

Art, Candy, and the National Practice Model

Richard E. Heller III, MD, MBA



@reh3md

Disclosures

- Professional: Radiology Partners
 - Associate Chief Medical Officer for Health Policy & Communications, National Director of Pediatric Radiology, & Partner
- Societal:
 - American College of Radiology
 - Chicago Radiological Society
 - Illinois Radiological Society
 - Radiological Society of North America
 - Society for Pediatric Radiology

I am speaking on behalf of myself and not any organization..





Felix Gonzalez-Torres
1957-1996



PERSPECTIVES IN HOSPITAL MEDICINE

Hahnemann's Closure as a Lesson in Private Equity Healthcare

J. Hosp. Med. 2020 May;15(5):318-320. Published Online First February 19, 2020 | 10.12788/jhm.3378





the challenge in communicating complex subjects is framing them in accessible, nuanced ways that... entertain, educate, and encourage critical thinking...while avoiding careless, polarizing, or preachy approaches...

PART I: Healthcare, the times they are a-changin'



“America’s neighborhood health destination”

 **CVS** pharmacy™

+ aetna™



minute clinic

minute clinic

HealthHUB. services

Ongoing care

- Diabetes & other conditions
- Preventative care & wellness
- Blood pressure screening & management
- Health insurance navigation

Everyday care

- 12+ immunizations
- Sleep assessments
- Primary acute care
- School & sports physicals

Ask our care concierge for more info!

care concierge

I can help.



care concierge

I can help.



care



HEALTH

Long Island's last independent hospital inks affiliation agreement with NYU Langone

