FAQ'S

Who is Urorad Healthcare?

Urorad is the pioneer of Urology & Radiation Oncology Practice Integration. We specialize in the rapid deployment of prostate IMRT centers of excellence and management of on-going operations. In addition, we provide expert centralized dosimetry treatment planning which result in optimal IMRT treatment plans and minimizes the dosimetry and physics staffing impact of IMRT.

What are other benefits of an Urorad IMRT center?

With Urorad's turnkey integrated practice model, we combine the essential elements of urology and radiation oncology to create an integrated IMRT center of excellence. This combination allows prostate patient care, decision-making and revenue growth to be retained within the scope of the urology practice.

Why should we integrate radiation oncology into our practice?

In light of decreasing LHRH and rising overhead, urologists need to seriously begin considering new revenue sources, and there is no better revenue source available to urologists than IMRT. In fact, the opportunity cost associated with IMRT is very high. Every month that a group with the necessary critical mass delays in developing a center is potentially a loss of over $500,000 of gross revenues PER month.

What is the reimbursement for IMRT?

In the Harrisburg area, the technical reimbursement for a course of treatment (45 fractions) is $38,588. In addition, the professional fees per course of treatment are $4,725 for a total of $43,313.00.

What is the breakeven point for an IMRT center?

The breakeven point would be 4 new patients per month. This would approximately yield each of the 14 physicians an annual return of $8,600. However, the more typical rate of new patients per physician is between 1 and 2 new patients per month. With a new patient rate of 1 per physician, the projected annual return per physician is approximately $255,000 per physician. At an average rate of 1.5 new patients per month, the projected annual return per physician is over $425,000. These projections are based on current prevailing Medicare reimbursement.

Do we need a CT scanner as well as the IMRT equipment, and if so, what type of machine is recommended?

Yes, a CT scanner is needed to perform planning studies and for weekly verification CT simulations. Urorad will handle the procurement of the CT. Typically a refurbished GE scanner (i.e., CTi model). However, if your group has an existing CT, we can explore the feasibility of "piggybacking" on it to eliminate the need for a second unit. In addition, if the group does not have an existing scanner for diagnostic CTs, typically there will be excess capacity to perform needed urological diagnostic studies.

What are the estimated total costs to develop an IMRT center (construction, equipment, and preparation)?

The estimated cost to develop a prostate IMRT center is between $2.5 & $2.9M. This figure includes the complete Varian IMRT package, a refurbished GE CTi machine, vault, land, facility, computers & equipment, furniture & fixtures, physics equipment and other related IMRT supplies. However, one caveat to this estimate is that the cost of real estate and build-out vary depending on geographical location.

Can we setup an IMRT center within an existing building?

Yes. An existing building scenario can actually result in the most expeditious route to becoming operational. The existing building can be adapted to closely replicate the typical floor plan design of an Urorad prostate center. The main requirement when looking at an existing site is to insure that it has enough space to accommodate approximately a 1,200 square foot pad for the treatment vault. Urorad will coordinate this effort for you as there is further due diligence needed to insure the site is indeed suitable (i.e., soil analysis) and to assess the shielding requirements of the vault, which has an impact on the construction costs. When utilizing an existing facility, it is conceivable that the center can become operational within 4 to 5 months once a site is selected.

If we cannot find an existing building, do we have to hire our own architect?

Urorad has developed a customized schematic plan that facilitates efficient operations in the treatment of prostate cancer patients. This schematic design can be given to an architect of choice. However, Urorad has established a relationship with S.A. Partnership, an architectural firm out of San Antonio, Texas, and because of this relationship, we can generate construction plans within days of receiving a site plan. In addition, by utilizing S.A. partnership, the group can obtain architectural plans at a fraction of the normal cost.

What is the estimated turnaround time associated with the development of an IMRT center?

Once the project is given the "green light," it is conceivable that a center can be developed and in operation within four to six months. Building from "scratch" may extend the time frame a few months. However, using Urorad's established relationships, the time frame associated with a new construction scenario can be compressed significantly. The important point to remember is that every month of delay represents hundreds of thousands of dollars and quickly over a million in 2 short months!

What is remote dosimetry?

Urorad Healthcare has established a centralized clinical dosimetry center in Houston, TX. Via a secure point to point private network connection, Urorad's board certified staff reviews the data to assess the probability of yielding an optimal plan. Urorad physicists and physicians consult with local clinical staff regarding changes that may be required to yield an optimal plan. Within 24 to 72 hours, Urorad prepares a set of IMRT treatment plans that are downloaded by the presiding radiation oncologist for review and final acceptance. As a result, your group receives proven centralized clinical dosimetry treatment planning with the most stringent constraints in the country that have been validated in over 500 patients to date. Urorad's fee for this service is 90% of the prevailing Medicare reimbursement rates in the area. The 10% that is retained by the group is for billing, bad debt write-off, and general administration costs.

We are not comfortable with the gross revenue remuneration for management services, does Urorad have a "net income approach?"

Urorad is interested in developing relationships with urologists that are mutually beneficial. We understand the argument that the income approach insures that both parties are motivated to maximize operations and the financial well being of the center. As such, we have developed a net income remuneration program.

To facilitate this program, an Exhibit to the agreement is created (a chart of accounts and budget). This exhibit will set forth the typical general ledger accounts used in an IMRT center and their respective budgeted amounts. In addition, in calculation of the "net revenue" approach, we add back non-cash expense items such as a depreciation and amortization, if applicable. The management rates for this type of setup are 12% first year and 8% thereafter.

How can we be sure that integrating radiation oncology into our practice is right for us?

It is imperative today that urologists seek new revenue streams to offset their losses in LHRH, declining reimbursement, and rising costs of practicing medicine. Although IMRT represents a significant investment, the financial profile of the ancillary strongly supports the debt service and operational costs. Essentially, a group must determine if they have the necessary critical mass to support IMRT, and knowing that the break-even new patient rate is approximately four, it should not be difficult for a group to determine whether IMRT is right for them. With a group size of 14 and a new patient rate of 1 per month per physician, the projected ROI for each physician is over $250,000. Adjusting the figures to 1.5 new patients per month per patient, the projected return is over $420,000. When the excellence of the treatment is combined with the financial profile of the ancillary, it is not hard to determine whether or not adding IMRT services is right for your group.