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Independence, Allied Yet Uncompromised

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Intense cashflow pressures. Insufficient IT infrastructure. Overextended practice management. It's enough to drive a private radiology practice straight into the arms of a physician practice management company (PPMC) bearing fresh capital and alluring promises.

However, for some practices, such a company may as well be a sly wolf at the proverbial door, bearing goodies but intent on entering.

"Theoretically, there is a downside to resisting the call" of investor-backed companies looking to buy one's practice, says Kevin Woolley, MD, of Colorado Imaging Associates in Denver. Specifically, he notes, there's misperception not uncommon to large hospital systems that small- to midsize private practices can't compete with much larger providers of radiology services in the way of uniformity, quality, reliability and scalability.

"But I would argue that we as independent radiology practices can meet the same standardization needs," he says. In fact, "there's nothing corporate-owned practices can do on that score that we can't."

Further, Woolley believes, radiology practices that ally themselves with ROI-driven companies risk compromising on care quality.

For those reasons and more, 38-physician Colorado Imaging Associates joined with several like-minded

practices scattered around the U.S. to form Unified Radiology, a new managed services organization (MSO), in 2019. The idea had earlier surfaced among several strategically astute radiology clients of MBMS, the Delaware-based medical billing company. Today the MSO is known as Unified Radiology, and its 10 member practices represent more than 500 radiologists and operate in 13 states.

Unified's model is similar to that of practice alliances, grouplets and coalitions whose numbers include such national players as 28-practice Strategic Radiology headquartered in Palmetto, Fla. It's also not far afield from arrangements on offer from management-services businesses like Flint, Mich.-based Radiology Business Solutions, although RBS's 11 independent member groups, which range in size from five rads to 45, are paying clients of RBS.

These and other options that stop short of requiring practices to sell are worth considering, Woolley suggests. The idea is to grow in self-sufficiency with a little help from some similarly untethered allies.

“There’s no magic money tree,” he says. “With the investor-backed model, you have fewer choices and less ability to dictate your income. You’ve monetized seven or eight years of your income going forward, and you’ll make less money going forward because investors will surely take their share of it.”

Meanwhile “allied yet uncompromised” independence lets individual radiology practices join forces to better tailor retirement plans, profit-sharing and other benefits for maximum flexibility and appeal to individual radiologists. That’s important to Devang Gor, MD, MBA, of 78-rad Medical Imaging of Lehigh Valley in Pennsylvania, also a Unified Imaging member practice. “You can craft these things better if you’re independent,” Gor told RadiologyBusiness.com in a recent interview.

“Most of the radiologists we interview are looking for private practice jobs,” Woolley tells *RBJ*. “They want to be owners in private practice, and they want more control over their income. By staying independent, we have a competitive recruitment edge.”

Further, independent collaboratives are maximally attuned to member practices’ preferences, Woolley says. And they’re able to create that kind of personalized culture, he suggests, while helping the practices acquire, at scale, the tools and technology they need to cater to large health systems, provide subspecialized reads and—maybe most important of all—sidestep the perilous pitfalls of service commoditization.