By Denise Civiletti - Jul 11, 2021, 8:53 am



THE UNIVERSITY OF
CHICAGO
MEDICINE



Ingalls®



THIS IS
partnership

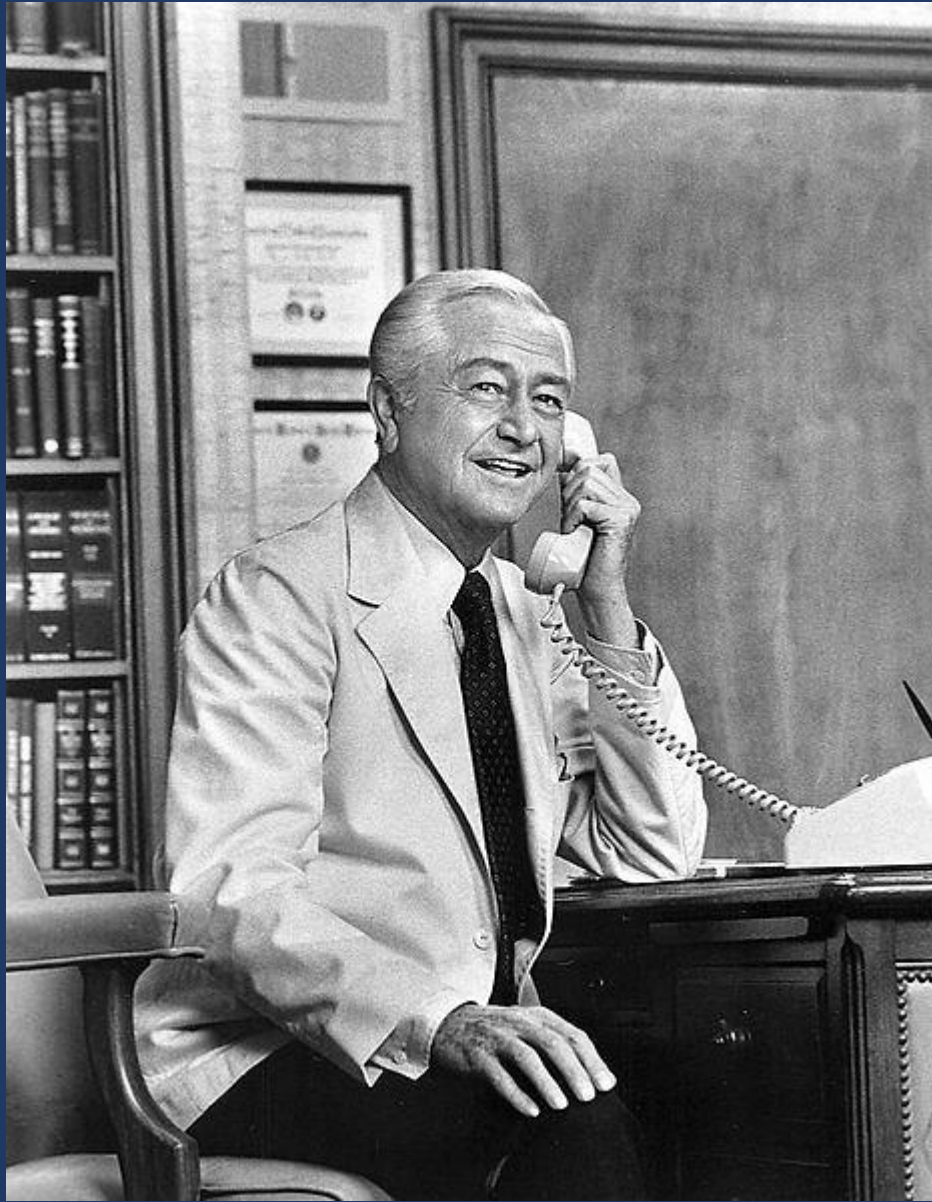
 Advocate
Health Care

 Aurora
Health Care®



“As our academic health system expands throughout Virginia, we are able to provide the full range of...care for patients throughout the commonwealth,”

Dr. K. Craig Kent
CEO UVA Health
Executive VP, Health Affairs

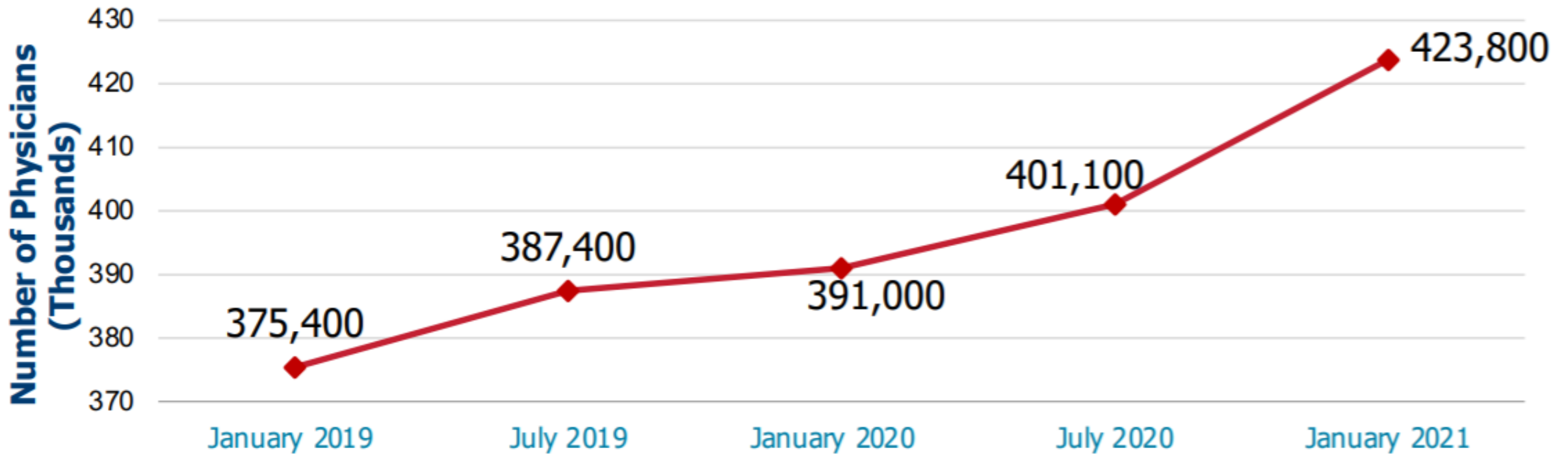


'Startling shift': 70% of physicians employed by private equity firms or other corporate entities

