



RLI Power Hour

Corporatization: The Corporate Perspective

Thursday, October 22, 2020



Housekeeping Notes

The American College of Radiology (ACR) provides this RLI Power Hour program as an educational resource for attendees. The faculty will offer their individual perspectives but do not speak for ACR.

We welcome your questions but faculty and presenters cannot discuss specific prices, fees or other terms of any specific corporatization-related transactions. We welcome your insights and have to ensure that ACR and its members stay on the right side of the law.

Let's Meet the Faculty



Glenn S. Kaplan, MD
Envision Healthcare



Ben Strong, MD
vRad



Robert L. Mittl, Jr., MD, FACR
Charlotte Radiology



RLI Power Hour

October 22nd, 2020



Physicians' Perspective on the Benefits of a Consolidated Radiology Group Practice *Empowering Clinicians, Enhancing Patient Care*

Glenn Kaplan, MD / Envision Healthcare

Bob Mittl, MD / Charlotte Radiology

Ben Strong, MD / vRad

Learning Objectives

At the conclusion of this webinar, participants will be able to:

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Identify commonalities across all consolidated radiology group practices

Identify areas that can differ among consolidated radiology group practices

Describe the timeline of phases a practice undergoes when joining a consolidated medical group

U.S. Healthcare System Medical Group Trends

Stage 1: Opening

- Recognizing benefit of working together
- Unifying groups to improve best practices and drive innovation in care delivery and technology across the nation
- Focus on enhanced patient care and revenue to grow clinical support resources

Stage 2: Scale

- System trending toward consolidation
- Large medical groups emerge, offering diverse practice opportunities and enhanced patient care
- Groups maintain physician-led culture while integrating new groups
- Focus on retaining/attracting talent and protecting and empowering clinicians
- Building a scalable IT platform is crucial to the rapid integration

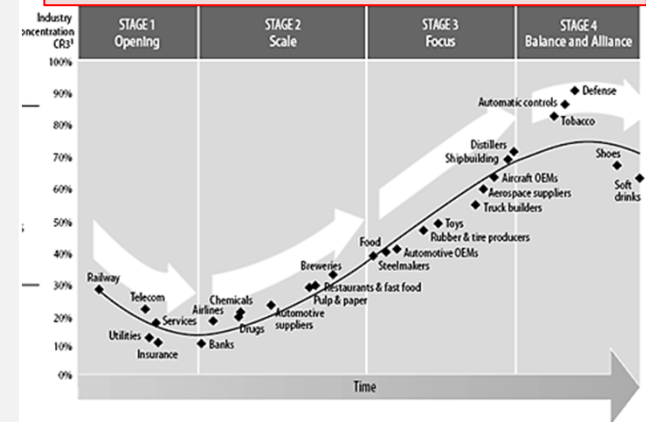
Stage 3: Focus (Radiology in 2020??)

- Delivering value to healthcare partners and patients
- Value-based care drives large-scale consolidation – offering hospitals, health plans and communities high-quality, patient-centered, cost-effective care
- Emphasis on core capabilities, focus on long term outlook

Stage 4: Balance and Alliance

- Embracing leading medical groups trusted and valuable partners
- Continue innovating and advancing the delivery of quality care
- Refine core operations and offerings in a mature healthcare system
- Augment care delivery through new care models and approaches
- They must be alert to the potential for complacency

Radiology remains highly fragmented with the largest practices providing ~10% of the combined national radiology services



Classic 2002 HBR article on consolidation:
<https://hbr.org/2002/12/the-consolidation-curve>

Benefits to Patients

Improved access to care, esp advanced technology like AI

Sub-specialty care

Process improvement

- ED-Rad integration
- Clinical Decision Support

Rural access

Value Based care

- Improved mammography screening and recall rates
- Improved tracking of incidental findings to improve outcomes

Benefits to Physicians

Security and professional growth

Focus on clinical practice with support for ancillary functions like call center and QA

Flexibility

- Schedule control
- Work-life balance
- Sub-specialization
- Workflow management

Access to advanced technology for patient care, efficiency, workflow and more

Benefit to Large Groups

Advantages of scale

- Back office support
- Technology
- Management expertise
- Capital for expansion
- Quality initiatives

