Colorado Hospital & Radiology Alignment: Best Practices for Reducing Costs and Improving Patient Care

How Colorado hospitals and radiologists are working together in the era of healthcare reform
Introduction

Reassessing, Rethinking and Remodeling

As healthcare reform pressures intensify and hospitals re-evaluate the way they do business, hospital administrators in Colorado are reassessing hospital-radiology alignment and seeking relationships with radiologists who will take a leadership role in reducing costs, improving patient care and strengthening a hospital’s competitive edge. Radiology groups have been doing their rethinking and remodeling to meet the demands and increase their value proposition in the very competitive Colorado radiology marketplace. They’re exploring and employing best practices that address changing reimbursement models, physician workflow efficiencies and patient outcomes. As a result, in addition to success factors that hospitals traditionally prioritize – such as turnaround time and accuracy – there are three trends that are catching the attention of hospital administrators in Colorado: bundled payments, enhanced afterhours service and the changing role of the radiologist. These are three areas where thought leaders will stand out from the “business as usual” crowd.

Trend #1 - Changing Reimbursement Models: Bundled Payments

The healthcare industry is in the middle of a major transformation and hospitals and radiology groups are still preparing for the largest changes in health care since Medicare was introduced in 1965. The Patient Protection and Affordable Care Act (PPACA) is among the major catalysts that are prompting healthcare providers to develop new strategies and adopt new business models in order to comply with reform regulations. Medical professionals are under intense pressure to reduce costs while delivering quality care and improved patient outcomes, and medical imaging and radiology will play a central role in making that happen. After all, medical imaging accounts for 7.5 percent of healthcare spending in the U.S. – more than $175 billion annually.

Reimbursement Changes and Bundled Payments

Changes include a new reimbursement model, moving away from a volume-driven, fee-based service model to a value-focused, outcomes-driven model, and implementing bundled payments. Radiology Groups, such as Diversified Radiology of Colorado, are embracing the changes.

“For Diversified, this is a win-win-win for us, the hospital and the patient. It’s tying quality and safety (good outcomes) into the reimbursement model,” explains Dr. Sean Bryant, Neuroradiologist at Diversified Radiology. He says the key to success will be a strong relationship between radiologists and partnering hospitals, working together on the front-end, offering decision-support.
“With bundled payments, it’ll be critical to reduce costs. We’re prepared to do that while balancing efficiency with outstanding patient care. For example, when a patient comes in, we help guide clinicians on what imaging should be done the fastest way while still providing quality and good outcomes. The patient gets routed the right way and out sooner.”

Radiologists and hospitals know that efficiency must be balanced with quality and safety. And they’ll be held to high standards, with performance accountability that includes financial incentives for producing good outcomes as well as penalties for things like high readmission rates.

Those that succeed will do so with strong hospital—radiology alignment, coordinated care and working toward shared strategic goals.

“There’s just one ‘pie’ and the pie is now fixed,” says Dr. Bryant. “The imaging workup process will be streamlined. It’ll cost less and there’s an opportunity for a hospital system to make a profit. We believe one way we can help make that happen is by providing subspecialized care and a fierce focus on accuracy from the start. Now it’ll be critically important to get the diagnosis right the first time.”

**Trend #2 - Enhanced Afterhours Service and the 24/7 Approach**

**Getting It Right the First Time**

Getting it right the first time requires a comprehensive approach built on subspecialized care and one standard of care day and night. It forces radiology providers to re-examine the way they’re currently delivering services. What may have worked in the past, may not work in this competitive Colorado environment.

Fifteen years ago, the industry saw a significant shift toward teleradiology as many providers, looking to reduce costs, outsourced their afterhours radiology services to third party teleradiology practices. While these “nighthawk services” were delivered by networks of credible readers from around the world, that same delivery method also meant your case could be read by a generalist in another country, delaying final reads and creating unnecessary redundancies. The reliance on a generalist-heavy nighthawk provider also introduced more risk due to higher odds of misreads.

**Changes in Afterhours Service Trends**

In today’s environment focused on cost savings, efficiency and safety, that trend is changing as providers and insurers look for efficiencies, standardization, and continuity of care. Hospitals are requiring more from their radiology partners. They are demanding subspecialized care around the clock and a consistent standard of care around the clock, delivered by a trusted team that’s accessible, approachable and reliable.
“We used to outsource afterhours until 2 years ago,” explains Dr. Barry Schoelch, Co-chair of Diversified Radiology’s Afterhours Section. “Providers in the hospitals want people in-house and people they know reading their cases. We now offer 24-hour subspecialty reads for neuroradiology, pediatrics and body imaging.” This extensive afterhours subspecialty coverage is unique to Diversified. It’s a new, innovative practice model, which is attracting attention from Colorado hospitals and referring physicians as well organizations around the country.

“Everyone is raving how much better the turnaround times are, how easy it is to get ahold of us,” explains Schoelch. “We’re providing 30 minute prompt turnaround time and we’re easily accessible and respond to doctor’s calls very quickly, often within minutes.”

