



The radiology care model is rapidly evolving as massive disruption sweeps through the healthcare landscape. Private practice radiology groups servicing hospitals throughout the country are finding that they can no longer maintain income levels while simultaneously providing the scale and technology necessary to remain relevant in today's environment.

To survive, small radiology firms are merging with bigger groups, larger groups are merging with like-kinds, and independents are selling out to for-profit investment firms. With persistent challenges and disruption here to stay, embracing change is essential to endure.

This industry upheaval also lends itself to increasingly limited options for hospital CEOs and medical staff needing co-aligned incentives, service and scale from their radiology group.

A Case Study

Radiology Imaging Services Inc. (RISI) has provided quality services to Akron General Health System for over 40 years. RISI, a traditional radiology partnership model complete with 19 radiologists, an interventional practice, and four hospital contracts, had reached a cross-road.

Despite RISI's successful history, they began to experience declining reimbursements, increasing demands for 24 x 7 x 365 hyper-subspecialization and needed to invest significantly in back-office operations, bench strength and technology.

Challenges

RISI's members understood they did not have the scale or technology needed to continue on with business as usual. They also did not want to add radiologists or make massive capital investments. Further, radiologists coming out of training were less likely to want to own their own practice, and were more interested in employment. Change loomed on the horizon and the founding partners evaluated options including: renegotiating the contract with Akron General, becoming an employed group of Akron General, merging with a local group, selling to a for-profit investment company, or partnering with Cleveland Clinic.

While initially concerned with losing their independence and increased administrative minutia, the partners chose to merge with Cleveland Clinic.

Solution

RISI was drawn to the success and stability of the fundamental business model of the Cleveland Clinic Imaging Institute, however, as responsible entrepreneurs, it was important for them to have a seamless transfer.

In order to achieve its desired outcomes, RISI insisted on continuing to deliver high quality medicine to all patients and therefore chose to join an organization that shared the same vision. As an integral part of joining Cleveland Clinic RISI radiologists would receive improved compensation and other benefits including generous retirement, vacation, healthcare and medical malpractice. Furthermore, through significantly increased scale and technology, the implementation of rigorous clinical and operational standards across disparate sites of service, a bench of 200 radiologists, a management service organization with leading edge back-office capabilities, RISI was confident that the Cleveland Clinic Imaging Institute would provide everything they needed and more allowing them to focus on delivery of services to their stakeholders.

Finally, they did not want to risk catastrophic disruption to the health system, the referring physicians and the patients in the community by selling to an investment firm interested in financial markets engineering.

“This radiology group is significantly more stable than prior to working with Cleveland Clinic. There has been improved cooperation and continuity of services between radiology and the medical staff. The hospital has seen significantly improved financial performance while experiencing reduced turn-around time for studies. Our Press Ganey scores have also demonstrated an improvement in service through reduction of clinical and operational variability. Similarly, we have reduced operational expenditures through a reduction in fees from outside service providers, primarily nighthawk coverage, and reduced capital expenditures through working more closely with CClI. Overall, this has been a fantastic move.”

Mr. Alan Papa, FACHE

President and Chief Operating Officer
Akron General Health System

“As a private, independent partnership, we had good times and challenging times. After joining Cleveland Clinic, we are a much stronger group. Our autonomy has continued and changes were made where they were needed. Our overall compensation and benefits have improved substantially. We believe we are now very well positioned for the future and that we can focus exclusively on delivering world-class care.”

Carl R. Martino, MD

Cleveland Clinic Regional Radiology
Former RISI Chairman, and past president of
Akron General's Medical Staff

Results

Today, RISI's members are very pleased with their decision to join Cleveland Clinic in January 2015. Migrating from a traditional delivery model to a 24 x 7 x 365 subspecialized model has led to measurable improvements across the board.

Through the implementation of clinical and operational standards, overall increases in Press Ganey® quality and service scores have been realized. Additionally, while other market dynamics also contributed to significantly improved financial performance, Q1 2016 procedure volume increased by 16 percent, margins were up over 25 percent and operating revenue increased over 30 percent from the same quarter in 2014. There have been noticeable improvements in service levels to the medical staff, delivery of subspecialization, and enhanced communication and consultations all resulting in improved patient care.

Conclusion

In choosing to join Cleveland Clinic in a turbulent environment, RISI has solidified their long-term foundation while maximizing their income, providing superior service and quality to the referring physicians, to Akron General Health System and to the patients in the community. This has exhibited itself in:

- improved patient care
- increased referring physician satisfaction
- decreased administrative frustration on behalf of Akron General and RISI
- increased profitability for the health system.

*Learn more about collaboration case studies.
ClevelandClinic.org/imagingcollaboration*