Broader partnership with healthcare partners like hospitals and health plans

Security and income, high valuation of practices

Focus on clinical service delivery with support for ancillary functions

- Recruiting
- Call center
- QA
- Demand-capacity modeling

Ability to Innovate and drive improvements in care delivery

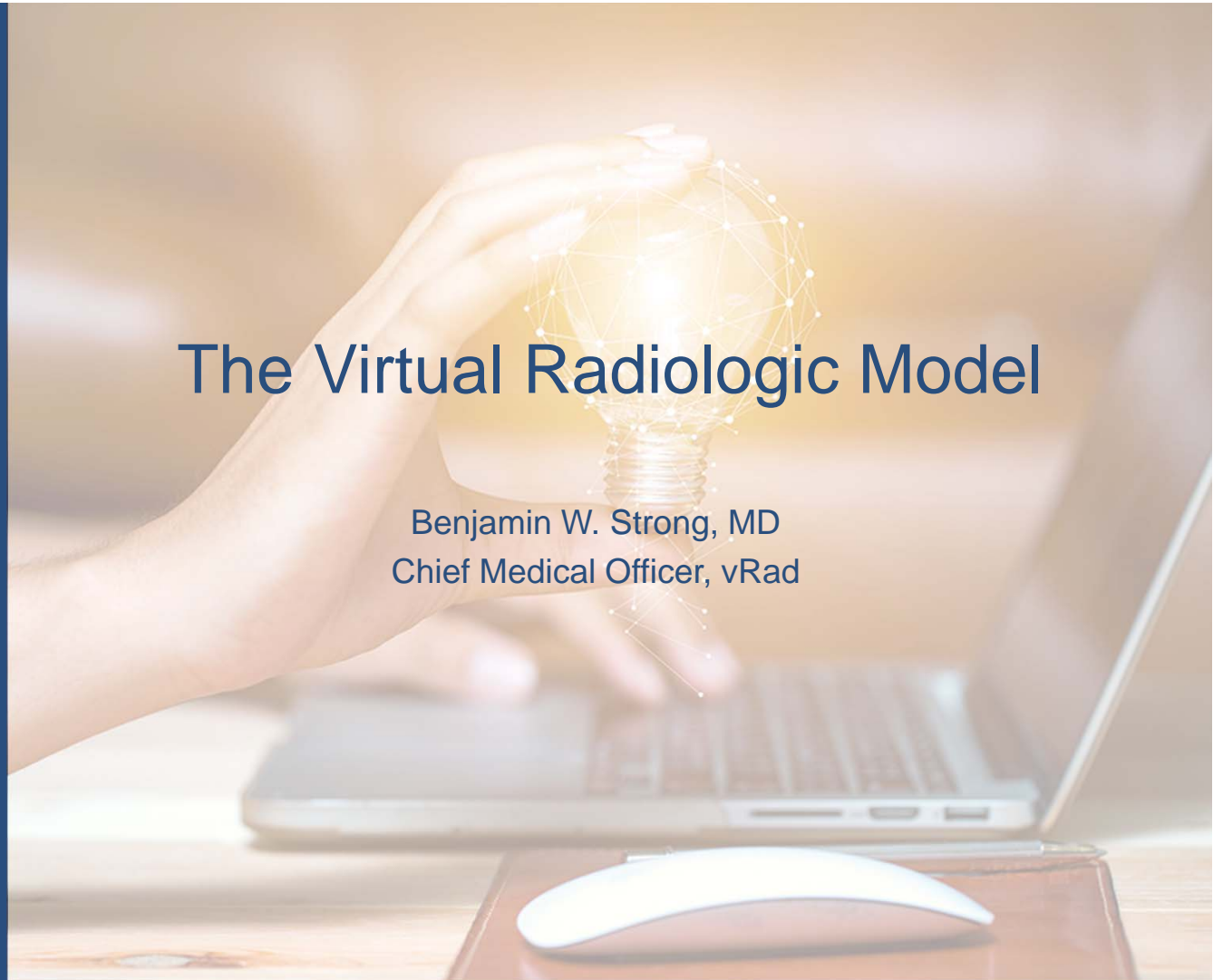


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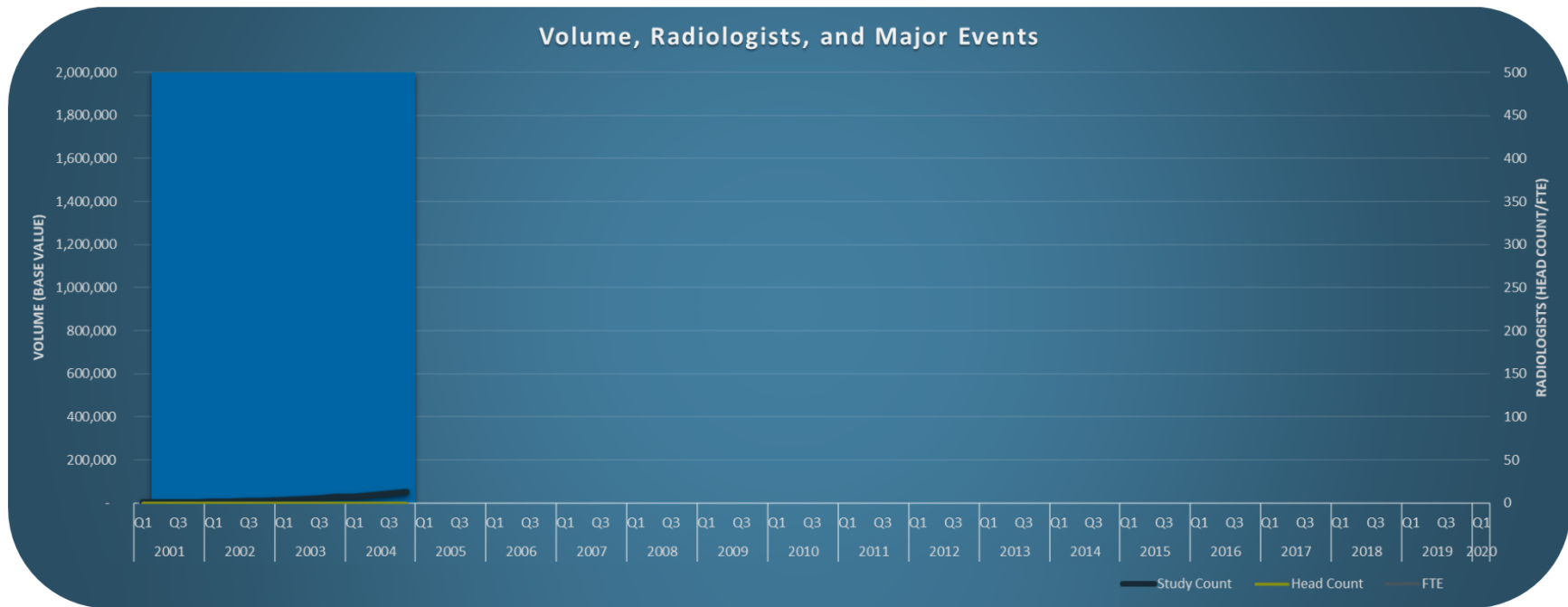
October 22, 2020

