



RETRAINEE - JOB CREATION

Training Proposal for:

**Pacific Imaging Management, LLC
dba Radiology Associates**

Agreement Number: ET16-0153

Panel Meeting of: August 28, 2015

ETP Regional Office: North Hollywood

Analyst: E. Fuzesi

PROJECT PROFILE

Contract Attributes:	SET Job Creation Initiative Priority Rate	Industry Sector(s):	Healthcare Services Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Counties Served:	San Luis Obispo, Santa Barbara	Repeat Contractor:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Union(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Number of Employees in:	CA: 101	U.S.: 101	Worldwide: 101	
<u>Turnover Rate:</u>	3%			
<u>Managers/Supervisors:</u> (% of total trainees)	N/A			

FUNDING DETAIL

<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">Program Costs</td></tr> <tr><td style="text-align: center;">\$151,068</td></tr> </table>	Program Costs	\$151,068	-	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">(Substantial Contribution)</td></tr> <tr><td style="text-align: center;">\$0</td></tr> </table>	(Substantial Contribution)	\$0	=	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">(High Earner Reduction)</td></tr> <tr><td style="text-align: center;">\$0</td></tr> </table>	(High Earner Reduction)	\$0	=	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">Total ETP Funding</td></tr> <tr><td style="text-align: center;">\$151,068</td></tr> </table>	Total ETP Funding	\$151,068
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In-Kind Contribution:	100% of Total ETP Funding Required	\$175,738
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TRAINING PLAN TABLE

Job No.	Job Description	Type of Training	Estimated No. of Trainees	Range of Hours		Average Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	Retrainee SET Priority Rate	Business Skills, Computer Skills, Cont. Imp., Advanced Tech.	91	8-200	0	\$1,548	\$20.55
				Weighted Avg: 86			
2	SET Retrainee Job Creation Priority Rate	Business Skills, Computer Skills, Cont. Impr., Advanced Tech.	5	8-200	0	\$2,040	\$12.33
				Weighted Avg: 102			

Minimum Wage by County: Job Number 1 (SET/Priority Industry): \$20.55 per hour

Job Number 2 (Job Creation): \$12.33 in San Luis Obispo and Santa Barbara counties.

Health Benefits: Yes No This is employer share of cost for healthcare premiums – medical, dental, vision.

Used to meet the Post-Retention Wage?: Yes No Maybe

Up to \$2.35 per hour may be used to meet the Post-Retention Wage.

Wage Range by Occupation

Job Number 1		
Accounting/Marketing Staff		8
Radiologist		11
Frontline Supervisor		11
IT Staff		4
Technologist		56
Licensed Vocational Nurse (LVN)		1
Job Number 2		
Front Office Staff		4
Technician		1

INTRODUCTION

Founded in 1959, Pacific Imaging Management, LLC dba Radiology Associates (RA) (www.rasloimaging.com) is a full-spectrum medical imaging and interventional radiology provider serving the Central Coast of California. The Company maintains three outpatient-imaging centers in Templeton, Pismo Beach and Santa Maria, all of which are participating in RA's first ETP Agreement.

RA's services include diagnostic, cardiac, vascular, gastrointestinal, genitourinary, magnetic resonance, musculoskeletal nuclear medicine imaging, bone density screening, computed tomography (CT) scans, digital mammography, fluoroscopy, and ultrasound. The Company

provides on-site physicians and board-certified radiologists to manage patient imaging exams, and interpret the collective results. RA's clients are patients locally referred by their physicians.

Advances in imaging technologies like the CT scan, magnetic resonance imaging (MRI), positron emission tomography, radiology information systems, digital mammography, molecular imaging, and speech recognition techniques have had a significant impact on diagnosis and treatment. These new technologies now provide a much higher level of detail allowing doctors early and accurate diagnosis, leading to treatment that is more successful. Imaging has largely replaced exploratory surgery, and patient exposure in imaging exams has been reduced dramatically. Therefore, the Company is investing in the latest equipment to ensure that its scanners consistently deliver the lowest possible dose of radiation during an exam.

Despite the advances in technology and equipment, the imaging industry is facing complex challenges. For years, expanding populations of aging and increasingly unhealthy patients have been driving the increased use of diagnostic imaging for nearly all medical conditions.

To remain competitive, RA must continue to ensure that imaging is accessible, and provided at a reasonable cost. To make informed decisions, patients are demanding access to information such as wait times, staff qualifications, imaging equipment and accreditation status in various categories enabling them to compare costs. As such, patients gravitate to businesses that pursue a higher level of service excellence, from initial contact and scheduling, to the final reporting.

To remain on the cutting edge, senior managers developed a formal training plan following a company-wide assessment to improve processes, reduce costs, increase customer satisfaction and meet upcoming challenges.

Retrainee - Job Creation

The Panel offers incentives to companies that commit to hiring new employees. Under the Retrainee-Job Creation program, training for newly-hired employees will be reimbursed at a higher rate and trainees will be subject to a lower post-retention wage. The Company also represents that these trainees will be hired into "net new jobs" as a condition of the contract.

In recent years, the government's healthcare reform initiatives to increase insured Californians, coupled with imaging replacing exploratory surgeries, RA's client volume has increased. In addition, recent trends towards higher out-of-pocket patient expense for imaging services has increased competition by pushing for greater cost transparency, higher quality and lower cost.

Within the next two years, the Company will invest three to four million in new MRI, CT, and an additional \$850,000 in tomosynthesis mammography equipment, which creates a 3-D image of breast tissue for more accurate exam outcomes.