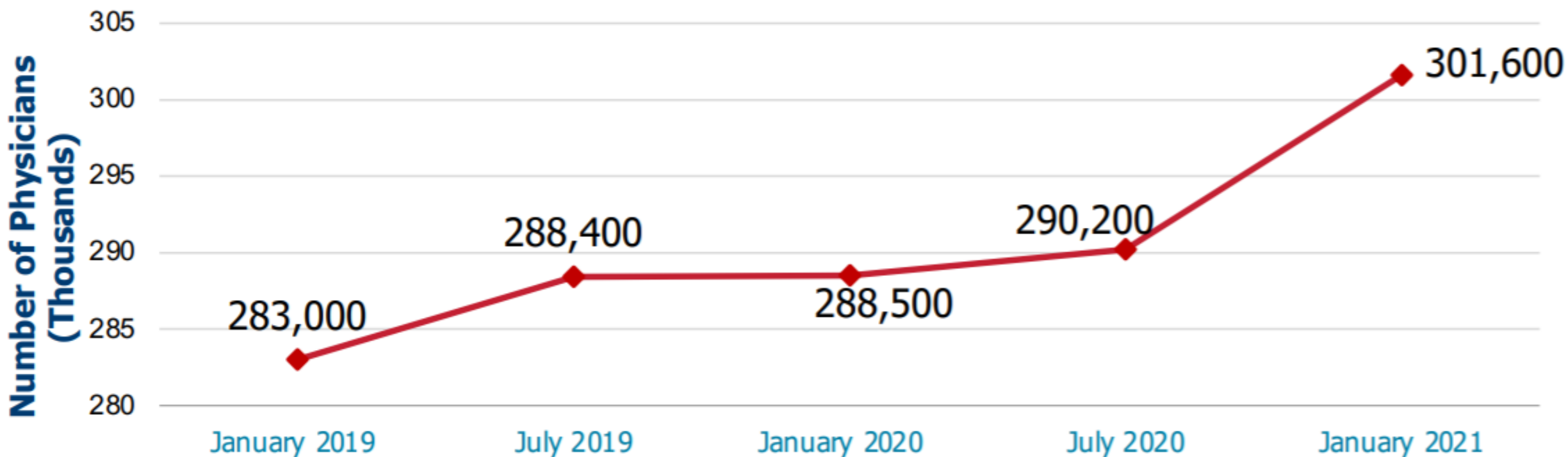
Marty Stempniak | July 15, 2021 | Economics