The Virtual Radiologic Model

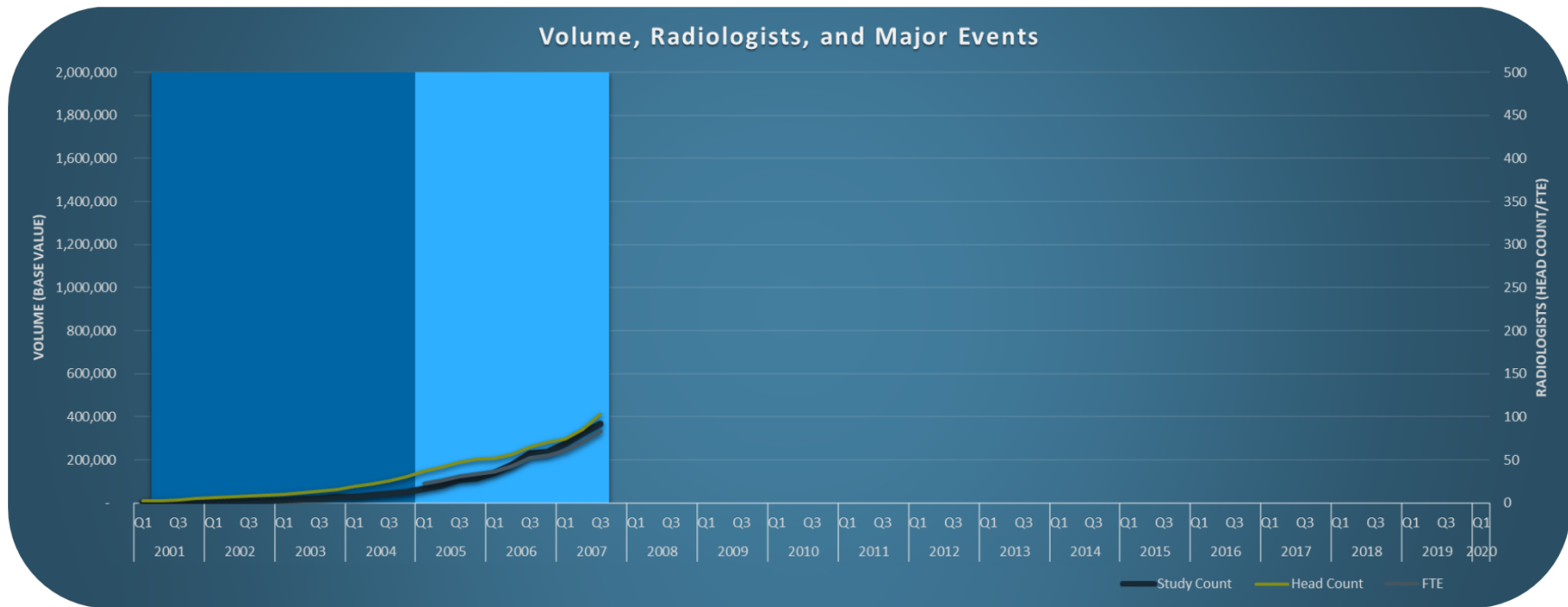
Benjamin W. Strong, MD
Chief Medical Officer, vRad



