



Deciding Factors

What primary considerations govern vendor selection and contract administration in the burgeoning teleradiology market?

By Dara O'Brien

Rapid advances in technology and ongoing economic pressures have sparked reliance on teleradiology services among an increasing number of health care providers.

Nearly half of all radiology practices use an external provider to supplement their staff, a threefold increase in the last decade. As the authors of a study on teleradiology published in *AJR Online* (2009) observed, "The spread of external teleradiology services represents a large-scale change in radiology whose speed has rarely been equaled."¹

Explosive market growth has sparked an expansion of services offered. While night coverage for preliminary reads has been the primary driver, many telerad firms now compete directly for hospital contracts—providing final reads, subspecialty expertise, and personal relationships to rival local providers. According to a KLAS study published in September 2011, one in three teleradiology contracts is held by a hospital/clinic.²

From high-volume radiology groups to small community hospitals, providers are weighing the options and making choices that continue to fuel market growth.

Clarify the Scope

Even as business models evolve, "nighthawk" coverage remains the driving force for remote contracts among most radiology groups.

"As the ER volumes were increasing, [our radiologists] were awakened multiple times during the night, and performance was hampered the next day," said Burl F. Norris, MD, member of Rockingham Radiologists of Harrisonburg, Va. "Our group wasn't big enough to have somebody go full time and work nights."

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“We wanted coverage at night, and we were already taking some calls remotely from home,” said Richard Collins, MD, president of Salem Radiology Consultants of Salem, Ore. For Collins, contracting a teleradiology firm was an extension of that.

Seamless delivery of service was key to Wooster Community Hospital’s decision to consolidate day, evening, and overnight radiology activity under Radisphere, a large national firm. “There was disjointed workflow and turnaround differences,” said Dave Harrison, MBA, RT, imaging services manager of this 150-bed facility in Wooster, Ohio. “We needed someone to take ownership.”

Due Diligence

As the landscape shifts, new factors emerge that impact the contract review process. The 2010 vRad/NightHawk merger spotlights a primary consideration: should providers go with the broad capabilities of a national player like vRad, or opt for the regional focus that NightHawk once exemplified?

Many radiology groups, including Salem and Rockingham, prefer physician-owned local firms that include noncompete clauses in their contracts. Norris recommends having a careful check by an attorney to ensure inclusion.

“If the company is owned by stockholders and businessmen, I think the emphasis is profit, not service to physicians and patients,” said Norris, who recently terminated Rockingham’s contract with a large national firm and signed on with StatRad, a regional player with a West/Central focus. “They’re physician-owned, and will not compete with us for our hospital contract.”

Collins advises keeping tight controls on the remote process. “The main thing is that they’re an extension of your group,” he said. He chose California-based NightShift because of their focused service to radiologists. “They want the business part to flow through us, and the decisions that are made for patients to come directly through our group.”

Two key factors for Rockingham were personal service and pricing. “When searching for a new teleradiology provider, I drew out a template,” Norris said, “comparing how many radiologists work for the company and their pricing, and I called each company and asked for 10 references.”

References are critical to assessing the quality of interpre-

tations. “Take a careful look at their references, even check some other references that they don’t provide,” Collins said. “See if people were unhappy with that service, or if they left, find out why they did. Drill down on whether they can provide a service for many years that is dependable.”

It is important to interview the CEO or head radiologist of the virtual group, adds Collins. “Get an idea of their philosophy and their mission. Make sure it coincides with your own group’s,” he advised. “Look for a company that puts quality of care ahead of profit margins.”

Timely turnaround is essential. Harrison stresses obtaining statistics on turnaround times and error reports. “A lot of data should be available,” he said, “and if somebody can’t produce data, or produces vague data, I would be critical.” For Wooster’s contract, Joint Commission Requirements and critical findings procedures were of utmost importance. “We’re a stroke center. We have turnaround times to meet, and Radisphere’s documentation is outstanding.”

Staff Buy-in

Once the contracts are signed, the work begins.

For some staffs, system migration is a simple matter. “StatRad has been fantastic with software support,” said Norris. “They had their server hooked up in our hospital and ready to go in a day, and if there are any problems, they take care of them.”

“NightShift brought in all the hardware and they set everything up,” Collins said. When the firm advanced to reading plain films in addition to other imaging for the group, the transition was seamless. “They did not change our IT plans or the hospital’s, we just dovetailed with their system.”

The introduction of remote technologies added new challenges at Wooster. “Initially, we did have a shock and awe,” Harrison said. “It was a cultural change for us.”

Harrison advises getting the end users involved from the outset. “I had leaders of change within my department. We

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had meetings on the front end with techs from various areas so they knew what was coming,” he explained. Radisphere’s software training and IT support were a key component to successful implementation.

Good communication was vital for gaining buy-in from Wooster’s medical staff, as well. “Prior to going live, some physicians from Radisphere came out and addressed the medical staff,” Harrison said. He recommends creating relationships that make the radiologists less remote. “Get each specialty their go-to person, so if they have a question, they can pick up the phone and review things with that individual.”

Quality Assurance

Establishing and maintaining excellent service is vital for any teleradiology contract. Customers demand the highest standards of quality assurance and responsiveness.

“Quality of the interpretations is very important,” Collins said. “Make sure whatever group you choose is very proactive, and available for solving whatever quality issues you have.” After 10 years as Salem’s off-site vendor, NightShift continues to score high marks. “Quality issues are addressed quickly and easily on their end,” said Collins. “NightShift’s business manager is very responsive; you can text or call him and he gets back to you right away.”

“We’ve developed a QA process that identifies problem areas with radiologists over time. If there are adjustments that need to be made, Radisphere will make the ugly decision,” said Harrison. “Because of their size, they do have the luxury to do that.”

Following a decline in quality from his prior vendor, Norris sees positive change with StatRad. “My partners say StatRad goes out of its way to look at old reports,” Norris said. “Every night we send 30 to 40 studies to them and they’ve been keeping up with it. Our ER physicians say the reports seem to be better and more concise, and the turnaround times are excellent.”

The Bottom Line

Quality is up since Rockingham changed providers, but according to Norris, “Pricing has really gone down since we last negotiated. Just by switching companies, we decreased our bill by 33%.”

Collins has seen cost benefits from using remote services. “In terms of images read and interpreted, it has allowed us to

increase volume without increasing on-site staffing,” he said. “It probably has improved our rapport with the emergency room physicians. They get interpretations in a timely fashion and don’t have tired radiologists to contend with.”

Harrison notes that the contract with Radisphere had immediate impact. “Right off the bat, report turnaround times improved by around 25% to 30%.” In addition, Radisphere’s voice capture software eliminated the need for radiology transcription services, which had accounted for 69% of the hospital’s total transcription volume.

As the teleradiology marketplace evolves, providers must continually monitor vendor performance and contract administration.

“I communicate with our referring clinicians regarding any concerns they want me to pass on to our teleradiology vendor,” Norris said. “I want them to be aware that we know they depend on them like we do.”

“The market has gotten very competitive,” said Collins. “NightShift makes sure they have quality radiologists. They have adjusted some prices for us over time and some call fees have been waived. They’ve done a good job of responding to the market pressure.”

“Radisphere has grown very quickly since we signed on in 2009; they’ve added a lot of hospitals. There were some growing pains for the company, and they’ve adapted and made changes as a result. It’s evolved into a very nice scenario,” Harrison said. “My stress from the radiology standpoint—do I have it? Yes. But I can tell you my stress level is now ... less.” **IE**

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REFERENCES

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