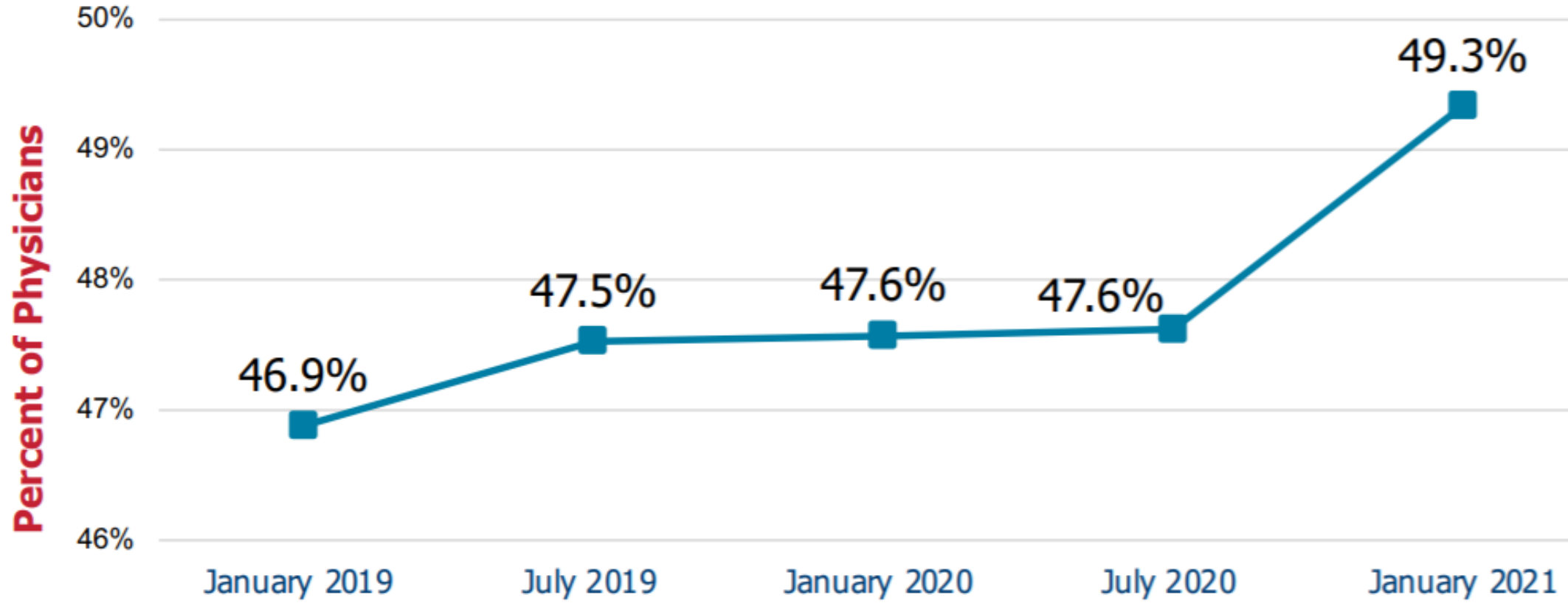
NUMBER OF U.S. PHYSICIANS EMPLOYED BY HOSPITALS OR CORPORATE ENTITIES 2019-20



NUMBER OF U.S. PHYSICIANS EMPLOYED BY HOSPITAL/HEALTH SYSTEMS 2019-20



PERCENT OF U.S. PHYSICIANS EMPLOYED BY HOSPITALS/HEALTH SYSTEMS IN 2019-20



HCA 
HealthcareSM



United
Healthcare®



United
Healthcare®



OPTUM Care®

Radiology Practice Consolidation: Fewer but Bigger Groups Over Time

*Andrew B. Rosenkrantz, MD, MPA^a, Howard B. Fleishon, MD, MMM^b, Ezequiel Silva III, MD^{c,d},
Claire E. Bender, MD^e, Richard Duszak Jr, MD^b*



Spine and Orthopedic Practice Management

5 orthopedic practice mergers, acquisitions in 2020 so far

**BECKER'S
HEALTHCARE**

Laura Dyrda - Tuesday, April 28th, 2020 [Print](#) | [Email](#)



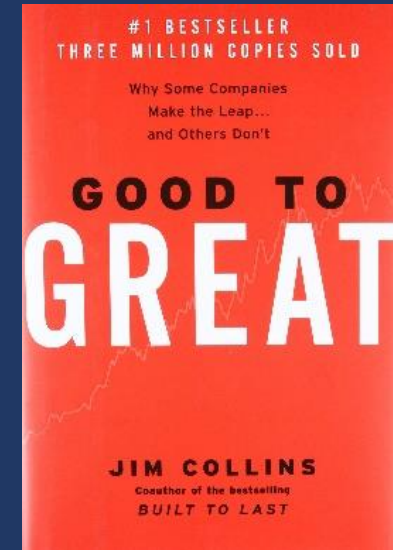
Radiology

Ραδιολογία

Part 2: The Stockdale Paradox

“faith that you...will prevail in the end...and at the same time...confront the most brutal facts of your current reality”

