Study & report have been conducted & brought to you courtesy of:

Q2 Report:
2nd Quarter 2020 Outlook
April-June

Prepared for: 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 U.S. 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 U.S. 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 is it 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 to represent the voice of their peers and to be part of a group of professionals whose knowledge and input is important.
179 imaging directors/managers of hospitals completed the 3-minute Web survey regarding their perception of medical imaging trends for the second quarter of 2020.

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:
- 56% Under 100
- 31% 100-299
- 13% 300 or more
**Index Methodology**

**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 were some statistical adjustment—weighting—to ensure the index reflects the U.S. 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 U.S. hospital market.*

- While relatively minor in magnitude, the weighting accounts for the final 10% to refine the estimates and ensure they represent the U.S. 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.
Index Methodology

Regions

- Pacific: 11%
- Mountain: 7%
- West South Central: 11%
- Mid-Atlantic: 13%
- South Atlantic: 15%
- East North Central: 20%
- West North Central: 16%
- East South Central: 6%
Results for Q2 2020
Low confidence across all areas

<table>
<thead>
<tr>
<th>Topic</th>
<th>Score Mean</th>
<th>Interpretation</th>
</tr>
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<tbody>
<tr>
<td>Will grow monthly in diagnostic and interventional radiology</td>
<td>59</td>
<td>Very low confidence</td>
</tr>
<tr>
<td>Receive adequate reimbursement from Medicare for diagnostic and interventional imaging</td>
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</tr>
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<tr>
<td>Will maintain/grow as a profit center</td>
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Composite score across all areas: 72 Low confidence
Hospital bed size differences: Mixed low confidence

Hospitals with **under 100 beds are more confident** in the **internal operating and staff costs will remaining constant** compared to hospitals with 100 to 299 beds.

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Regional differences*: South Atlantic region is neutral about access to capital, Staff costs remain constant and growth in profit.

All regions have at most **low confidence** in **growing in volume and receiving adequate reimbursement**.

Excluding the **South Atlantic region**, **all other regions** have at most **low confidence** in **access to capital for equipment and growth as a profit center**.

**East North Central** and Mountain regions have **very low confidence**; while the West North Central, East South Central, and Pacific regions have **low confidence** about **internal operating and staff costs** will remain constant.

*No statistically significant differences among regions

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Overall, there is concern in all areas.

There is very low confidence about growth in volume and access to capital; while low confidence in receiving adequate reimbursement from Medicare, staff costs will remaining constant, and growth as a profit center.

Hospitals with less than 100 beds are more confident in internal operating and staff costs will remaining constant than hospitals with 100 to 299 beds.

South Atlantic region is neutral about having access to capital, Staff costs remaining constant, and growth as a profit center.

All regions have at most low confidence in growing in volume and receiving adequate reimbursement. Excluding the South Atlantic region, all other regions have at most low confidence in access to capital for equipment and growth as a profit center.
Q2-2020 Member comments about the outlook

**Study volume increase / planned growth:**
- COVID-19 is having a significant impact on our imaging volumes in an attempt to keep all non-essential testing to a minimum. I anticipate this will continue for a period of time.
- COVID-19 will have a distinct impact on Imaging and will (has already) impacted imaging procedures and crippled our ability to even consider growth. We are, instead, in survival mode.
- Growth for my facility is tied to the other community hospital closing its operations and my facility is now the sole provider of healthcare services for the community.
- COVID-19 wreaking havoc on volumes and consuming money reserved for capital. All capital spend on hold until further notice.

**Uncertainty / complaints about healthcare policy and reimbursement:**
- I believe the COVID-19 Pandemic will result in an increase in non-interventional volume but will also result in an increase in non-reimbursed expenses as we look at increased supply costs and short term rental of portable equipment.
- The COVID-19 virus will impact the volume as individuals stay at home and people lose their health insurance due to unemployment.
- The restrictions related to the COVID-19 pandemic have decreased volumes considerably which has created a negative impact on revenue and will impact capital funding.

**Internal operating and staff costs remaining constant:**
- With COVID-19 we have had to close schedules and move to an urgent/emergent schedule.
- We are not performing any screening exams and some patients are choosing not to have their exams performed. With limited patients, trying to balance employees with the patient load is very difficult. The next three months will be very challenging.
- A number of health care facilities in the geographic area are not financially stable. Some even have closed. Therefore, volumes continue to trend upwards.
- The coronavirus issue will result in overspending in the nursing area of hospitals. This coupled with the reduction in outpatient imaging, will result in not only having to compensate for other areas of the hospital but also adjust cost estimates for loss in revenue.
Quarter-to-Quarter analysis

Results are now shown for Q3 2018 through Q2 2020.
  - Comparisons are presented to show any trending of the data over a one year period.

Analyses are based on between group analysis of variance (ANOVA) where participant’s scores are compared over time to determine if changes occur.