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Q3 Report:
3rd Quarter 2020 Outlook
July-September

imagePRO™ Member Panel
MICI Overview

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.
161 imaging directors/managers of hospitals completed the 3-minute Web survey regarding their perception of medical imaging trends for the third 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:

- 54% Under 100
- 32% 100-299
- 14% 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: 10%
- Mountain: 8%
- West South Central: 12%
- Mid-Atlantic: 14%
- South Atlantic: 15%
- East South Central: 6%
- East North Central: 20%
- West North Central: 15%
Results for Q3 2020
Staff costs to remain constant, growth in volume and profit

<table>
<thead>
<tr>
<th>Topic</th>
<th>Score Mean</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Will grow monthly in diagnostic and interventional radiology</td>
<td>125</td>
<td>High confidence</td>
</tr>
<tr>
<td>Receive adequate reimbursement from Medicare for diagnostic and interventional imaging</td>
<td>88</td>
<td>Low confidence</td>
</tr>
<tr>
<td>Internal operating and staff costs will remain constant</td>
<td>121</td>
<td>High confidence</td>
</tr>
<tr>
<td>Will have access to capital for imaging equipment and IT needs</td>
<td>67</td>
<td>Very low confidence</td>
</tr>
<tr>
<td>Will maintain/grow as a profit center</td>
<td>131</td>
<td>Very high confidence</td>
</tr>
<tr>
<td>Composite score across all areas</td>
<td>103</td>
<td>Neutral</td>
</tr>
</tbody>
</table>

There is concern about receiving adequate reimbursement from Medicare and access to capital.
Hospitals with **300 or more beds are more confident** in the **growth of volume** compared to hospitals with less than 100 beds; while hospitals with **under 100 beds are more confident** in the **internal operating and staff costs will remaining constant** compared to hospitals with 300 or more beds.

<table>
<thead>
<tr>
<th>Topic</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Will grow monthly in diagnostic and interventional radiology</td>
<td></td>
</tr>
<tr>
<td>100 beds</td>
<td>115</td>
</tr>
<tr>
<td>299 beds</td>
<td>133</td>
</tr>
<tr>
<td>300 or more beds</td>
<td><strong>148</strong></td>
</tr>
<tr>
<td>Receive adequate reimbursement from Medicare for diagnostic and interventional imaging</td>
<td></td>
</tr>
<tr>
<td>100 beds</td>
<td>83</td>
</tr>
<tr>
<td>299 beds</td>
<td>94</td>
</tr>
<tr>
<td>300 or more beds</td>
<td>92</td>
</tr>
<tr>
<td><strong>Internal operating and staff costs will remain constant</strong></td>
<td></td>
</tr>
<tr>
<td>100 beds</td>
<td><strong>132</strong></td>
</tr>
<tr>
<td>299 beds</td>
<td>116</td>
</tr>
<tr>
<td>300 or more beds</td>
<td>91</td>
</tr>
<tr>
<td>Will have access to capital for imaging equipment and IT needs</td>
<td></td>
</tr>
<tr>
<td>100 beds</td>
<td>68</td>
</tr>
<tr>
<td>299 beds</td>
<td>62</td>
</tr>
<tr>
<td>300 or more beds</td>
<td>78</td>
</tr>
<tr>
<td>Will maintain/grow as a profit center</td>
<td></td>
</tr>
<tr>
<td>100 beds</td>
<td>124</td>
</tr>
<tr>
<td>299 beds</td>
<td>140</td>
</tr>
<tr>
<td>300 or more beds</td>
<td><strong>134</strong></td>
</tr>
<tr>
<td>Composite score across all areas</td>
<td></td>
</tr>
<tr>
<td>100 beds</td>
<td><strong>101</strong></td>
</tr>
<tr>
<td>299 beds</td>
<td>105</td>
</tr>
<tr>
<td>300 or more beds</td>
<td><strong>106</strong></td>
</tr>
</tbody>
</table>
Regional differences*: Similar confidence in growth as a profit center and volume

Mid-Atlantic, South Atlantic, and Pacific regions have very high confidence in growth in diagnostic / interventional radiology and in growth as a profit center.

West North Central and West South Central regions have very high confidence that internal operating and staff costs will remain constant.

East South Central region has very low confidence about receiving adequate reimbursement from Medicare.

All regions have at most low confidence in access to capital for equipment.

*No statistically significant differences among regions

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<td></td>
<td>Mid-Atlantic</td>
</tr>
<tr>
<td>Will grow monthly in diagnostic and interventional radiology</td>
<td>134</td>
</tr>
<tr>
<td>Receive adequate reimbursement from Medicare for diagnostic and interventional imaging</td>
<td>96</td>
</tr>
<tr>
<td>Internal operating and staff costs will remain constant</td>
<td>116</td>
</tr>
<tr>
<td>Will have access to capital for imaging equipment and IT needs</td>
<td>71</td>
</tr>
<tr>
<td>Will maintain/grow as a profit center</td>
<td>137</td>
</tr>
<tr>
<td>Composite score across all areas</td>
<td>107</td>
</tr>
</tbody>
</table>
There is **very high confidence** in the facility growing as a profit center; and **high confidence** in the growth of diagnostic and interventional radiology and **staff costs remaining constant**.

There is **concern** about receiving **adequate reimbursement from Medicare** and having **access to capital**.

Hospitals with **300 or more beds** are **more confident** in growth of diagnostic / interventional radiology than hospitals with less than 100 beds. Hospitals with **less than 100 beds** are **more confident** in internal operating and staff costs will remaining constant than hospitals with 300 or more beds.