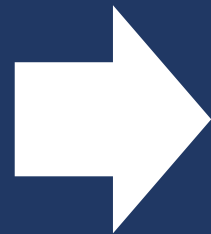
Part 2 (original title): Remember Danny-
Two wrongs don't make a right (but three rights make a left)



Public



Private





Conversion Factor

2001 = \$38.2581

-
-

2020 = \$36.0896

2021 = \$34.8931

2022* = \$33.5848

“...adjusted for inflation...Medicare physician payment actually declined 22% from 2001 to 2020...”

AMA Letter to Congress, July 21, 2021

\$33.5848

smashing pumpkins • siamese dream



Trends in Diagnostic Imaging Medicare Reimbursements: 2007 to 2019

Soryan Kumar^a, Aditya Khurana, BS^b, Jack M. Haglin, BS^b, Douglas T. Hidlay, MD^c, Kevin Neville, MD^d, Alan H. Daniels, MD^a, Adam E. M. Eltorai, MD, PhD^a

Average reimbursement for all imaging modalities analyzed decreased from 2007 to 2019.

The Quality Payment Program of MACRA



Current CMS policies create a looming crisis for radiologists in MIPS.

Golding LP, Nicola GN, Duszak R, Rosenkrantz AB.
JACR 2020

From 2015 to 2019 (& thru 2022)
Biggest radiology “gain”: 0%

From 2015 to 2019, median physician compensation...grew However, median compensation in 2019 remains much lower for primary care physicians than for physicians in certain other specialties, such as radiology.... underscoring concerns about the mispricing of fee schedule services and its impact on primary care.

Fraction of
PFS for
radiology
professional
services

<3%



6x Radiology

US policy makers should focus on prices in the private sector.

HEALTH AFFAIRS 38, NO. 1 (2019): 87–95

ACME
HEALTH INSURANCE
COMPANY LTD.

Envision cut from UnitedHealthcare's network

Published Jan. 5, 2021

UnitedHealthcare has cut noted academic health system Montefiore and its 85-plus radiologists out of its network...



42% of respondents had contracts terminated in the last six months. Additionally, 43% of respondents experienced dramatic payment cuts from insurers, both mid-contract and at renewal, in some cases by as much as 60%. Some of the impacted contracts were signed less than six months ago.



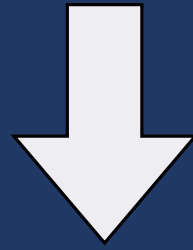
“confront the most
brutal facts of your
current reality”



“You can’t just keep doing what works one time. Everything around you is always changing. To succeed, stay out in front of that change.”

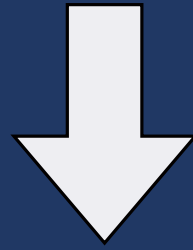
Part 3:





Costs

This is exactly what venture capital groups are doing in the medical space. The strategy is simple buy a group, reduce costs by slashing salaries and increase revenue by requiring greater output of radiologists and



Costs



Prices



Volume



Radiologist
Experience &
Support

Evidence-
Based
Practice

Physician-
led
Advocacy

Diversity
Equity
Inclusion

Recommendation
Follow-up

Physician
Professional
Development



Asymptomatic Abdominal Aortic Aneurysm: Standardizing Reporting Recommendations at a Large Multistate Radiology Practice

Sameer Ahmed, MD^a, Jason Mitsky^b, Upma Rawal, MD^c, Sheila Sheth, MD^d, Jay Bronner, MD^e



