



# Economies of Scale Between Competitors: Northwest ImageShare

BY CAT VASKO

Four Washington health-care providers were facing a problem. Harrison Medical Center (Bremerton), Advanced Medical Imaging (Silverdale), The Doctors Clinic (Silverdale), and Olympic Radiology (Bremerton)—all separate, multisite organizations located on the Kitsap Peninsula, west of Seattle—knew that having competitors was creating problems for patients. For instance, it was not uncommon for a patient to be imaged at another facility before being admitted to Harrison Medical Center's emergency department, but there was often no way to access that patient's prior studies, even if the on-call physician knew which facility held them.



Adar Palis

It was evident that this problem was having an impact on patients. Emergency care might be delayed while the treating physician tried to access a patient's prior studies—or studies might be duplicated, resulting in additional costs, as well as unnecessary radiation exposure. The scenario was even occurring in nonemergency situations; specialists had no way of accessing prior images from competing providers unless patients brought them on CDs, and the CDs created compatibility issues with some regularity. Often, images on CDs were imported as mismatches, resulting in losses of staff time and archive space. In short, there had to be a better way.

### *Resolving Conflicting Priorities*

The four organizations wanted to find that better way, but faced legitimate concerns about protecting their referral bases

and keeping their information securely partitioned, as all four were competing for business in the same patient population. They also realized, however, that patients were ill served by the absence of an image-sharing mechanism—and that providers themselves were losing both time and money in attempting to work around the problem.

For instance, each provider was duplicating costs in its facilities by supporting separate PACS platforms, PACS administrators, software upgrades, support costs, and CD burners. In scenarios where patients wound up being given the same exam a second time, the second study was frequently ineligible for either technical- or professional-component reimbursement, resulting in the nonproductive use of valuable imaging resources.

The four organizations decided to come together to look for a solution. In a conversation initiated by Adar Palis, executive vice president, CAO, and COO at Harrison Medical Center, they addressed both their competitive concerns and their desires to improve care. "Everyone agreed to come together for the best interests of the patients," Palis recalls, "and we quickly realized the incredible financial benefits that we could achieve by working together. The idea communicated to the group was simple: We are all in this business to provide the best care possible, but let's look at providing it more economically."

### *Northwest ImageShare*

With this in mind, in September 2012, the four organizations created Northwest ImageShare by taking advantage of Harrison Medical Center's Sectra PACS. It includes sophisticated, unique image-sharing algorithms. Advanced Medical Imaging was also using the Sectra PACS at that time; the other

two organizations recently converted to using it.

Sectra's cross-platform worklist technology securely partitions each entity's information in the archive, in compliance with HIPAA regulations—but when a patient changes providers, the new provider is able to access the entire relevant patient folder of images and reports. To maintain the referring base's privacy, all references to the physician's name and information are invisible to the viewing entity.

Harrison Medical Center hosts the data center and the archive for the entire group. In lieu of a fee per exam paid to the PACS vendor, Harrison Medical Center collects the fees; these, taken as a whole, constitute less than half what the other three organizations were previously paying for their PACS platforms. With the fees assessed in this way, the more exams that are fed into the Harrison archive, the less each exam costs the providers, creating further economic incentives for participation.

Brennan Dobbins, clinical and ancillary services director for The Doctors Clinic, states, "With Northwest ImageShare in place, our PACS costs are reduced by 60%. Decreased per-study storage costs, along with support-staff reductions and the absence of an on-site archive, compose the savings."

The physicians at all four organizations need not use systems compatible with multiple PACS platforms any longer;

instead, they work with identical desktop and Web clients, irrespective of an image's origin. Images can also be accessed using iPads and other mobile devices. "Our physicians have immediate access to all the relevant images that they need to make informed decisions," Dobbins notes. "The benefits to our patients and community are immense."

Looking forward, the organizations hope to expand the project to include other Seattle-area providers, taking further advantage of economies of scale while making care even more comprehensive for patients in the community. Ty Walker, executive director and CIO at Harrison Medical Center, says, "Our goals are to expand our affiliation into neighboring counties and to incorporate additional practices into the program."

Walker will present the story of the image-sharing project on March 5, 2013, in New Orleans, Louisiana, at the Annual Conference and Exhibition of the Health Information and Management Systems Society (in the Clinical and Business Analytics/Intelligence Knowledge Center). "Northwest ImageShare is only scratching the surface of what we can accomplish in the long term," Walker concludes.

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