The **Mid-Atlantic, South Atlantic, and Pacific** regions have **very high confidence** in growth as a profit center and in volume. **West North Central and West South Central** regions have **very high confidence** that staff costs will remain constant.

All regions have at most **low confidence** in access to capital for equipment. **East South Central** region has **very low confidence** about receiving adequate reimbursement from Medicare.
Results are now shown for Q4 2018 through Q3 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.
Quarter-to-Quarter analysis
Q2-2020 through Q3-2020

Staff costs to remain constant, growth in volume and profit are significantly higher in Q3 2020 compared to Q2.

<table>
<thead>
<tr>
<th>Topic</th>
<th>Score Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q2 2020</td>
</tr>
<tr>
<td>Will grow monthly in diagnostic and interventional radiology</td>
<td>59</td>
</tr>
<tr>
<td>Receive adequate reimbursement from Medicare for diagnostic and interventional imaging</td>
<td>80</td>
</tr>
<tr>
<td>Internal operating and staff costs will remain constant</td>
<td>84</td>
</tr>
<tr>
<td>Will have access to capital for imaging equipment and IT needs</td>
<td>65</td>
</tr>
<tr>
<td>Will maintain/grow as a profit center</td>
<td>76</td>
</tr>
<tr>
<td>Composite score across all areas</td>
<td>72</td>
</tr>
</tbody>
</table>
Quarter-to-Quarter analysis
Q4-2018 through Q3-2020

TRENDING:
Overall, higher confidence in Internal operating costs remaining constant and in growth in volume and as a profit center in MICI Q3 2020 compared to Q2 2020. Access to capital is lower in Q3 2020 compared to all quarters prior to Q2 2020.
Quarter-to-Quarter analysis
Trend Summary

Overall:
Higher confidence in *Staff costs to remain constant, growth in volume and as a profit center*

Under 100 beds:
Higher confidence in *Staff costs to remain constant, growth in volume and as a profit center*

100 to 299 beds:
Higher confidence in *Staff costs to remain constant, growth in volume and as a profit center*

300 or more beds:
Higher confidence in *Staff costs to remain constant, growth in volume and as a profit center*

In aggregate, **Higher confidence** in staff cost to remain constant, growth as a profit center and in volume in Q3 2020 compared to Q2 2020. **Lower confidence** in access to capital in Q3 2020 compared to all quarters prior to Q2 2020.

**Under 100 beds**:
Higher confidence in staff cost to remain constant, growth as a profit center and in volume in Q3 2020 compared to Q2 2020. **Lower confidence** in access to capital in Q3 2020 compared to all quarters prior to Q2 2020.

**100 to 299 beds**:
**Less confidence** in staff cost to remain constant, growth as a profit center and in volume in Q3 2020 compared to Q2 2020.

**300 or more beds**:
**Less confidence** in growth in volume and as profit center

**Overall**: Higher confidence in *Staff costs to remain constant, growth in volume and as a profit center*

**Under 100 beds**: Higher confidence in *Staff costs to remain constant, growth in volume and as a profit center*

**100 to 299 beds**: Lower confidence in *Staff costs to remain constant, growth in volume and as a profit center*

**300 or more beds**: Lower confidence in access to capital and staff cost in Q3 2020 compared to all quarters prior to Q2 2020.

**Higher confidence** in *Staff costs to remain constant, growth in volume and as a profit center*

**Lower confidence** in access to capital in Q3 2020 compared to all quarters prior to Q2 2020.

**Higher confidence** in growth as a profit center and in volume in Q3 2020 compared to Q2 2020. **Lower confidence** in access to capital in Q3 2020 compared to all quarters prior to Q2 2020.

**Higher confidence** in *Staff costs to remain constant, growth in volume and as a profit center*

**Lower confidence** in access to capital in Q3 2020 compared to all quarters prior to Q2 2020.
Appendix
Appendix: July to September 2020 results

APPENDIX A - Questionnaire

Grow monthly in diagnostic and interventional imaging
Over the next three months, I am very optimistic that our department:

S1Q1. will grow monthly study volumes in Diagnostic imaging modalities (X-ray, Ultrasound, MRI, CT and NM).

S1Q2. will grow monthly study volumes in Interventional imaging modalities (biopsy, angio cath lab, etc.).

Receive adequate reimbursement from Medicare for diagnostic and interventional imaging
Over the next three months, I am very optimistic that our department:

S1Q3. will receive adequate reimbursement from Medicare for Diagnostic imaging studies.

S1Q4. will receive adequate reimbursement from Medicare for Interventional imaging procedures.

Internal operating and staff costs will remain constant
Over the next three months, I am very optimistic that the imaging department:

S2Q1. internal operating expenses (not including staff costs) will remain constant.

S2Q2. internal staff costs will remain constant.
Appendix: July to September 2020 results

APPENDIX A - Questionnaire

**Will have access to capital for imaging equipment and IT needs**

Over the next three months, I am very optimistic that our department:

**S3Q1.** will have access to capital/credit to fund investments in new imaging equipment and the costs associated with Imaging capital projects (e.g. siting & construction costs).

**S3Q2.** will have access to capital/credit to fund investments in areas outside of imaging equipment, such as PACS, RIS, or other imaging-related IT needs.

**S3Q3.** will have access to capital/credit to fund investment in imaging facility expansion, if desired.

**Will grow as a profit center**

Over the next three months, I am very optimistic that our department:

**S4Q1.** will continue to maintain/grow Diagnostic imaging services as a profit center.

**S4Q2.** will continue to maintain/grow Interventional imaging services as a profit center.