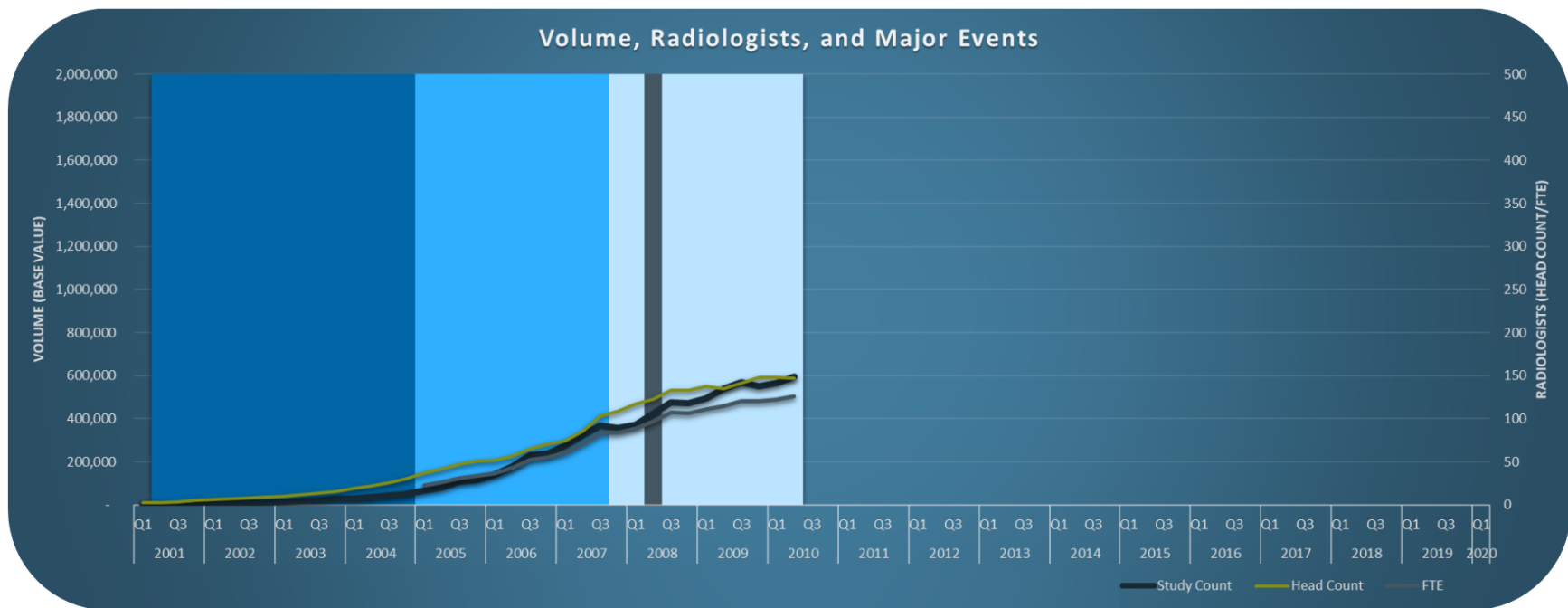
Virtual Radiologic



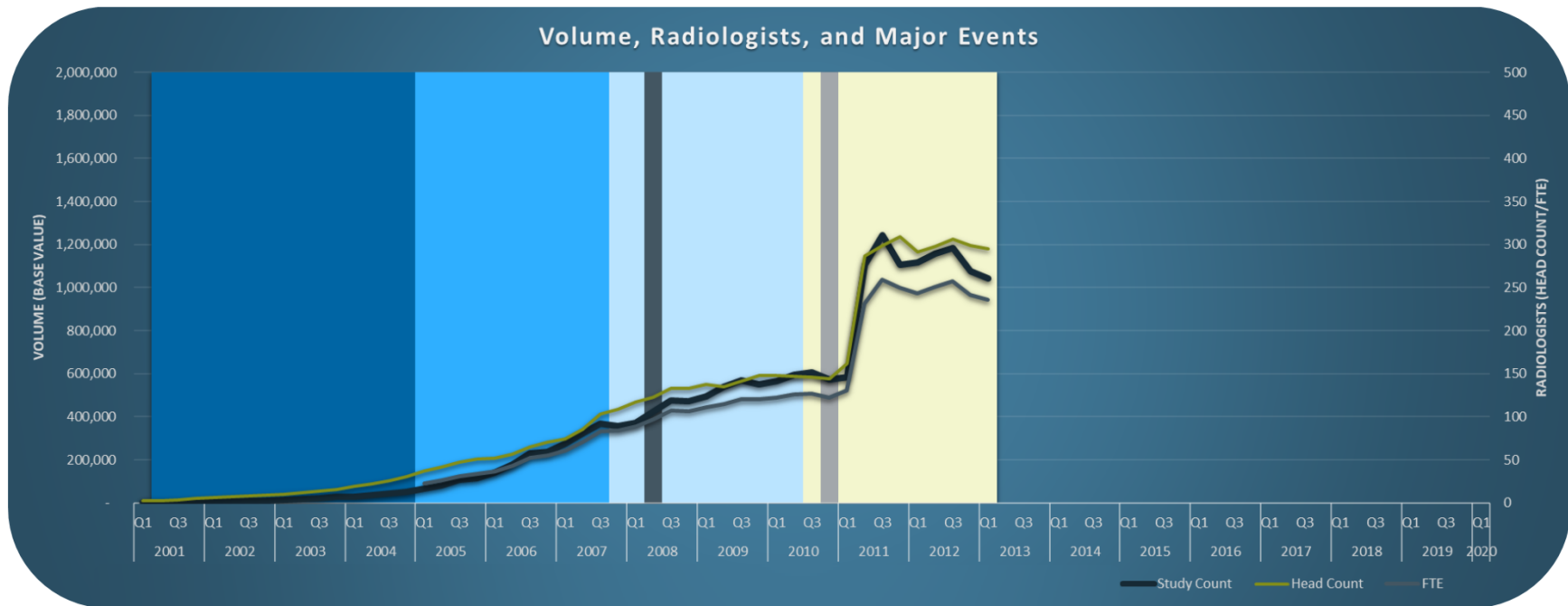
