SIRONA

Reimagining the Economics of Private Practice Radiology

Balancing Growth, Margin, and Independence in a Cloud-Native Era

The radiology crisis has become impossible to ignore. As entrenched, on-premise infrastructure and fragmented solutions cause backlogs and burnout, radiologists are clamoring for a better way forward…

For decades, independent radiology practices have been the backbone of community care, supporting referring physicians (PCPs), anchored by strong hospital relationships, trusted physician leadership, and local reputation. In a rapidly evolving care delivery landscape, this foundation faces growing strain.

Profit margin pressure, quality talent shortages, and technology systems complexity have converged to challenge even the most established groups. The economics that once favored independence now tilt toward consolidation, teleradiology networks, and capital-intense infrastructure requirements to scale.

Just as the financial services and entertainment industries were disrupted by the advent of cloud native, cloud delivered (SaaS) models, a new, yet similar, business model is emerging that redefines how private practices can compete, grow, and thrive in this new era of radiology.

The Structural Challenge: Fragmentation and Friction

The legacy IT systems used by private practice radiologists, like PACS, reporting, voice recognition, and workflow tools, have been recycled and accumulated over time. These tools are often quilted loosely together and maintained by costly staff members - inflating cost, eroding the physician experience, and reducing efficiency.

What once was ownership now is overhead for practice owners and administrators. The visible costs, licenses, servers, and support contracts, tell only part of the story. The hidden layer runs deeper:

- **Capital refresh cycles:** $500K–$1M every five years for servers, storage, and infrastructure.
- **Operating overhead:** $250K–$500K annually for maintenance, monitoring, and vendor contracts.
- **Downtime exposure:** Each outage risks hundreds of thousands in lost revenue and client trust.
- **Labor inefficiency:** IT staff time spent on upkeep instead of innovation or clinical support.

This complexity was not designed (it rarely is!); it was inherited in an era defined by access, speed, and competition. The ability to easily scale was non-existent and the physician experience was forced into rigid, one-for-all workflows that allegedly aligned ‘process’ with quality. These inherited systems quietly eroded the ability to thrive as a business.

When Systems Unite: From Overhead to Opportunity

The shift to cloud-native infrastructure represents more than modernization; it represents a fundamental change in the economics of private practice radiology.

When PACS, worklist, reporting, and voice are unified in a single, cloud-based operating system, the boundaries between infrastructure and workflow dissolve. What emerges is not just technological simplicity, but economic clarity.

- **Fixed costs become variable.** Servers, storage, and refresh cycles are replaced by predictable usage-based pricing.
- **Capacity becomes elastic.** Practices can expand into new contracts instantly, with no additional IT footprint.
- **Resilience becomes inherent.** Cloud redundancy eliminates downtime risk and safeguards revenue.

This convergence unlocks a new kind of scalability, one where growth no longer depends on capital expenditure or IT bandwidth.

A New Competitive Equation

Historically, smaller practices competed on relationships and responsiveness. Today, national teleradiology firms compete on infrastructure and coverage. Sirona bridges this divide.

By unifying every component of the radiology workflow into a cloud-native operating system, Sirona delivers enterprise-grade capability without enterprise cost.

Practices can:

- Take on new hospital contracts without adding servers or staff.
- Recruit radiologists nationwide enabling seamless remote-reading.
- Matching the performance of national groups.

The same forces that once threatened private practices—teleradiology, distributed work, and cloud scalability—become engines for their renewal.

The Economics of Elasticity

The true cost of on-premise IT lies not in its purchase price, but in its rigidity. Cloud-native unification inverts that model:

Category	Legacy On-Prem Practice	With Sirona RadOS
Capital Refresh (every 5 years)	$500K–$1M	$0
Annual IT OPEX	$250K–$500K	$100K–$200K
Downtime / Contract Risk	$1M+	Negligible
Scalability	Site-by-site, hardware-limited	Elastic, immediate
Security	$300K–$500K	$50K–$100K

When total cost of ownership is measured across five years, **cloud-native practices save 30–50%** while gaining speed, resilience, and reach. But beyond the balance sheet, elasticity creates a more powerful outcome: radiologist time, expertise, and opportunity become fluid resources, dynamically aligned to patient demand.

Reframing Teleradiology: From Threat to Growth Engine

Where national teleradiology firms once undercut private practices, cloud-native unification restores competitive balance.

With Sirona, local groups can:

- Offer 24/7 distributed coverage equal to national competitors.
- Recruit remote radiologists in other states to expand network capacity.
- Deliver faster turnaround and subspecialty reads without outsourcing.

The same cloud that once centralized competition now decentralizes opportunity—returning agencies to independent practices.

The Human Equation: Independence Through Empowerment

Every financial argument for cloud transformation conceals a human one. Radiologists are not just producers; they are the practice itself. Studies from the Harvey L. Neiman Health Policy

Institute project that the supply of radiologists and the demand for imaging will continue to rise in parallel, ensuring persistent shortages unless workflow efficiency improves dramatically. The impact isn't abstract; when radiologists leave, backlogs swell and diagnostic delays ripple through the care continuum. Recruitment stopgaps or meditation classes for burnout cannot solve a systemic problem; the only real fix is to redesign the system itself.

Unified, cloud-native workflows empower them to:

- Read from anywhere, without the drag of fragmented systems.
- Spend more time interpreting studies and less time navigating software.
- Avoid burnout through efficiency and flexibility.

A New Equilibrium

The evolution of private practice radiology is no longer simply operational—it is economic. When infrastructure, workflow, and intelligence converge in the cloud, the balance of cost, capacity, and capability resets.

- **Cost** becomes transparent and predictable.
- **Capacity** becomes elastic and boundless.
- **Capability** becomes continuously renewed through integration and innovation.

The explicit gains are measurable in dollars saved, but the implicit gains—radiologist satisfaction, recruitment strength, and market agility—are far more transformative.

Sirona represents more than an IT platform; it is a blueprint for resilience and renewal in private practice radiology. It redefines independence not as isolation, but as empowerment—anchored in a unified, cloud-native future.

Conclusion

The economic foundation supporting radiology practices has shifted. Economics has hardened, systems multiplied, and independence has become a burden to carry. Scale replaced familiarity; infrastructure overshadowed expertise. The very qualities that defined the profession's value became liabilities.

But the pendulum is swinging back.

A new equilibrium forms when technology dissolves friction rather than adds to it. The same forces that once fragmented radiology now have the potential to reconnect it — restoring agency to physicians, resilience to practices, and continuity to the communities they serve.

The industry's next era will not be defined by who owns the infrastructure, but by who benefits from its liberation. When that happens, the ultimate winners will be the same as they were at the start — radiologists, their collaborators in care, and the patients who depend on them.