

PACS Cost Justification

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Introduction & Return on Investment

- Mike Gray: PACS consulting for 15 years
- PACS planning, ROI, RFP, etc.
- PACS cost still millions of dollars, even although gotten considerable less expensive
- Competitive forces mandate PACS
- How much would I loose vs how much would I gain
- Thoroughly think through what is going to be built and how to deploy it



Major ROI Components & Cost of Ownership

- Cost of archiving (media cost)
- Servers
- Count of all display stations: hard to do
- High volume film users are often overlooked (will not pay for it) – need high end workstation
- Service contracts (incl upgrades)
- Future media cost
- Migration cost
- Hardware service
- Disaster recovery and business continuity



Data Migration & Staffing Costs

- Existing PACS user require to move over data: \$10k to \$30k/Terabytes
- Data that is stored has to be moved (not only media migration)
- Includes cleaning up data (headers are corrupted)
- Some facilities only migrate last year and do remainder on as needed basis
- System management
- Different skill sets needed
- Number of people underestimated
- IT AND Clinical background needed
- Making film, CD's and paper management



Top Most Un-expected Costs

- Number of display stations
- Integration of 3rd party software: license and integration cost
- Hidden cost for interfacing, including later additions to PACS
- PACS is a SYSTEM
- Similar to IT project: upgrades, changes



How Long Does a Typical PACS Last?

- Upgrades are consistently required
- 5 years Application length
- Often change PACS vendor after 5 years
- Sometimes extended to 7 years
- Exchange monitors
- Upgrade PC's
- Archiving would not have tiers anymore: all spinning solution
- Only buy on as-needed basis: 12+ months max.
- Share portion of storage solution with IT
- Single “silo”, including other “ologies”



Return on Investment

- Discontinue film use: film and chemistry
- Typically pays for service cost only
- Look at amount of studies you can perform: technical value of increased volume: look at growth numbers
- Extend purchase of new devices: cost avoidance
- Exclude “funny money”
- Get credits for cost avoidance
- Break-even can typically be achieved in a year



Hard to Quantify Savings & Conclusion

- ER is cost-sensitive: need to move people through fast
- Reduce cost of stay (ICU beds-regular departments)
- Many intuitive cost savings cannot be easily quantified
- What does the system consist of: counting all the pieces
- Long term cost of ownership has been taken into account?
- Look at all benefits (cost avoidance etc.)
- Also measure every year or when repurchase equipment

