



Radiology departments use cross collaboration for capital planning



Radiology practices rely on having the type of equipment and capacity they need to provide and maintain success and sustainability. In the last twenty years imaging services are expanding exponentially, leading to significant increases in funding required to invest in new infrastructure.

The influx of new technologies makes calculating return on investment a trying task for department heads and administration managers. Less spending may mean not advancing in the race for increased quality of patient care, troubled leadership and hurting the bottom line from reduced future revenues. Excessive spending on new equipment, especially cutting-edge systems with indeterminate return on investment results, also threaten hospital administrators and management.

The Massachusetts General Hospital (MGH) Department of Radiology was faced with these challenges after national recessions, concerns about radiation exposure, increased payers interest in utilization management and slashed reimbursements for imaging services resulted in reduced examination volume. In 2011 senior hospital administrators required the department request all purchases over \$5,000 through the capital budget, instead of drawing funds from both the capital and operating budgets of the hospital, through a leasing program in collaboration with the Commonwealth of Massachusetts, as had been the process. This change prompted the department to develop new management tools for a strategy designed to objectively evaluate available capital, model a project needs over coming years, and establish transparent and effective engagement with senior administrators responsible for budgeting.

The department created this process by including various hospital stakeholders: radiologists, researchers, clinical operations managers, administrative and clinical support leaders, informatics personnel and senior executives, to harness this collective power to make strategic investments. This was organized in three phases:

1. Research and learning

They organized a speaker series, breakfasts with technologists and 8 discussion groups to provide all stakeholders with a basic level knowledge of each department: clinical, research, business, informatics- and bring together experts from the areas of: physician leadership, clinical operations, finance, quality management, education, and engineering.

2. Data Collection

They developed a model to measure existing equipment, analyze all imaging equipment owned by MGH across 7 modalities and 10 clinical service lines. Then calculated each piece using the American Hospital Association (AHA) schedule of estimated useful lives of depreciable assets and assessed the quality of existing equipment to establish replacement priorities.

3. Planning the presentation

Operations managers submitted equipment wish lists and the finance team talked with department heads to help select priority items for the final proposal. Using results from their prioritization tool to align managers requests and expectations. For their presentation they created a hospital map showing each piece of equipment color coded to provide a quick visual reference of hot spots of older and newer equipment.

They found that their strategy supports both the clinical and research needs of the department, taking into account the financial limits of the hospital, while including all stakeholders to contribute their informed input. The plan created meaningful cross-collaboration which represents real needs and encourages cooperation from department stakeholders. In fact, although this process set out to optimize equipment investment decisions, it combined the need for investments in human capital by way of professional learning initiatives and in social capital by creating new and lasting cross-collaboration relationships.

The resulting expectations are high on these investments through enhancing leadership in patient care and clinical research. In addition, by organizing and verifying the relevant data they have created a base from which to start for future planning. The communication and engagement across departments and discipline areas has promoted mutual understanding and cooperation which will help in addressing issues that may otherwise not arise. Giving senior executives a forum to contribute helped then reinforce the sense of collaboration between department and administration. The process also encouraged innovative and creative approaches through the discussion groups which will benefit in future planning.

After preparing for 3 months the team of radiologist-in-chief and imaging director, 4 radiologists, a molecular imaging scientist and imaging finance made the presentation to the chief financial officer, senior VP for radiology and senior hospital administrators.

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Published on : Tue, 13 Nov 2018