Schoelch’s excitement is echoed by Dr. David Gilliland, a member of the Diversified Radiology team and Chair of the Radiology Department at Castle Rock Adventist Hospital. He works side-by-side with doctors in the emergency department, where subspecialty care is especially important due to the nature of the cases there. “What they see during the day is what they’re going to get at night. It takes more of an effort and is more expensive across the board, but the trade is that we’re offering more dependability. And that’s important for the hospitals and physicians we serve...So they know the read they get at 1 in the morning is the same as the one they get at 1 in the afternoon.”

Enhanced Afterhours Services
With their extensive subspecialty care, Diversified’s radiologists are reading in their subspecialties 90-100% of the time compared to other competitors who average around 30%. That means more accurate reads the first time and also means they can offer final reads, another need that’s quickly becoming a priority for hospital leaders who are looking to optimize efficiency, cost savings and quality. Until now, the demand for final reads afterhours has not been a primary concern for healthcare facilities, but the pressure to provide more final reads is rapidly increasing. Most experts believe there is still a place for preliminary reads, but ultimately, many believe preliminaries will become a thing of the past.

Trend # 3 - The Changing Role of the Radiologist
Health reform and the demands associated with it are also impacting the role of the radiologist, who must remain agile and proactive as they adapt to the ever-evolving landscape. In order to avoid being commoditized and threatened by competition, they must find ways to bring more value to hospitals and referring physicians through their day-to-day activities and personal interactions.

Ironically, the role of the radiologist seems to be coming full circle, reflecting days gone by. Several years ago, there was at least one radiologist at every hospital. To see and consult with a radiologist was nothing new or different for hospital personnel. An ED physician would routinely walk to the reading room to talk about a patient, and the radiologist would happily welcome them.
As technology advanced, so did the radiology trade. Radiologists became subspecialized and were able to use the advancing network capabilities to provide their expertise to multiple locations, rather than just the one where they were physically located.

The result was less face-to-face time and increased consultations over the phone. While it was great to receive subspecialized care by highly trained experts who were mobile, it was also frustrating for hospital staff who struggled to gain more focused attention, craving a more personal touch. Radiologists had receded into the background, spending most of their time in darkened reading rooms with minimal face-to-face interaction with the doctors they served.

“Five or ten years ago, we would call physicians only when necessary,” recalls Dr. Gilliland. “Now, I look for opportunities to call – not just emergencies. It takes a little more time, but making yourself part of the team makes you more valuable. It’s hard to replace a relationship. There’s always been a tendency to see radiologists as more of technical expert vs. ‘a real doctor’. That’s changing.”

**Getting Out of the Reading Room**

Radiologists are getting out of the reading room and finding opportunities to be more involved in cases, more active in the medical community and more instrumental in driving the strategic goals of the hospital.

“It’s sharing the responsibilities of the hospital in general. We’re starting to realize that while it reduces our minute by minute productivity, it ensures our longevity. You have to strike some sort of balance. While productivity is important, it’s important that physicians know we’re dependable and accessible,” notes Dr. Gilliland.

**More Strategic Involvement**

Radiologists are more active on hospital boards, involved in committees, sitting in on quarterly meetings, and actively taking part in strategic initiatives. For example, Castle Rock Adventist Hospital is adding a women’s imaging center and Dr. Gilliland is playing an integral role in that development.

Radiologists are also making rounds at hospitals and stepping into the waiting room. Among those leading the charge in Colorado is Dr. Lawrence Emmons, a respected Nuclear Medicine Radiologist and Vice President of Diversified Radiology. “Every shift I go back to the emergency room 3-4 times and talk to the physicians about their cases. It builds strong, trusted relationships. They know I’m accessible,” says Dr. Emmons. “I get so many comments about how much that means to them. They call me their honorary ER doc because I’m back there so much,” Dr. Emmons shares, chuckling.

The radiologist’s role as the consultant is critical as they look for ways to demonstrate value and help their hospital partners deliver better care and superior outcomes. Better communication, increased face-to-face interaction, front-end involvement and strategic alignment will be key factors in driving success.
Conclusion – Key Takeaways

Best Practices
The pursuit of optimizing cost reductions, efficiency and patient outcomes is a shared priority for both hospitals and radiologists. The evolving landscape and monstrous changes will require both to re-evaluate their current business models, reassess current relationships and explore best practices that will promote the success of both parties while keeping the patient front and center. There are already thought leaders who are setting the pace in Colorado by deploying:

1. Innovative business models
2. New services
3. More face-to-face consultation and strategic contribution

Trends Impacting Colorado
Thought leaders are using the best practices mentioned above to address the following trends impacting the Colorado market:

1. Changing reimbursement models and bundled payments
2. Demand for more subspecialized afterhours care and continuity of care
3. The changing role of the radiologist as an active consultant and strategic partner

The Bottom Line
Radiologists who take a leadership role in reducing costs, improving patient care and strengthening a hospital’s competitive edge are the ones who will survive this transformation and come out on the other end with stronger relationships and increased market share.
Diversified Radiology is Colorado’s elite group of radiologists, with 65 dedicated physicians who serve more than 50 hospitals and healthcare facilities around the state. Diversified is setting the pace in Colorado with its fierce focus on truly subspecialized care **around the clock**. The group enhanced its afterhours service, which includes pediatric, neuro and body radiologists, to meet the demands of hospitals and physicians. This innovative practice model means a consistent standard of care, faster turnaround, reliable and accessible radiologists, and the 24/7 consultation that healthcare providers need to reduce costs and improve outcomes.