



California Orthopaedic Association

April 17, 2010

Lake Tahoe, CA

MRI Requirements for Success

Lake Tahoe, CA



Ancillary Magnetic Resonance Imaging



Orthopaedic Specialty Institute

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Disclosure

- No financial relationship

Group Subspecialty Practice

- Physical and Occupational Therapy

- MRI

- ASC

Why MRI?

- Patient convenience
- Consistent high quality studies
- Improved efficiencies for office
- Clinically useful, accurate & reliable reports
- Added revenue stream

Conflicts

- Potential overutilization
- Loss to local MRI centers

MRI

- How many patients can be referred?
- How much space is needed?
- How much will it cost?
- How many employees are needed?
- Who will interpret scans?
- Is it worthwhile?

How many patients can be referred?

- Accurately audit your MRI patient referrals –track body parts
- Separate Worker's Comp
- Analyze payors

Space

- Extremity scanners
 - Least space needed
 - Limited applications: no spine, limited hip & shoulder
- Latest 1.5 Tesla short bore full body scanner fits in 30% smaller footprint

Cost - Capital Expenditure

- Architectural Planning
- Leasehold Improvements
- Equipment
- Start up cash

Capital Expenditure

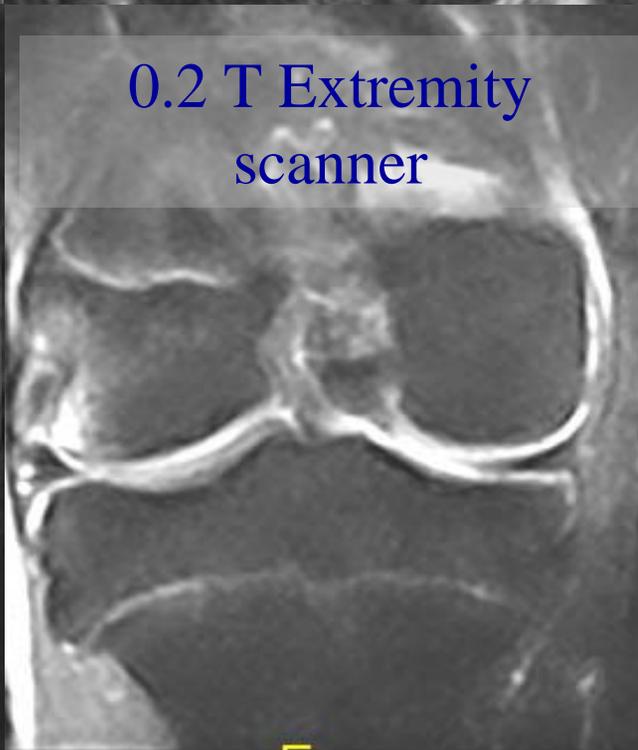
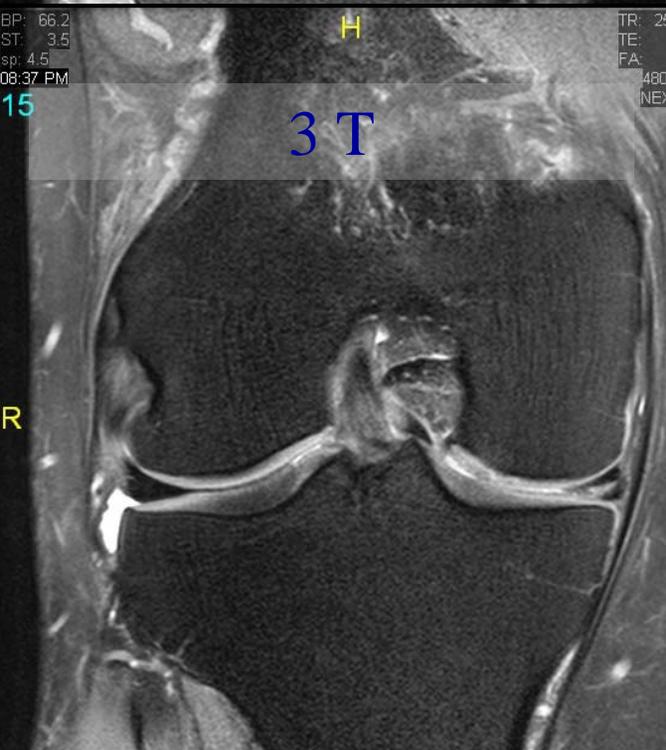
- Startup cost exclusive of equipment:

\$342,910

- Our facility: 2043 sq. ft.

Equipment

- New 1.5 Tesla MRI scanner
 - 950K and up
 - 8 scans/day: break even
- 3-4 year old 1.5 Tesla
 - 5-600K
 - 6 scans/day: break even
- Suggest upgradeable scanner
 - Eg. GE



OSI

1.5 Tesla full body scanner



Personnel

- Fully credentialed radiology technologist (CRT) with MR credentials & experience
- Front office / scheduler / insurance verifier

Radiologist

- Fellowship trained musculoskeletal radiologist and neuroradiologist
- Experience
 - Developing and running MRI facility
 - Negotiating with vendors
 - Equipment selection
- +/- Partner

