

CASE STUDY

Enhancing Service Alignment and Strategic Partnerships

RADIOLOGY

Discover how we helped a regional not-for-profit health system **modernize and realign its Professional Services Agreement** with an independent radiology group – strengthening coverage and creating a financially sustainable foundation for long-term growth.



CHALLENGES

- Independent radiology group (Group) found it difficult to recruit and retain physicians due to gap between professional collections, operating expenses, and the market rate for imaging services
- Complex existing structures involved a mix of service line agreements and a Joint Venture (JV) – making it difficult to structure future alignment
- System leadership lacked a clear understanding of current market standards in compensation, productivity, and operational overhead to ensure FMV
- Difficulty overcoming the hospital-group deadlock required external mediation to secure a mutually beneficial agreement



APPROACH

- Conducted in-depth interviews with stakeholders on both sides to understand goals and impediments
- Performed robust market benchmarking assessment of the Group's compensation, productivity, operations, and financial terms
- Analyzed existing JV and service agreements to compare benefits, malpractice expenses, staffing and equipment costs
- Facilitated joint planning meetings to guide both parties through the development of a new PSA structure
- Developed a detailed term sheet to address funds flow, subsidy arrangements, and operational expectations to ensure all expenses were transparent

What were the outcomes?

Our two-phased assessment and negotiation process focused on transparency, data-driven insights, and consensus-building.

This enabled the system to **realign its partnership and stabilize the provision of radiology services** for the communities in which it operates.

New Alignment Structure

Successfully implemented a modernized Professional Services Agreement aligned with current market realities by integrating at-risk compensation tied to objective performance metrics – ensuring a fair-market, sustainable model for long-term growth.

Optimized Joint Venture Strategy

Assessment provided clarity on the JV – allowing both parties to foster a partnership focused on a mutually beneficial, long-term service expansion.

Data-Driven Consensus

Utilized objective market data to move the negotiation process from subjective debate to fact-based agreement. This significantly improved trust and engagement between the health system and the Group.

Long-Term Service Continuity

Ensured that clinical and operational performance metrics are aligned with the health system's strategic objectives – strengthening access to high-quality radiology services for the region.

Is it time to renegotiate?



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