4th Quarter 2015 Outlook
October–December

Prepared For:
AHRA
October 2015
Why was MICI created?

The MarkeTech Group and AHRA collaborated on the creation of MICI based on the belief that measuring the confidence of US medical imaging administrators on a regular basis would provide a valuable index for those having an interest in this industry.

The MICI panel consists of a select group of imagePRO™ panel members from around the U.S. representing different hospital sizes and geographic locations to capture a true “industry outlook”: how imaging administrators see the future of medical imaging in regard to revenues, costs, purchasing, and growth.

This exciting initiative captures the “mood” of imaging administrators on a quarterly basis regarding the state of medical imaging in the U.S. It also provides a unique statistical index that is likely to attract a lot of attention from those following this industry.

What is imagePRO™ and why is it important?

imagePRO™ was created by The MarkeTech Group to provide a professional community for imaging administrators to participate in studies aimed at advancing the development of medical imaging technology.

The imagePRO™ panel is a true community of industry professionals and is the leading opt-in panel of this industry. Members are subjected to strict enrollment requirements to represent the voice of their peers and to be part of a group of professionals whose knowledge and input is important.
148 imaging directors/managers of hospitals completed the 3-minute Web survey regarding their perception of medical imaging trends for the fourth quarter of 2015.

Scores
measure the level of confidence, and range between 0 to 200. The score interpretation follows:
- Below 50 is extremely low confidence
- 50 to 69 is very low confidence
- 70 to 89 is low confidence
- 90 to 110 reflect an ambivalent score (Neutral)
- 111 to 130 is high confidence
- 131 to 150 is very high confidence
- Anything above 150 is extremely high confidence

Hospital bed size:
- 44% Under 100
- 37% 100-299
- 19% 300 or more
Index Methodology

Results
are reflective of national trends because of the manner in which participants were invited to participate.

- Participants were recruited by region and number of beds to reflect known AHA incidence.

- Once the final counts were confirmed there was some statistical adjustment—weighting—to ensure the index reflects the U.S. hospital imaging market. This type of adjustment is common when estimating overall market share, trends, and attitudes.

Recruitment
accounts for about 90% of correct hospitals and regions to reflect the U.S. hospital market.

- While relatively minor in magnitude, the weighting accounts for the final 10% to refine the estimates and ensure they represent the U.S. hospital market.

- This refinement is necessary to create an index that truly represents how radiology departments view the economic outlook for the current quarter and will ensure that subsequent MICI results are valid.
Regions

- Pacific 11%
- Mountain 8%
- West South Central 15%
- West North Central 10%
- South Atlantic 13%
- Mid-Atlantic 15%
- East South Central 7%
- East North Central 22%
There is very high confidence that staff costs will remain constant. High confidence in growing diagnostic and interventional radiology and as a profit center.

### Topic

<table>
<thead>
<tr>
<th>Topic</th>
<th>Score Mean</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Will grow monthly in diagnostic and interventional radiology</td>
<td>118</td>
<td>High confidence</td>
</tr>
<tr>
<td>Receive adequate reimbursement from Medicare for diagnostic and interventional imaging</td>
<td>77</td>
<td>Low confidence</td>
</tr>
<tr>
<td>Internal operating and staff costs will remain constant</td>
<td>133</td>
<td>Very high confidence</td>
</tr>
<tr>
<td>Will have access to capital for imaging equipment and IT needs</td>
<td>101</td>
<td>Neutral</td>
</tr>
<tr>
<td>Will maintain/grow as a profit center</td>
<td>125</td>
<td>High confidence</td>
</tr>
<tr>
<td>Composite score across all areas</td>
<td>110</td>
<td>Neutral</td>
</tr>
</tbody>
</table>

There is concern about receiving adequate reimbursement from Medicare.
Hospital bed size differences:

Hospitals with **100 or more beds are more confident in growth in diagnostic and interventional radiology** than hospitals with under 100 beds.