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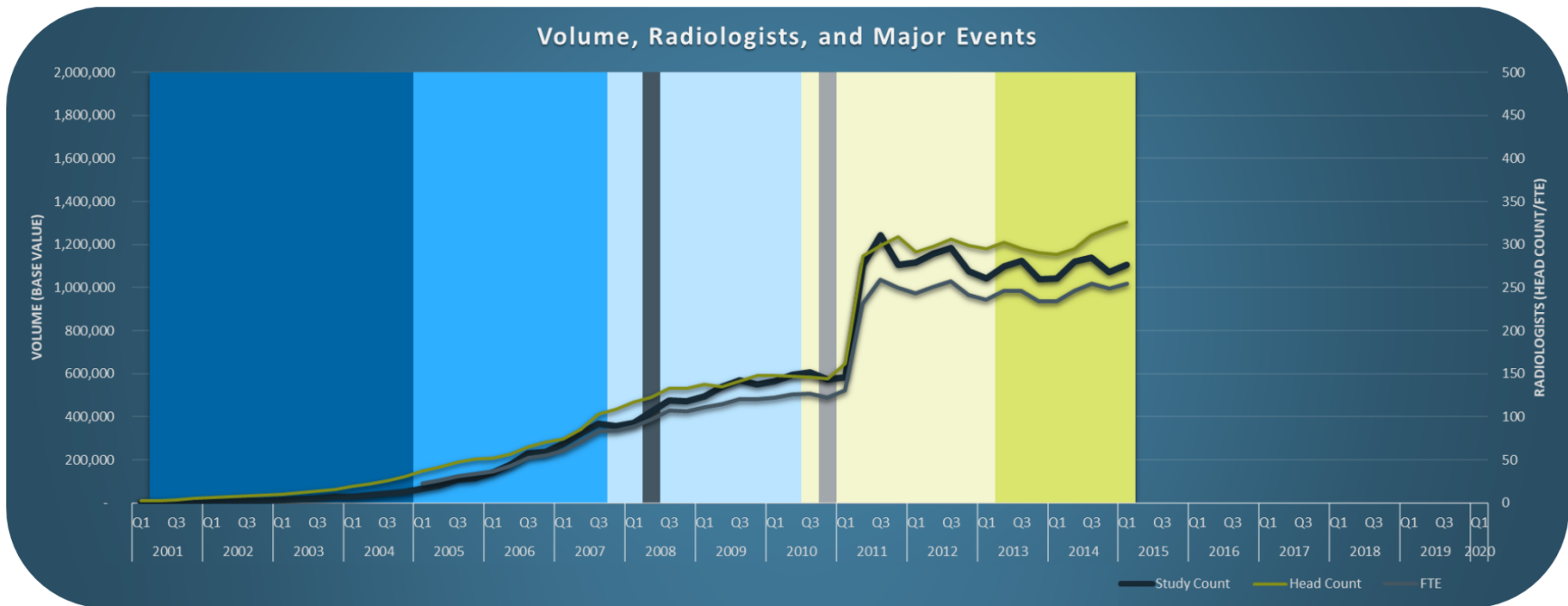
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