

Making the Cuts

Reducing costs, boosting efficiency, selecting the right equipment-it's all part of operating today's radiology department. Here's how to be smart about it.

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Growing by cutting-it's a curiously paradoxical concept when considered at face value. Yet we chop hair and clip nails with the belief that they'll return stronger than ever. Gardeners lop the limbs of bonsai trees to coax more pleasing topiary growth. And hard-pressed corporations trim expenses to ensure future prosperity.

With federal health care reform legislation threatening to further destabilize a specialty already rocked by the Deficit Reduction Act of 2005 (DRA), medical imaging is similarly looking to snip and save.

In Part I of this two-part series, administrators, health care consultants and vendors suggest ways to limit costs and bolster efficiency in radiology without jettisoning personnel. Part II, appearing in August, will offer revenue-boosting tips.

How can radiology departments increase efficiency?

Caballero: We've asked supervisors to flex staff depending on volumes. We ask technologists who take weekend call to work 36-hour weeks to ensure minimal overtime accrual. Also, we just implemented productivity tracking.

Dr. Mazurowski: If you have stagnant or declining volumes in MRI and CT, send staff home. Consider compressing hours of operation for modalities that aren't as busy. Monitor supplies and inventory for opportunities to eliminate disposables in favor of resterilization.

Palmucci: Dashboards with recent data can show you your salaries, nonsalaried expenses, revenue, full-time equivalent (FTE) efficiency and other important measures. Once you have a handle on that data, you can drill down and reduce expenses.

Involve staff members who actually perform the work to eliminate unnecessary steps, enabling you to add procedures to your day or reduce the amount of labor needed for these tasks. Data available through the Association for Medical Imaging Management

(AHRA) and the American Society of Radiologic Technologists (ASRT) will allow you to compare your exam throughput per FTE with other facilities.

Renard: We've seen duplicate efforts in many hospitals. Two technologists will set up a patient, claiming one is covering for lunch. Why not do a part-time schedule? Many say it's for patient safety-but we've found that having two people actually decreases patient safety; confusion can arise as to who's doing what. For example, the techs might say, "I thought you already did the noncontrast study or bun-creatinine test."

We're also seeing duplication upfront with radiology information systems (RIS). Users type something into a RIS and still write it on a piece of paper.

Facilities should ask administrators, radiologists and ancillary service staff about their protocols annually. Often, they can pick up at least two additional patient slots. By lowering five lumbar exams from one hour to 45 minutes, you can fit in a new scan.

Theadore: Develop standardized productivity targets throughout the system based on best practice benchmarks. Use external benchmarks such as the AHRA or Healthcare Advisory Board (www.habcommunity.com). Also, create staffing models that meet the average demand and align with standardized productivity targets. Additionally, identify opportunities for cross-training, cross-utilization and sharing of on-call coverage across the system to address peak volume. Finally, centralize radiology support functions such as scheduling, billing, compliance and IT.

How can departments reduce equipment costs?

Dr. Mazurowski: The dismal economy has upsides. There's a lot of good equipment in the refurbished market, but I'm finding that I can get new equipment at refurbished prices.

Palmucci: Leasing allows you to keep your money and accrue interest. Purchasing usually is cheaper than leasing, but it depends on the lease rates and interest rates. Remember: Too much debt can hurt your bond rating. With refurbished equipment, you can get awesome deals, but your technology probably won't be the latest release, especially if purchased from a third party.

Renard: Most vendors have used equipment departments, which is good. A gold-seal unit is a good way to cut costs. Also, going with non-OEM (original equipment manufacturer) service providers who have stepped up to the mat-especially in CT and PET-can save you money. The tradeoff: You're not getting software upgrades, except FDA and safety upgrades.

Outpatient imaging has been hit hard. Everybody has cut back on extras. They're making sure the billing systems have dashboards. Also helpful: installing electronic credit card

machines/ATMs in the imaging center so people can pay their deductibles. Going after \$25 through collections is hardly worth it.

Theadore: Depending on your credit rating and investment option, leasing may be a great option for maintaining cash on hand. For example, when the market was strong, you could invest your cash with an 8 percent return. If you leased equipment at a 3 to 4 percent rate, your investments would continue to grow during the term of your lease.

How can the right technology save a radiology department money?

Baker: Implementing a seamless health information system (HIS)/RIS/PACS that incorporates complete scheduling functionality while utilizing kiosks to check in patients and obtain deductible payments before interacting with staff involves many elements that impact operations-but the long-term benefits can be worth the effort. Staff reduction, collections timing, patient satisfaction and internal communications efficiency are just a few money-saving results, provided technology is used properly. For radiologists, the challenge is more personal. Take VR: Most radiologists will tell you they resisted it initially and that it presented a learning curve that negatively impacted productivity. Now, most are more efficient and would never go back.

Heere: Get off film-it's expensive, obsolete and causes issues with the Occupational Safety and Health Administration (OSHA). Using that film budget, go completely digital with PACS hardware and software in 30 days. Also, consider your storage methods-an imaging archiving center may be less expensive. And if your PACS is over five years old, it's obsolete and more expensive than current systems, which offer more features and faster performance at a significantly lower price than maintaining a legacy system.

Dr. Mazurowski: Invest in technologies with a proven return on investment (ROI). For instance, a computerized physician order entry (CPOE) system, while expensive, can save in rework using decision support logic and appropriateness criteria. Illegible written orders can cause medical errors and more rework. In this way, CPOE also helps you avoid lawsuits.

Palmucci: Used as intended, voice recognition (VR) technology can reduce expenses. Many organizations formerly used expensive in-house or even off-site transcriptionists. Software has allowed us to eliminate them.

Consider implementing an in-house service organization. These people are expensive to pay and train, but you can realize significant savings by negotiating reduced-price service contracts, using in-house staff to perform first-responder duties, preventive maintenance, tube replacement, etc.

Renard: Moving completely electronic will save money once the right systems are in place . Paper costs go down; film storage costs can go down. Before, you only had two companies, and archiving films was expensive. Now, people do disaster recovery with

co-locations-data warehouses where you can rent a rack with larger bandwidth for \$1,000 to \$2,000 a month. You're not paying a vendor to manage it. This approach works well for sites with 10 to 13 centers.

Theadore: If you're in an integrated health system or have multiple facilities, leverage IT to align departments and communicate with referring physicians. Our investment in digital mammography improved patient outcomes, significantly reducing their detection to diagnosis. It also enabled scheduling improvements in the OR and laboratory, and improved access to care. VR deployment increased radiologist productivity (up to 30 percent) and decreased turnaround time (18 hours), saving us over \$800,000.

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