



2010 — It's a Wrap

Goodbye 2010... and hello to a new decade — for better or for worse.

By Jeanne-Marie Phillips, *HealthFlash Marketing Communications*, and Steven Washer, *MedView Media*

With the approved but yet-to-be-well-defined healthcare plan, severe economic upheaval and changing regulations having a significant negative impact on radiology, 2010 was a challenging year, to say the least.

Despite everything, the preceding 12 months had their bright spots in healthcare, especially for those involved with electronic medical records (EMRs) or other types of digital data management. As a tough year ends and we hope for a better one ahead, *ITN* asked a panel of imaging experts to reflect on the past and anticipate what's coming next. Following are their responses.

1. How has the recent Healthcare Reform Act and economic downturn shifted your product development, marketing or overall corporate priorities?

Diana L. Nole, president, digital medical solutions, Carestream Health:

These and other factors have led us to sharpen our product development and marketing efforts to deliver solutions that streamline workflows and offer greater productivity and lower costs. Our company is well positioned to succeed in this difficult economy because our solutions help healthcare providers overcome the current challenges created by both the economic downturn and new healthcare regulations. We are also involved in evaluating ways that could enable users of our healthcare IT solutions to become eligible for meaningful use financial incentives.

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— Kyle Lawton, peerVue

sion's National Patient Safety Goals (Goal2c) and American College of Radiology (ACR)'s accreditation requirements for radiologist quality (Peer Review), through an IT platform that addresses

PARTICIPANTS:



Diana L. Nole, president, digital medical solutions, Carestream Health



Kyle Lawton, CEO, peerVue



Joe Giordano, senior director, marketing and product management, Konica Minolta Medical Imaging



Edward Heere, president and CEO, CoActiv Medical

(not pictured)
Justin Dearborn, CEO and director, Merge Healthcare

Kyle Lawton, CEO, peerVue:

With the consistent focus on insuring Americans for healthcare, the emphasis is to cover and reimburse for the highest quality care at the best price. This scrutiny on quality forces healthcare organizations not only to improve the process that supports quality and patient safety, but also to continually measure and demonstrate their performance in these areas.

Traditional systems — hospital information systems (HIS), radiology information systems (RIS) and picture archiving and communications systems (PACS) — are designed to deliver on their core competencies, such as exam scheduling and image management. They are not designed to assist healthcare organizations in addressing the increased need to measure, demonstrate and communicate quality and patient safety issues or events.

As a result, peerVue has shifted its focus to address these increasing communication and quality issues, like the Joint Commission's National Patient Safety Goals (Goal2c) and American College of Radiology (ACR)'s accreditation requirements for radiologist quality (Peer Review), through an IT platform that addresses

them efficiently and cost-effectively with no disruption to standard workflow.

Justin Dearborn, CEO and director, Merge Healthcare:

With all of the macro-level market changes going on in this space, it is essential to align our business with the changing reality for our customers. This means focusing on how our customers are aligned with EMR-related activities (within and beyond the hospital), as well as on solutions that continue to help our customers drive cost out of the system. We see providers asking to partner with us to create innovative solutions for their enterprises.

Merge Healthcare continues to monitor ongoing developments in Washington, D.C. We have been pleased to work with vendor, provider and industry association partners on the grassroots efforts of the Imaging e-Ordering Coalition. This group has made significant strides in 2010 and will move into 2011 with a continued focus to promote health information technology (HIT)-enabled decision-support (e-ordering) as a solution to assure that patients receive the most medically appropriate diagnostic imaging test for their specific condition.

Joe Giordano, senior director of marketing and product management, Konica Minolta Medical Imaging:

In ImagePilot, which combines computed radiography (CR) acquisition with image review and long-term storage, for example, we saw the need to diversify the product offering to reach a broader

segment of the market and to also support the needs of our existing customers in these difficult economic times. ImagePilot can now reach from all levels of private practices to the levels of our group purchasing organization (GPO) partners.

Our objective in this market was to provide a product that can be integrated with other systems and provide a complete imaging and record management system that would fall into the stimulus guidelines being set up by the government. We also understand the economic pressures on our existing customers. So we developed programs that help our customers extend the life of their existing Konica Minolta products, allowing them to upgrade and keep these systems operating at 100 percent until such time that new capital monies become available.