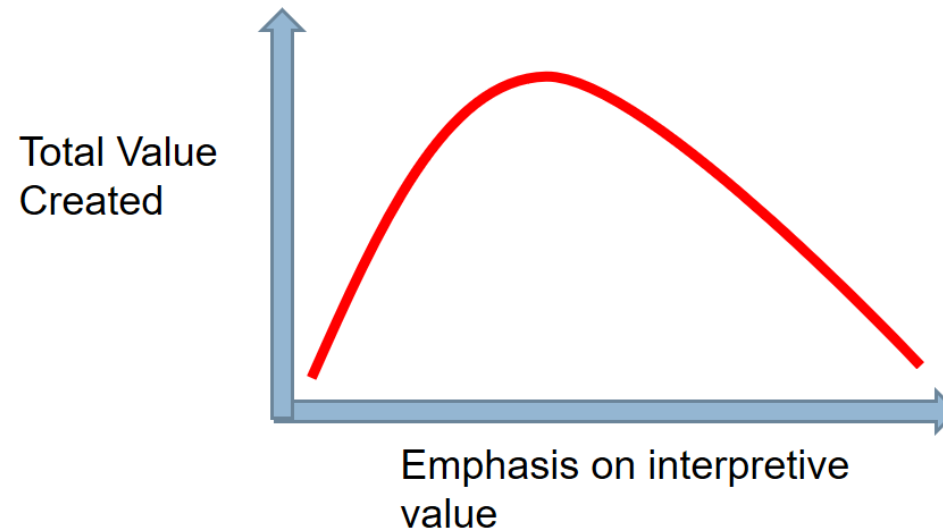
INITIAL CT



5 YEARS
LATER

TVE: Efficiency

- ▶ The implication:
- ▶ ***An overemphasis on interpretive value (“over-efficiency”) drives the practice of radiology towards being a commodity and lowers our value.***



Part 4:



“The weather at
RSNA will be
better next year.”

“The Cubs are
gonna go all the
way this year.”

“All big radiology
groups are the
same.”

~~“Only big corporate groups can thrive.”~~

~~“loss of autonomy”~~

~~“partnership”~~

JACR

Journal of the American College of Radiology

Early-Career Radiologists' Perceptions of National Corporations in Radiology

Daniel A. Ortiz, MD^a, Lawrence R. Muroff, MD^b, Arvind Vijayasarathi, MD, MPH, MBA^c

The majority of ECRs [early career radiologists] surveyed have negative perceptions of corporatization in radiology

JACR

Journal of the American College of Radiology

Early-Career Radiologists' Perceptions of National Corporations in Radiology

Daniel A. Ortiz, MD^a, Lawrence R. Muroff, MD^b, Arvind Vijayasarithi, MD, MPH, MBA^c

3. Which of the following best describes your opinion of these private equity supported national radiology entities? *

Mark only one oval.

- They benefit radiology.
- They do not impact radiology.
- They harm radiology .

Since joining RP, how has your experience influenced your opinion of national physician owned / led practice models?

ANSWER CHOICES	RESPONSES
No change in opinion. Positive experience	18.42%
No change in opinion. Confirmed negative suspicions	5.26%
No opinion	30.26%
Change in opinion: Better than expected	43.42%
Change in opinion: Worse than expected	2.63%

How likely are you to recommend a friend or colleague to join a RP practice?

Definitely Not: 0%

Probably Not: 1%

Neutral: 21%

Definitely/Probably: 78%

1

If you have seen one
radiology practice,
you have seen one
radiology practice.

Larry Muroff, MD

My 2¢

**What does a “good”
radiology practice or
department look like?**



the challenge in communicating complex subjects is framing them in accessible, nuanced ways that... entertain, educate, and encourage critical thinking...while avoiding careless, polarizing, or preachy approaches...