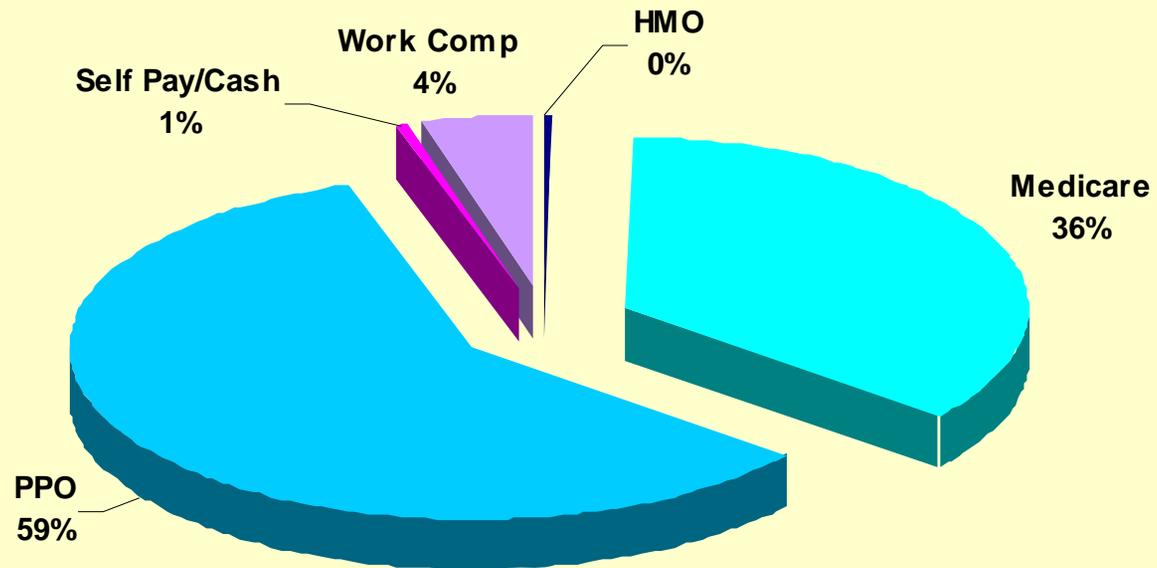
CMS approved accreditation

- ACR – American College of Radiology
- IAC – Intersocietal Accreditation Commission
- Joint Commission

“2008 MIPPA (Medicare Improvements for Patients and Providers Act) requires all non-hospital suppliers of advanced imaging services to be accredited by organizations designated by the Secretary of HHS by January 12, 2012 to qualify to provide services to Medicare beneficiaries.”

Financials

MRI Payer Mix 2009 - Collections Based



Margins

● 2006 – 40%

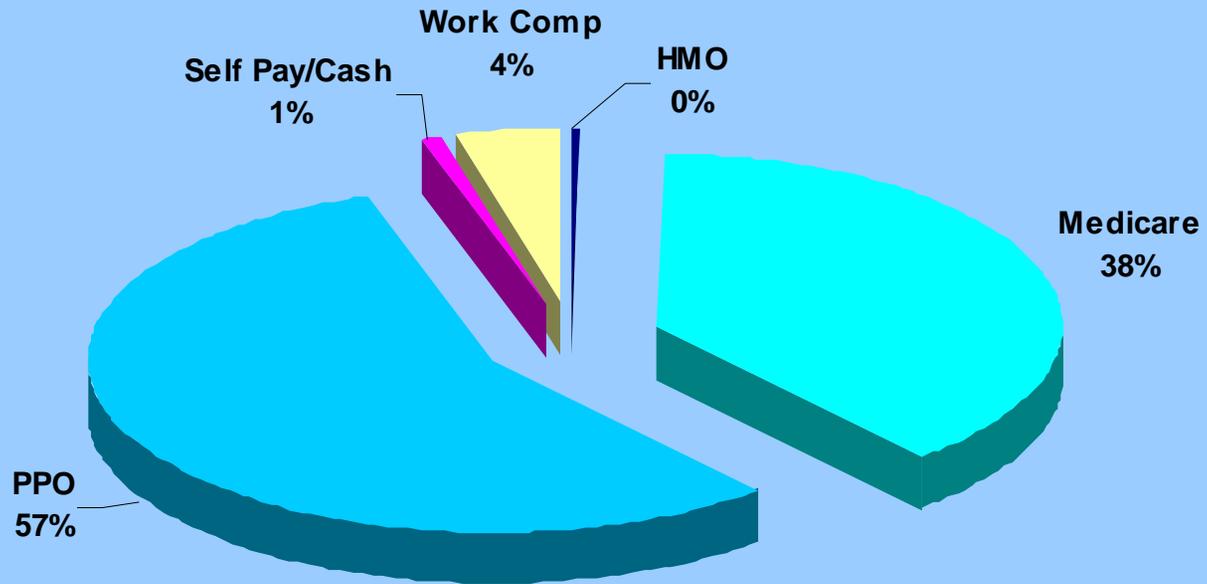
● 2007 – 48%

● 2008 – 53%

● 2009 – 55%

Financials

MRI Payer Mix 2009 - Office Visits Based



Physician Contacts

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Gregory Applegate, MD (818) 901-0115

Administrative Contacts

Terrie Sepulveda (714) 634-4567

A 3D grid of spheres on a blue background. The spheres are arranged in a regular pattern, receding into the distance, creating a perspective effect. The background is a solid, dark blue color.

Thank you!