Edward Heere, president and CEO, CoActiv Medical:

Reductions in provider reimbursements, cutbacks in healthcare spending and the general havoc wreaked by the Healthcare Reform Act have reinforced our current product development goals of adding significant increased functionality and workflow enhancements without raising our existing competitive price structure.

Offering a more complete PACS, one that will serve all departments of a large enterprise healthcare facility, while still being available in a configuration affordable to even a small orthopedic or urgent care facility, has been CoActiv's corporate direction since day one. Current economic pressures have only emphasized that goal.

2. What specific opportunities do you see for radiology in the new healthcare reality?

Note: Radiology can play a vital role in ensuring that the aging population worldwide has access to high-quality, affordable imaging services. Since budgets are tight, imaging providers are looking for new technologies that help them maximize current resources.

For example, our newest RIS platform enables users to customize data capture and workflow changes as needed, quickly and easily. Being able to adapt RIS workflows can allow healthcare facilities to respond to government regulations (including meaningful use). We are also developing a PACS platform that will offer a zero-footprint, Web-based portal. Fully featured remote viewing is vital, since governments worldwide are mandating greater sharing of patient information across multiple facilities and providers.

Lawton: Radiology is unrivaled in its ability to effectively diagnose many diseases and other medical problems. More than ever, radiologists must prove the benefits and cost-effectiveness of imaging exams relative to other types of diagnostic tests. The challenge is to

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— Edward Heere, CoActiv Medical

demonstrate the merit of our advanced technologies in a cost-conscious environment and keep the focus on delivering the highest level of patient care.

Dearborn: Radiology is faced with a myriad of competitive, economic and legislative issues that impact the way medicine is practiced and the way vendors help move the market forward. We see a tremendous opportunity to help radiology in the areas of interoperability in imaging, automating front-office and back-office tasks and ensuring that imaging is seen as a critical part of meaningful use and healthcare overall. This will be especially important as EMR adoption proliferates. We believe significant progress is being made.

Giordano: I believe information and image management in radiology will be an area of continued focus and growth. The spending for large capital products and projects will continue to be affected by changes in reimbursement and the economy for a while, but the alternate care segments of radiology can have a positive impact from segments of the healthcare reform bill.

Specifically, this includes the opportunity for reimbursement of capital purchases of products that will increase efficiencies and create EMRs that can be shared and always available to patients. This will give rise to opportunities not only for the purchases of EMR products, but also for radiology products that can integrate with these systems and store medical images for permanent incorporation with medical records. I feel this market segment will have very good opportunity for growth over the next few years.

Heere: Radiology continues to be the primary noninvasive diagnostic methodology available to healthcare today. There is no technical or any other reason to believe that this will change in the foreseeable future. In fact, new modalities and protocols are constantly being presented that increase the effectiveness and accuracy of radiologic diagnoses while emphasizing increased patient safety through reduced radiation dosage.

The new challenge for radiology today is to increase the ease and speed of getting diagnostic results to the attending physicians by depositing patients' reports directly into the local physician's EMR or electronic health record (EHR) and by presenting results instantly to the treating doctors, regardless of time or location, via mobile viewing devices such as iPhone, iPad and

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other new technologies — a true implementation of meaningful use.

3. What emerging imaging technologies will be the most influential in 2011?

Note: We expect leading technologies to include new solutions that boost productivity and reduce manual tasks for radiologists, clinicians and other users, while simultaneously enhancing patient care. These technologies may include RIS platforms that deliver business intelligence data to help facilities boost utilization and revenues, along with tools for users to customize data capture and workflows. This can allow healthcare facilities to respond to government regulations, including meaningful use.

New-generation PACS capabilities will help speed interpretation (and can help enhance accuracy) for complex volumetric exams while reducing time-consuming, manual procedures to prepare these studies for reading. Governments across the globe are also mandating that patient information be shared across multiple providers on local, regional or national levels.

Lawton: In radiology management, technologies that cut costs, improve efficiencies and consolidate IT applications and functions will play a significant role in helping radiologists meet the challenges of the future. Our focus on these goals resulted in our new Qualitative Intelligence and Communication System (QICS) platform that enhances decision-making, achieves cost savings and promotes patient safety. Also, in the marketplace in general, we are seeing an expansion of cloud-based applications. These can provide more advanced resources at reduced cost through an economy of scale and can lower the cost of entry into new technologies for cash-strapped medical facilities.

