

Concerns raised about trends in the teleradiology industry

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Teleradiology services can be beneficial to radiology groups or hospital-based radiologists, however one company providing teleradiology services says some of its competitors have been engaging in predatory practices with their interest more on their bottom line than patient care.

StatRad (San Diego) says recent industry changes have cast doubt on whether some teleradiology providers' commitment will remain on patients who are in need of urgent care, or whether the pressures of striving to please investors instead of their patients will affect customer service.

Joe Moock, managing partner of StatRad and a healthcare industry veteran, told *Medical Device Daily* there are pressing
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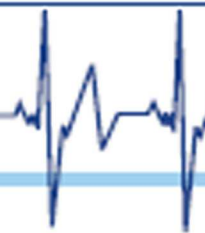
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issues industry professionals must address as they analyze the current state of the industry, including the presence of Wall Street, realistic opportunities for growth, price as an incentive, and customer support. It is of the utmost importance to acknowledge the presence of Wall Street investors, inquire about their presence in the teleradiology space and question their plans for growth, he says.

"Essentially this has been going on for some time but it wasn't as widely known . . . the teleradiology market has pretty much tapped out," Moock told *MDD*. So some teleradiology companies looking to expand quickly have set their sights on seizing whole hospital contracts, he said.

Relevant parties must also look beyond providers' pricing structures to accurately uncover and monetize the service and support they are receiving, Moock added.



"There is no question facilities wish to implement a teleradiology service that allows for a seamless and beneficial transition for radiologists and their day-to-day operations," said Mook. "With that said, it is now more important than ever for these industry personnel to evaluate potential providers to ensure they do not mistakenly endorse predatory practice that may one day result in a seized contract. Without a doubt, the wrong provider can severely impact the practice and result in strained communication, customer service and patient care."

StatRad, which has provided teleradiology coverage since 1995, says the recent development of predatory practices by large teleradiology companies has allowed the company and its services to stand out. According to StatRad, its forward-thinking software and workflow solutions are quickly adopted by clients and allow them to effectively compete in today's challenging healthcare environment.

"It is our promise to our clients, as well as the overall industry, that we will always operate in the best interest of facilities, local radiology groups, and most importantly, their patients," said Mook. "Since its inception, teleradiology was meant to be a sought-after, value-added service that ultimately assists existing staff and enhances patient care. At StatRad, we believe in abiding by these standards as we operate in the industry today."

Mook says StatRad's goal is to support radiology groups by supplementing their practice, not displacing them.

From a short-term perspective, Mook said, there may be some cost benefits for a hospital to outsource its radiology services but in the long term it is not best for patient care and probably not cost effective in the end, he said.

"I personally haven't seen a successful takeover of a hospital radiology contract by a teleradiology company in which patient care was improved," Mook said. Rather, such companies have attracted takeovers and have attracted negative publicity related to delays in referring physicians getting reports for their patients and misreads, Mook told *MDD*.

While a lot of radiology groups that StatRad works with are aware of the predatory practices by some companies in the teleradiology space, some of these groups seem to have the mentality that it can't happen to them. "It's a wake up call that even though it may not happen to you, it could happen to others," Mook said. ■

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