right move for some. Still some can start a clinical interventional radiology practice sharing patients with other specialties. Others have actually hired other specialists (i.e., vascular surgeons) into their practice to help them compete.

If you see yourself at risk of being commoditized get outside help. There was no course on this in Medical School. Having a plan in place and being able to move quickly may afford you just enough leverage to avoid being a victim in this high stakes game.

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