← **Steak-umm** ✓
49.5K Tweets

Steak-umm ✓
@steak_umm

steak-umm bless

📍 Pennsylvania 🔗 steakumm.allebach.com 📅 Joined September 2009

2,155 Following 222.6K Followers

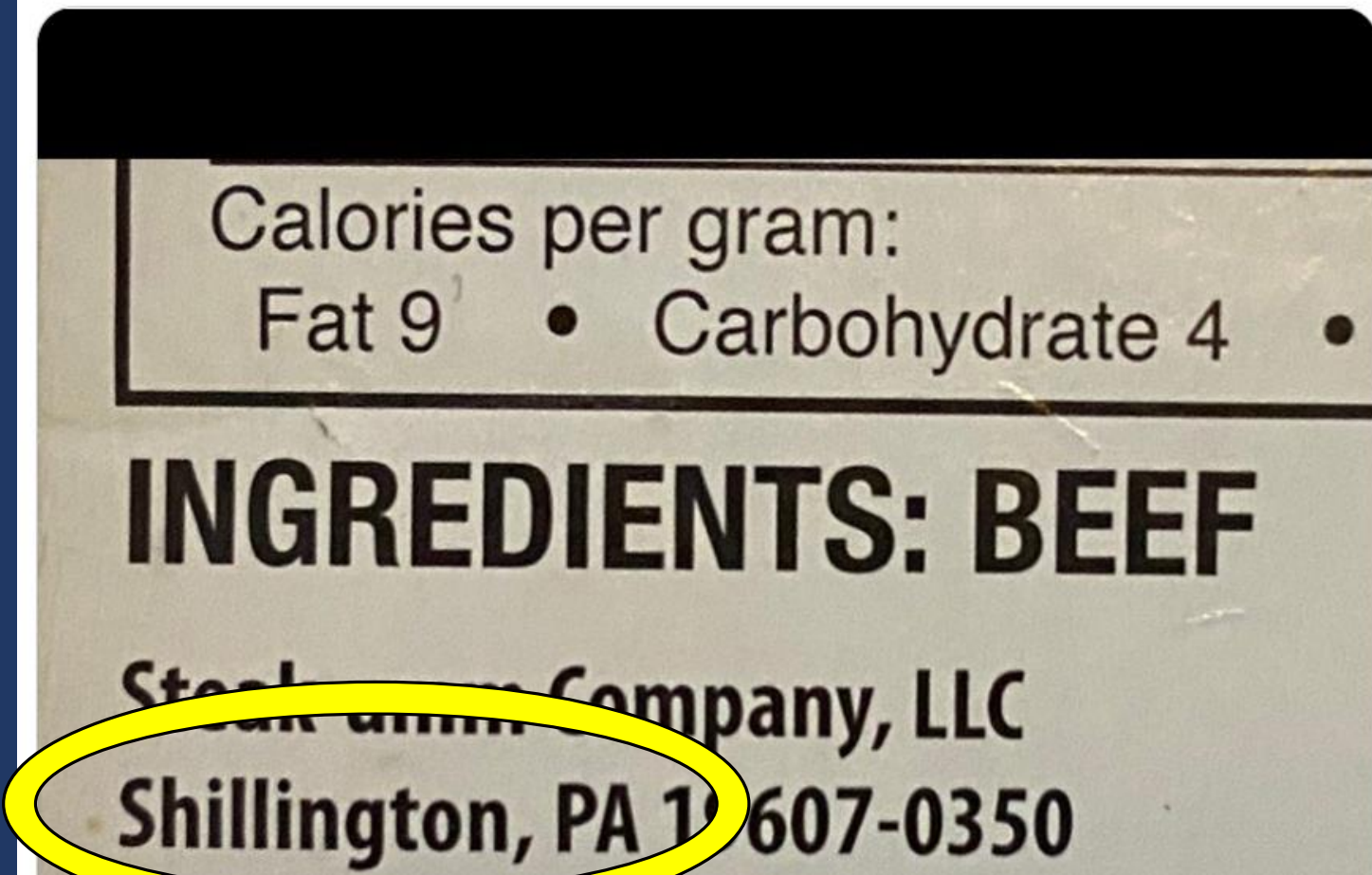
⋮ ✉️ 🔔 Following



Steak-umm ✓
@steak_umm



the fact i shill frozen meat for a company based in shillington is not lost on me



THANK YOU

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