<table>
<thead>
<tr>
<th>Topic</th>
<th>Under 100 beds</th>
<th>100 to 299 beds</th>
<th>300 or more beds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Will grow monthly in diagnostic and interventional radiology</td>
<td>104</td>
<td><strong>128</strong></td>
<td><strong>130</strong></td>
</tr>
<tr>
<td>Receive adequate reimbursement from Medicare for diagnostic and interventional imaging</td>
<td>71</td>
<td>77</td>
<td>92</td>
</tr>
<tr>
<td>Internal operating and staff costs will remain constant</td>
<td>140</td>
<td>125</td>
<td>131</td>
</tr>
<tr>
<td>Will have access to capital for imaging equipment and IT needs</td>
<td>103</td>
<td>93</td>
<td>109</td>
</tr>
<tr>
<td>Will maintain/grow as a profit center</td>
<td>119</td>
<td>127</td>
<td>135</td>
</tr>
<tr>
<td>Composite score across all areas</td>
<td><strong>107</strong></td>
<td><strong>109</strong></td>
<td><strong>118</strong></td>
</tr>
</tbody>
</table>
Regional differences: While none of the differences are statistically significant:

West North Central region has extremely high confidence; South Atlantic, East North Central, East South Central regions have very high confidence that internal operating and staff costs will remain constant.

Mid-Atlantic, South Atlantic, and East North Central regions have very high confidence in growing as a profit center.

The Mid-Atlantic, East South Central, and Pacific regions have very low confidence; while East/West North Central and West South Central regions have low confidence about receiving adequate reimbursement from Medicare.

East South Central region has low confidence in access to capital for equipment.

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<tr>
<td>Will grow monthly in diagnostic and interventional radiology</td>
<td>121</td>
</tr>
<tr>
<td>Receive adequate reimbursement from Medicare for diagnostic and interventional imaging</td>
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<tr>
<td>Will have access to capital for imaging equipment and IT needs</td>
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</tr>
<tr>
<td>Will maintain/grow as a profit center</td>
<td>132</td>
</tr>
<tr>
<td>Composite score across all areas</td>
<td>105</td>
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</table>
There is **very high confidence** that staff costs will remain constant; while there is **high confidence** in diagnostic and interventional radiology and growing as a profit center.

There is **concern** about receiving adequate reimbursement from Medicare.

Hospitals with 100 or more beds are **more confident** in growth of diagnostic and interventional radiology than hospitals under 100 beds.

West North Central, South Atlantic, East North Central, and East South Central regions have at least **very high confidence** that internal operating and staff costs will remain constant. Mid-Atlantic, South Atlantic, and East North Central regions have **very high confidence** in growing as a profit center.

Mid-Atlantic, East South Central, and Pacific regions have **very low confidence**; while the East/West North Central and West South Central regions have **low confidence** about receiving adequate reimbursement from Medicare. The East South Central region has **low confidence** in access to capital for equipment.
One year analysis review
Q1-2014 through Q4-2015

**Results** are now shown for Q1 2014 through Q4 2015.
- Comparisons are presented to show any trending of the data over a one year period.

**Analyses** are based on between group analysis of variance (ANOVA) where participant’s scores are compared over time to determine if changes occur.
## One year analysis review
### Q3-2015 through Q4-2015

<table>
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<th>Topic</th>
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<tr>
<td></td>
<td>Q3 2015</td>
<td>Q4 2015</td>
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<tr>
<td>Will grow monthly in diagnostic and interventional radiology</td>
<td>116</td>
<td>118</td>
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<tr>
<td>Receive adequate reimbursement from Medicare for diagnostic and interventional imaging</td>
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One year analysis review
Q1-2014 through Q4-2015

TRENDING:
Receiving adequate reimbursement from Medicare and access to capital for equipment have higher confidence in Q4 2015 compared to Q4 2014. Higher confidence in all areas in Q4 2015 compared to Q1 2014.
One year analysis review
Q1-2014 through Q4-2015

For details on MICI scores by bed size – please click on underlined links, or go to Appendix B.
One year analysis review
Q1-2014 through Q4-2015

Summary

1. MICI scores between Q3 2015 and Q4 2015 have not changed and are not statistically significant.

2. Under 100 beds: Growth of diagnostic/interventional radiology, access to capital for equipment, and growth as a profit center have higher confidence in Q4 2015 compared to Q1 2014.

3. 100 to 299 beds: Growth of diagnostic/interventional radiology and access to capital for equipment have higher confidence in Q4 2015 compared to Q1 2014.