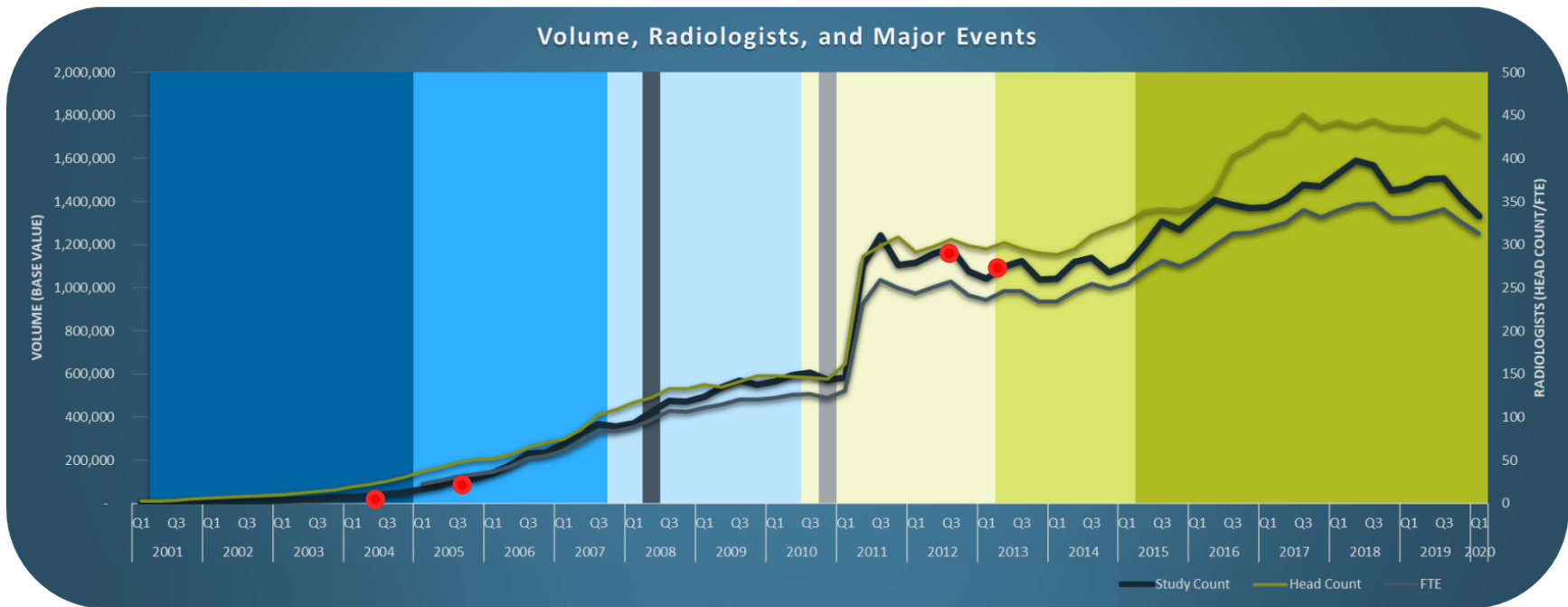
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Virtual Radiologic



