Medical Imaging Confidence Index
“the MICI”

For: January - March 2011

Created for AHRA: The Association of Medical Imaging Management

Developed by:

THE MARKETECH GROUP

ahra
the association for medical imaging management
OPEN LETTER

It is with great enthusiasm that we provide the initial index data and supporting materials for the first quarter’s *Medical Imaging Confidence Index (MICI)*, co-sponsored by The MarkeTech Group, LLC and AHRA.

*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 US 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 US. 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 are they 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 in order to represent the voice of their peers and to be part of a group of professionals whose knowledge and input is important.
158 imaging directors/managers of hospitals completed the 2-minute Web survey regarding their perception of medical imaging trends for the first quarter of 2011.

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

- Under 100 beds: 44%
- 100 - 299 beds: 37%
- 300 or more beds: 19%
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 US 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 US hospital market.

- While relatively minor in magnitude, the weighting accounts for the final 10% to refine the estimates and ensure they represent the US 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.
Medical Imaging Confidence Index (MICI)  
January to March 2011

Region Percentages:
- Pacific: 14%
- Mountain: 6%
- West North Central: 5%
- East North Central: 25%
- Mid-Atlantic: 12%
- South Atlantic: 16%
- West South Central: 13%
- East South Central: 9%

Map showing regions and their respective Medical Imaging Confidence Index (MICI) percentages.
Imaging directors are confident their internal operating/staff costs will remain constant and will grow as a profit center. On the other hand, they are less confident about receiving adequate Medicare reimbursement.

<table>
<thead>
<tr>
<th>Topic</th>
<th>Score Mean</th>
<th>Interpretation</th>
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<tbody>
<tr>
<td>Will grow monthly in diagnostic and interventional radiology</td>
<td>105</td>
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<tr>
<td>Receive adequate reimbursement from Medicare for diagnostic and interventional imaging</td>
<td>71</td>
<td>Low confidence</td>
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<td>Internal operating and staff costs will remain constant</td>
<td>128</td>
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<td>93</td>
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<td>Will maintain/grow as a profit center</td>
<td>124</td>
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<td><strong>Composite score across all areas</strong></td>
<td><strong>103</strong></td>
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Larger hospitals are more confident about growing as a profit center.

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Imaging directors in the West South Central region are more confident about monthly growth in diagnostic/interventional imaging than the Mountain region; and, Mountain region is less confident than all other regions with regards to growing as a profit center.

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Summary

- There is high confidence that internal operating and staff costs will remain constant and the business will grow as a profit center.
- There is less confidence about receiving adequate Medicare reimbursement.
- The larger the hospital the more confidence there is that it will grow as a profit center.
- The West South Central region is more confident with monthly growth in diagnostic/interventional imaging than the Mountain region.
- Mountain region is less confident than the South Atlantic and East North Central regions with regards to growing as a profit center.
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 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.
### MICI: Q4-2010 to Q2-2011
#### Comparative Table

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Study and Reports have been conducted and brought to you courtesy of: