Radiologists face uncertain future amid healthcare changes

By Kate Madden Yee, AuntMinnie.com staff writer

August 22, 2011 -- The future of radiology may be bright -- there is that big crowd of aging baby boomers just waiting to be imaged, after all -- but the future for radiologists is uncertain, according to a presentation at the recent AHRA meeting in Grapevine, TX.

There are at least eight trends that are negatively affecting the practice of radiology, said presenter Dr. Lawrence Muroff, CEO and president of Imaging Consultants in Tampa, FL, and clinical professor of radiology at both the University of Florida and University of South Florida Colleges of Medicine. Muroff outlined these issues, as well as what he calls "the unholy four": a clutch of problems affecting radiology's short-term future that should keep radiologists and their practice administrators up at night, if they aren't already.

"Radiologists are responsible for many of the problems they are facing," Muroff told session attendees. "Now, we're being forced to confront nontraditional issues, protect against aggressive competition, and cope with practice-threatening trends."

No more business as usual

There are eight trends that have affected and will continue to affect the practice of radiology, according to Muroff:

1. Declining reimbursement
2. Unrealistic focus on productivity
3. The feds' love affair with family practitioners
4. Nonphysician professionals
5. Dealing with the "millennials"
6. Turf battles
7. More demanding hospital administrators
8. Greater competition from academia

Declining reimbursement

What might happen to further affect reimbursement? There are several possibilities, including hikes in the equipment utilization rate (now at 75%, but heading toward at least 90%), consolidation of interventional radiology and CT codes, private insurers adopting Medicare rates, and congressional failure to permanently fix the sustainable growth rate (SGR) formula.

All of these factors will contribute to the increasing challenge of running an outpatient imaging department, Muroff said.

"Do not delude yourself into thinking that [the Deficit Reduction Act of 2005] was the end of our reimbursement pressures," Muroff said. "In my opinion, it was just the beginning. Radiology will shoulder more than its share of the reimbursement pain."
Unrealistic focus on productivity

In an attempt to compensate for declining reimbursement, radiologists have been trying to increase their relative value unit (RVU) output, Muroff said. Combine this with the widespread use of PACS, which further isolates radiologists from their colleagues, and you have a general eroding of relationships. This erosion makes radiologists seem interchangeable to hospital administrators, making the specialty more vulnerable to commoditization.

"This unrealistic focus trivializes the 'really important' activities in a department, such as practice-building, consulting, and service that can protect [a group] from getting kicked out of the hospital," Muroff said.

The feds' love affair with family practitioners

The perception in Washington is that family practitioners are underpaid and overworked, while radiologists are just the opposite, according to Muroff. "We have an image problem. Why does that matter? Because [the U.S. Centers for Medicare and Medicaid Services (CMS)] plays a zero-sum game: If someone gets more, someone else gets less. And the favored target now is radiology," he said.

Nonphysician professionals

Radiologist assistants (RAs), radiology practitioner assistants (RPAs), and other "physician extenders" will all play greater roles in radiology practices, Muroff told AHRA attendees. In many practices, these nonphysician professionals can fill the need for new radiologists -- further tightening the job market.

"The net result is that there will be fewer jobs available for residents and fellows coming out of training," he said.

Dealing with the 'millennials'

In the past, there was an almost symbiotic relationship between those radiologists who wanted to make more money (the younger ones) and those who wanted more time off (the older ones), Muroff said. But the new generations of radiologists want both more time off and more money, which tends to buffer any motivation to really take ownership in a practice.

"The problem of [younger radiologists] not taking an ownership interest in their practice is compounded by pervasive apathy and a belief that if they coast along, things will always be as they are today," he said.

Turf battles

"Why should radiologists believe that other specialists won't try to emulate the success of cardiologists and vascular surgeons [in taking over procedures]?" Muroff asked. "It's a slippery slope, and just because radiologists have been lucky so far doesn't mean that they'll be lucky forever."

More demanding hospital administrators

Expect to see more radiology groups getting the boot from their contracted hospital, Muroff said. Why? Hospitals are tired of hearing complaints from referring physicians about radiology service. They don't like radiology groups competing with them and they want more control, or they believe the group is too small to provide the subspecialty expertise needed.

Greater competition from academia
Cash-starved academic departments will be forced to compete in the private sector for specialty reads, teleradiology coverage, or even entire hospital contracts, Muroff cautioned.

"Private practice does not have a lock on hospital contracts just because that's the way it has been in the past," he said. "We are just starting to see competition from academia, and it will only intensify."

**The 'unholy four'**

If radiologists think these eight trends are bad, wait until they begin to encounter four truly scary trends over the next few years, Muroff said: commoditization, corporatization, retail medicine, and alternative payment models.

*Commoditization*

If some of the most prominent radiologists in the country read specialty studies for $35 to $40 per final read, how can average radiologists justify charging more? Muroff asked. A related trend, outsourcing of imaging services, teaches hospital administrators and referring physicians that relationships don't matter - - any study can be read by anyone in any place at any time.

*Corporatization*

"If 75% of radiology in Australia is controlled by three or four corporations, what's to prevent that from happening here?" Muroff said. "Previous [corporatization] failures are not insurance against future, more successful efforts."

*Retail medicine*

Many big chains and pharmacies currently have miniclinics, Muroff said, and at least one Walmart has basic x-ray services. What kind of squeeze could Walmart impose on CT and MRI profit margins? Any downward impact on reimbursement will eventually reach the hospital setting, resulting in less availability of new and/or upgraded equipment and less ability to hire new or additional personnel.

*Alternative payment models*

In the near future, hospitals will become more aggressive in pressuring their radiology groups to become employees, and many radiologists will willingly agree. Healthcare theorists are pushing hard the concept of "professional payment bundling," Muroff said.

**Foreseeing the future**

Things are going to be far more difficult than they have been for the past decade, Muroff said, as nontraditional entities compete vigorously for radiologists' traditional business and academic departments evolve. National radiology companies will aggressively pursue hospital contracts, and some radiologists will be without the comfortable jobs that nearly all had in the past.

The future of radiology may be bright, but the future for radiologists is uncertain, Muroff said. What radiologists have now is not guaranteed.

"In the past, virtually all radiologists were winners, to some degree," Muroff said. "In the future, there will be winners and losers. It will take work to succeed."