Virtual Radiologic



Virtual Radiologic



Advantages and Disadvantages



Advantages and Disadvantages



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Advantages and Disadvantages



Advantages and Disadvantages



Advantages and Disadvantages



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Advantages and Disadvantages



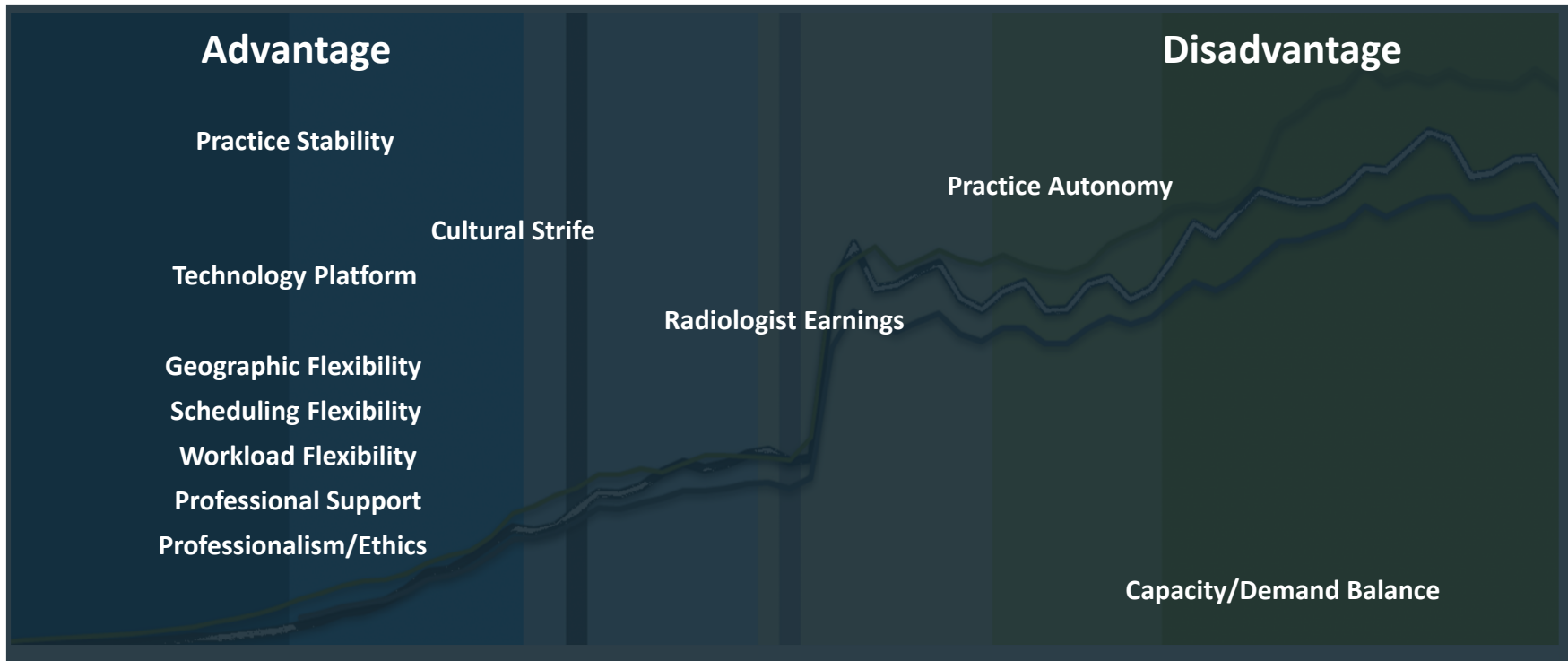
Advantages and Disadvantages



Advantages and Disadvantages



Advantages and Disadvantages



Benefit of a National Medical Group

Supporting Physicians, Focusing on Patient Care

Glenn Kaplan, MD
Envision Healthcare



Envision Healthcare

A Leading National Medical Group



We Deliver Care When and Where It's Needed Most



27,000 physicians and advanced practice providers



32 million patient encounters a year



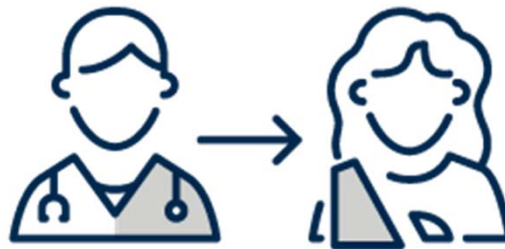
10 million radiology reads a year

COVID-19: Protecting Clinicians, Ensuring Patient Care

800 radiologists equipped to read from home

5 million items of PPE

Sharing best practices across country in real time



500+ clinicians deployed to hot spots

200,000+ virtual health visits

Cared for at least 1 in 10 hospitalized COVID-19 patients

The Right Radiologist. The Right Read. The Right Time.



Proprietary case
routing software



Incidentalomas
tracking



Network of
subspecialists



24/7 access to final
reads in <20 minutes

3% of cases
reviewed across
10 million reads

0.50% discrepancy
rate of clinically
significant studies

Mammography
screening recall
rates reduced

Empowering Physicians to Focus on Patient Care



Wellness and Peer-to-Peer Support



Administrative Support



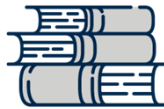
Physician-Led



Leadership Opportunities/Coaching



Clinical Research



Continuing Medical Education

Come for the job.

Stay for the career.





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Consolidation Models for Private Practices- Investor Backed Groups

Robert L. Mittl, Jr., MD, FACR
Charlotte Radiology
US Radiology Specialists



Consolidation Models for Private Practices

- All involve potential changes in governance, compensation, and control