4. 300 or more beds: Growth of diagnostic and interventional radiology have higher confidence in Q4 2015 compared to Q1 2014.
Study & report have been conducted & brought to you courtesy of:
Appendix: October to December 2015 results

APPENDIX A - Questionnaire

**Grow monthly in diagnostic and interventional imaging**
Over the next three months, I am very optimistic that our department:

**S1Q1.** will grow monthly study volumes in Diagnostic imaging modalities (X-ray, Ultrasound, MRI, CT and NM).

**S1Q2.** will grow monthly study volumes in Interventional imaging modalities (biopsy, angio cath lab, etc.).

**Receive adequate reimbursement from Medicare for diagnostic and interventional imaging**
Over the next three months, I am very optimistic that our department:

**S1Q3.** will receive adequate reimbursement from Medicare for Diagnostic imaging studies.

**S1Q4.** will receive adequate reimbursement from Medicare for Interventional imaging procedures.

**Internal operating and staff costs will remain constant**
Over the next three months, I am very optimistic that the imaging department:

**S2Q1.** internal operating expenses (not including staff costs) will remain constant.

**S2Q2.** internal staff costs will remain constant.
Appendix: October to December 2015 results

APPENDIX A - Questionnaire

Will have access to capital for imaging equipment and IT needs
Over the next three months, I am very optimistic that our department:

S3Q1. will have access to capital/credit to fund investments in new imaging equipment and the costs associated with Imaging capital projects (e.g. siting & construction costs).

S3Q2. will have access to capital/credit to fund investments in areas outside of imaging equipment, such as PACS, RIS, or other imaging-related IT needs.

S3Q3. will have access to capital/credit to fund investment in imaging facility expansion, if desired.

Will grow as a profit center
Over the next three months, I am very optimistic that our department:

S4Q1. will continue to maintain/grow Diagnostic imaging services as a profit center.

S4Q2. will continue to maintain/grow Interventional imaging services as a profit center.
Appendix: 
Q1-2014 through Q4-2015 results

APPENDIX B

Graphs are presented by number of beds to show MICI for all quarters.

Interpretation is by number of beds—any changes across quarters are identified as being significant.

If no changes are identified then differences that might appear are due to random fluctuation in responses over time and should not be considered real.
Appendix: Q1-2014 through Q4-2015 results

Under 100 beds: No changes in MICI between Q4 2015 and Q3 2015. Growth of diagnostic and interventional radiology, access to capital for equipment, and growth as a profit center have higher confidence in Q4 2015 compared to Q1 2014.

Back to Hospital bed size summary
Appendix: Q1-2014 through Q4-2015 results

100 to 299 beds: No changes in MICI between Q4 2015 and Q3 2015. Growth of diagnostic and interventional radiology and access to capital for equipment have higher confidence in Q4 2015 compared to Q1 2014.
Appendix: Q1-2014 through Q4-2015 results

300 or more beds: No changes in MICI between Q4 2015 and Q3 2015. Growth of diagnostic and interventional radiology have higher confidence in Q4 2015 compared to Q1 2014.
Appendix: Q1-2014 through Q4-2015 results

Will grow monthly in diagnostic and interventional radiology: Hospital bed size

Back to Hospital bed size summary
Appendix: Q1-2014 through Q4-2015 results

Receive adequate reimbursement from Medicare for diagnostic and interventional imaging: Hospital bed size

Average MICI Scores

Under 100 beds 100 to 299 beds 300 or more beds

Quarter
1st quarter 2nd quarter 3rd quarter 4th quarter
2014

1st quarter 2nd quarter 3rd quarter 4th quarter
2015

Back to Hospital bed size summary
Appendix: Q1-2014 through Q4-2015 results

Internal operating and staff costs will remain constant: Hospital bed size

- Under 100 beds
- 100 to 299 beds
- 300 or more beds

Back to Hospital bed size summary
Appendix: Q1-2014 through Q4-2015 results

Will have access to capital for imaging equipment and IT needs: Hospital bed size

- Under 100 beds
- 100 to 299 beds
- 300 or more beds

Back to Hospital bed size summary
Appendix: Q1-2014 through Q4-2015 results

Will maintain/grow as a profit center: Hospital bed size

Quarter
Under 100 beds 100 to 299 beds 300 or more beds

Back to Hospital bed size summary