Any technologies that provide system interoperability and cross-enterprise information exchange also will play a key role in shaping the face of healthcare in the future.

Dearborn: Technologies that facilitate interoperability and automation will be very relevant in 2011. We also see the patient playing an increasingly important role in healthcare and having more influence on how providers make decisions.

The world of patient-centric HIT is very much in its infancy. This will be a whole new chapter in the evolution of healthcare. Significant developments will occur in the field of radiology as patients demand more information about diagnostic imaging services and more timely access to their radiology reports and images.

Giordano: A strong focus will be higher efficiency in digital imaging that will deliver the benefits of lower dose, while increasing image quality. There is a very big emphasis now in this area, and I see this increasing this year and beyond.

I also see a rise in technologies that will allow customers to combine leading edge technologies available today with equipment currently in use. An

example of this are DR panels that can be combined with existing radiographic rooms. This allows a technological advancement while controlling costs.

Heere: In addition to the EMR/EHR/PACS integration and the use of iPhone-like mobile devices for instant review, several other technologies will be important in 2011. These include vendor-neutral, cloud-based HIPAA-compliant archiving solutions, which will come into more widespread use. If configured and priced properly, they can provide an imaging site with huge cost and resource savings as well as enhanced security, safety, expanded access and redundancies.

Another technology innovation that will see exceptional growth in 2011 is the incorporation of complete 3-D reconstruction into the PACS diagnostic workstation, allowing the reading radiologist to perform an instant 3-D color visualization to help verify initial interpretations. We recently began including our Exam-3-D diagnostic module with all diagnostic workstations at no charge and offer other specialized 3-D applications as inexpensive add-ons.

4. What was your company's greatest success in 2010?

Nole: Our DRX family of solutions has been a real home-run with customers. Constrained healthcare budgets have heightened demand for this wireless system that enables healthcare providers to upgrade existing analog X-ray rooms from CR or film to DR at a fraction of the price of a retrofit required to install a new DR suite.

Likewise, we are seeing a lot of interest in our next-generation DRX-Evolution system. It is an automated DR system that can perform a variety of general radiology and trauma X-ray exams.

Recently, we launched our DRX-1C detector, which uses a cesium iodide scintillator to deliver exceptional image quality, with DQE (detective quantum efficiency) substantially higher than the DRX-1 detector.

Another success was the acquisition of Quantum Medical Imaging, through which we expand our product portfolio.

Lawton: Our greatest success was the development of the first QICS to leverage existing HIS, RIS and PACS data in radiology to provide metrics, simplify integration and enable closed-loop

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communications. It will enable imaging departments to simplify their workflow and IT environments while addressing multiple issues impacting compliance, workflow and revenue via a single RIS and PACS integrated solution.

Dearborn: Merge's acquisition of Amicas was the highlight of 2010, creating a company with a large and diverse customer base, including 2,200 imaging centers, 800 orthopedic clinics and 1,500 hospital sites, as well as 250 modality vendors and resellers.

Additionally, Merge Healthcare continued to invest in research and development and realized increased adoption of its imaging informatics technologies, such as revenue cycle management, interoperability (with focus on zero-client computing), mobile devices and kiosks. The company also saw an uptick in development and adoption of products like computer-aided detection and vendor-neutral archiving technologies for radiology, cardiology and other image-intensive specialties.

Giordano: One of our greatest accomplishments was to deliver more value to our customers. We repositioned a number of products, such as our CR imaging solution, to meet the needs of a much broader market. By creating new configurations with a faster 40 plate-per-hour 110 reader, we have seen a strong growth with this product in the market.

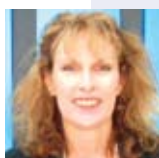
We also launched our Xpress DR digital suite. This is a full X-ray system that includes a flat panel and was our first entrance into this segment of the market. We placed a number of systems and developed our organization around digital imaging, which has helped us advance further into this market.

Heere: First, was the huge success we realized in the growth of our cloud-based Quad-Redundant Archiving business, which doubled in a single year. Also, our Exam-Essentials small-site PACS was an immediate success, more than doubling our installed

base in a single year. It enables small orthopedic centers, urgent care facilities and multiphysician practices to afford a full-featured PACS and archiving solution. [link](#)

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