 - In search of the benefits and safety of scale
- Loose association
- Merger of independent groups
- MSO
- Hospital employment
- Investor-backed
 - Employment
 - Physician ownership

Variations among Investor-backed models

- “If you’ve seen one, you’ve seen one”
- All strive to obtain the advantages of scale
 - Back office
 - Clinical
- Alignment and control

Variations among Investor-backed models

Variables

- Decision-making for the clinical practice
- Focus on clinical quality
- Compensation
- MD equity ownership
- Term of agreement
- Corporate vision

Questions to ask about Investor-backed models

Control of the clinical practice

- Who makes decisions over schedule, vacation, staffing, productivity expectations, hiring, firing, adding or dropping a contract?
- Does corporate have veto rights?

Focus on Quality

- How substantial and meaningful?
- Investment

Questions to ask about Investor-backed models

Compensation

- At market?
- How is comp determined
 - Fixed, productivity-based, or JV?

Equity Ownership

- Owner-operator? What percent ?
- One class of stock vs preferred shares?
- Other rights? (e.g. buy and sell with investor)
- Growth plans?
- Debt structure?

Questions to ask about Investor-backed models

Term of agreement

- 5 -10 years?
 - What happens then?
- Perpetual?
 - Survive change of control?
 - Clinical?
 - Compensation?

Overall Corporate Vision

- Growth plans, group selection criteria, professional only vs technical assets
- Clinical integration?

Summary

- Consolidation is here
- Models vary
- There are physician-friendly models that retain important features of independent practice, while providing the benefits and safety of scale

Question & Answer

Submit questions via the Q&A menu pane

THANK YOU

- Please share your **feedback** with us! We'll send the post-webinar survey and recording next week.
- Feel free to **share** with colleagues.
- **Up Next:** Corporatization: The Non-Corporate Perspective on Wednesday, December 9 at 7pm ET
- Register for this and/or other free RLI Power Hour webinars at www.acr.org/powerhour