2019 Imaging Market Trends
Highlights and Key Takeaways for Suppliers and Service Providers

In 2019 and beyond, purchasers of imaging services are encouraging changes to quality and cost transparency. At the same time, technological advancements and regulatory shifts are impacting imaging’s financial outlook. Advisory Board’s webconference on 2019 Imaging Market Trends and the accompanying ready-to-use slides analyze these trends and offer strategies for providers to thrive in today’s market. This two-pager synthesizes highlights from the webconference and offers key takeaways for suppliers and service providers that offer products and solutions related to imaging.

Five trends driving demand for imaging services

Disease prevalence, population changes, and demographic shifts

- Complex disease growth is expected to drive demand for imaging
- Ultrasound and PET volumes are expected to grow at 17% and 11% over the next five years, respectively

Technology adoption

- Minimally and non-invasive (e.g., coronary CT angiography) are replacing more costly, invasive procedures and driving outpatient interventional radiology volumes

Insurance changes

- Private payers are intensifying efforts to steer patients to low cost sites; tactics include offering cash incentives to patients and denying coverage for certain hospital-based imaging services
- Consumers in high deductible health plans (HDHPs) utilize less inpatient, outpatient, and diagnostic imaging care; while consumers are not shopping as much as many expected, they nevertheless care about easy access and low wait times

Care management

- CT compliance mandate will be fully phased in 2019, pushing strong focus on radiation dose reductions and overall appropriate imaging
- Clinical decision support continues to decrease frequency of low utilization exams and is expected to shift volumes to non-radiation modalities

Price transparency

- Most hospitals are unprepared for and wary of CMS’s¹ new price transparency rule, opening the door to disruptors like Smart Choice MRI that offers fully transparent MRI pricing meant to attract price-sensitive patients and employers
- Radiology practices are continuing to pursue consolidation; consolidated groups may have greater pricing negotiation power

If you have any questions, would like to discuss the content further with our researchers, or are interested in learning how you can share this content with your larger teams, please reach out to your organization’s Dedicated Advisor.

¹) Centers for Medicare and Medicaid Services.

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Financial outlook

Three reimbursement-related changes affecting imaging margins:

- Medicare Access and CHIP Reauthorization Act (MACRA): Through Congress has slowed MACRA’s rollout, quality still comprises 50% of providers’ MIPS score and radiologists must report up to 6 quality metrics to avoid penalties
- Medicare fee-for-service payments: Imaging reimbursement is a mixed bag; for example, while interventional radiology payment will increase, independent diagnostic testing facilities face cuts
- Site neutral payment policies: CMS’s expansion of site neutral payment policies signals commitment to payment equalization

Implications for Suppliers and Service Providers

Imaging providers confront a new landscape for growth. To help providers retain financial viability, suppliers and service firms can help them respond to the dual mandates of consumerism and population health.

1 To attract consumers, providers must deliver on patient demands for cost and access. As such, providers must be prepared to share out-of-pocket cost and network status with patients early in the process. Additionally, providers should focus expanding evening and weekend hours and minimizing wait time (both to appointment and to results).

First and foremost, suppliers and service firms must recognize that imaging providers are under pressure to reduce the price per scan. While many may be more cost-conscious buyers overall, you may also gain traction by demonstrating how technologies or services can improve throughput and increase volumes.

2 To succeed under value based care, providers will focus on appropriate utilization. Efforts will center on educating physicians on appropriate use criteria and implementing clinical decision support (CDS) tools that enable providers to make informed decisions and eliminate unnecessary procedures.

Providers may look to invest in enterprise imaging solutions that can improve imaging efficiency and save costs across the system; however, ensure that solutions are interoperable across facilities and can be seamlessly integrated into clinician workflow.

Suggested conversation starters:

1 Which market forces are having the most significant impact on demand for imaging services?
2 How are you adjusting your strategy to appeal to consumers demanding low cost, accessible imaging? How does that strategy vary across consumer groups?
3 What investments have you made in appropriate use and/or clinical decision support to date? What obstacles do you still face with regard to minimizing unnecessary utilization?