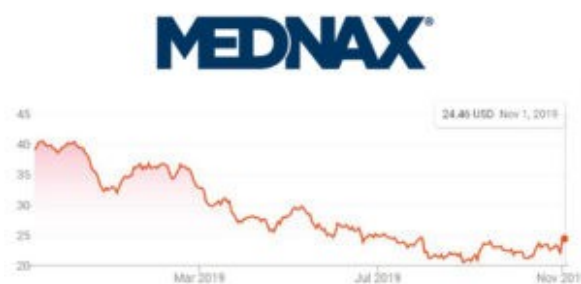


How Small and Mid-Sized Radiology Practices Succeed Despite Consolidation

Radiology is in crisis. Rapidly increasing premiums for employees, changing demands for independent practices, and the consumerization of healthcare push more independent radiologists to consider consolidation. Consolidation is the crisis that continues to impact the healthcare industry, and multiple private equity firms, including Coastal Radiology Associates, have poured countless dollars into encouraging consolidation. On its surface, consolidation promises to optimize patient care, enable faster readouts, provide access to a larger network of partners, and reduce overhead. Unfortunately, the hype often turns out to be the only real benefit behind consolidation, and radiologists need to understand how reality differs from the hype.



MEDNAX Inc. stocks performed badly over the past year

What Are the Adverse Effects of Consolidation?

Consolidation is a major factor for small and mid-sized radiology practices, notes Radiology Business. Instead of

focusing on the allure, let's take a closer look at the real results:

- Radiologists have less time to interpret images.
- Decreased autonomy results in frustration with workflows.
- Lack of access to corporate data and facts leads to a lack of transparency and poor support of private equity-held beliefs.
- Unsustainable solutions designed to promote the corporation, not local economies, result in higher costs for patients.
- Lower wages for radiologists and staff members derive from private equity-contracted rates that undercut private practices.
- Tangling with political circles becomes a new concern, capable of alienating patients and even professional affiliations.
- Private equity firms tend to treat patient health as a commodity, not a basic human right.
- Higher rates of burnout coincide with consolidated practices.

Unfortunately, consolidation is not really a “go big or go bust” scenario. As more hospitals and health organizations look to consolidated firms to reduce overhead, integration with private equity can feel forced. Now, the numbers suggest consolidation is great, so it is important to really think about the consequences of consolidation within the radiology industry.

Acknowledging the Benefits Versus Consequences of Consolidation for Radiologists Are Essential to

Making the Right Decision.

The consequences of consolidation are clear. Yet, the trend continues, and it is almost impossible to avoid acquisition by bigger, stronger private firms. Major corporations, including Radiology Partners, Mednax, and SimonMed, have become common names within the health industry. Part of the benefits come from the allure of economies of scale for purchasing and pooling resources. Such expansion infuses resources into struggling private practices. Unfortunately, it always comes at a price, including a loss of control and decision-making power. The biggest problem is the commoditization or consumerization of radiology, putting profits, not the patient quality of care, at the heart of all activities.

How to Avoid Consolidation and Still Maintain Profitability as an Independent Radiologist.

As explained by Radiology Business, the radiology industry reached a peak of 7,080 centers in 2008. Recent statistics reveal numbers well below the 2008 peak, sitting at 6,598 in 2015. As consolidation continues, the number changes, reflecting the volume of different, non-affiliated practices. Meanwhile, changes in organization policies that occur in tandem with joining a private equity firm can have lasting consequences for both radiologists and staff members. Administrative autonomy declines. Staff members become more likely to express discontent. The trend is evident, and more private practices are moving toward consolidation. Unfortunately, the pitfalls of consolidation are crystal clear, and radiologists need to work to avoid consolidation and maintain profitability. To do so, they should follow these key practices:

1. Get all team members on board through education about

- the effects of consolidation.
2. Upgrade administrative office resources to manage workflows.
 3. Implement advanced imaging tools that leverage artificial intelligence and machine learning to produce preliminary readings.
 4. Consider new insurance avenues for staff, including sponsored health exchanges for coverage.
 5. Work with local radiologists to develop small partnerships, beating consolidation's allure.
 6. Create materials to give to contracted facilities that explain the effects of consolidation on local communities and patient care.
 7. Never give up.

Consolidation Is the 500-Pound Gorilla Destroying the State of Radiology.

Radiology is unavoidable in the health industry. Unfortunately, the health industry continues to consolidate as a whole. This consolidation carries over into radiology, and as private practices struggle to maintain independence, consolidation can feel like the only viable option. Instead of throwing in the towel, radiologists need to seriously consider their options and review the aforementioned tips to avoid consolidation. The private equity firms are coming, and they will speak in terms of costs versus benefits. By knowing more about the real effects of consolidation, independent practices can work to maintain profitability despite maintaining a consolidation-free practice.