RA is hiring up to five new employees (Front Office Staff, Technician) to fill new positions due to increased business. Increasing the number of Front Office Staff will help RA provide quality service upon initial patient-contact, and reduce wait and check-in time. RA represents that the date-of-hire for all trainees in the Job Creation program will be within the three-month period before contract approval or within the term-of-contract.

PROJECT DETAILS

The Company will provide experienced healthcare professionals for consultation, collaboration and assistance. As a result, the proposed training will help RA rapidly achieve high-impact, low-cost performance improvements.

Training Plan

Business Skills (5%): Training will be offered to Frontline Supervisors to help in coaching teammates, implement Lean projects for change and process improvement, and to help drive the internal functionality of the organization.

Computer Skills (5%): Training will be offered to Accounting/Marketing and IT Staff. Accounting Staff needs intermediate to advanced Microsoft Office training with an accent on Excel spreadsheets. Trainees will also be able to maintain proficiency in RA's accounting software updates, attend classes to fill skills matrix gaps, and learn new coding systems with the implementation of ICD-10 allowing for a greater level of detail.

Continuous Improvement (70%): Training will be offered to all occupations to implement Lean methodologies and participate in Lean process improvement events. Employees will be trained in lean tools such as Standard Work, 5S, and Value Stream Mapping to identify bottlenecks, create opportunities for improvement, and implement solutions to improve performance, customer satisfaction, and reduce procedure-cycle times. Rapid improvement events will uncover root causes such as scheduling inefficiencies, noncompliance with regulatory requirements, communication gaps, non-value-added activities, and misuse of resources. Kaizen events will benefit trainees in streamlining patient exam scheduling, registration, and denial processes.

Advanced Technology (AT) (20%): RA is requesting the AT rate of \$26 per hour for up to nine newly hired Technologists and incumbent Technologists that need cross-training in different specialties. These jobs are in high demand and RA is having difficulty finding experienced workers to fill available slots. Trainees will learn to provide health services to clients applying pulsed radio frequency waves, and magnetic energy to assist in the diagnosis or treatment. These Technologists require extensive training by highly qualified subject matter experts with a specialty such as Radiology, CT, Mammography, MRI, and Ultrasound. Trainees will learn how to perform a variety of complex diagnostic radiographic and CT procedures with accuracy. Workers will also administer ionizing radiation using fluoroscopy, computed radiography, and CT with little or no supervision. Knowledge of anatomy, physiology and radiation physics/image production must transfer to practical exam situations.

Training will consist of up to 80 hours of lab activities to allow sufficient time on the equipment, and provide guidance in programming the computer and system controls. Individual training is necessary to have the trainee focus on the technological complexities and equipment functionality. The cost of the training is estimated at \$55-\$60 per hour/per trainee. Though the trainer-to-trainee ratio is 1:10 for AT, RA will provide training at a 1:1 ratio to allow in-depth coverage and personal attention from the instructor.

SET Frontline Worker

The Company uses several job classifications with a "supervisor" in the title. These frontline supervisors do not have the ability to hire or fire, and spend the majority of their work hours (at least 80%) as frontline workers being actively involved with customers and fellow employees. Based on the nature and scope of their job duties, these employees are not exempt from overtime compensation. Therefore, they meet the Panel's definition of frontline workers. As such, 11 Frontline Supervisors will participate in training to be able to develop work teams and coach and mentor team members.

Commitment to Training

RA represents that ETP funds will not displace the Company's existing financial commitment to training. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law. RA's training budget is \$10,000 per facility. This includes training in sexual harassment prevention, safety, healthcare regulations, new hire training and software updates.

➤ Training Infrastructure

Training will be provided by in-house subject matter experts on site, and will start upon approval. Each facility has a point person on staff responsible for scheduling, documenting hours and working directly with National Training Systems (NTS) and ETP staff to ensure that all contract obligations are met.

Impact/Outcome

The proposed ETP-funded training will help RA subsidize the high cost of training of new and generally inexperienced staff, and provide good jobs despite facing a host of challenges. As a result, trainees will be able to provide higher quality patient care with improved processes and quality outcomes. ETP funding will help the Company continue to meet patient demand, enhance exam quality, effectively use new advanced technology, and train new employees. These improvements will increase the commitment and retention of RA employees, reduce turnover and sustain growth.

RECOMMENDATION

Staff recommends approval of this proposal.

DEVELOPMENT SERVICES

NTS in Ladera Ranch assisted with development of this proposal for a flat fee of \$12,144.

ADMINISTRATIVE SERVICES

NTS will also perform administrative services in connection with this proposal for a fee not to exceed 13% of payment earned.

TRAINING VENDORS

To Be Determined

Exhibit B: Menu Curriculum**Class/Lab Hours**

8-200

Trainees may receive any of the following:

BUSINESS SKILLS

- Sales
- Strategic Marketing
- Supervisory Skills

CONTINUOUS IMPROVEMENT

- 5S
- Communication
- Conflict Resolution
- Crisis Prevention & Intervention
- Critical Thinking
- Customer Service
- Documentation
- Kaizen
- Leadership
- Lean Thinking
- Performance & Quality Improvement
- Preceptor Skills (Train-the-Trainer)
- Process Improvement
- Standard Operating Procedures
- Standard Work
- Value Stream Mapping

COMPUTER SKILLS

- ICD-10
- Microsoft Office (Intermediate/Advanced)
- Picture Archival Communication Systems
- Sage 100

AT

0-80

ADVANCED TECHNOLOGY (ratio 1:1)

- Computed Tomography
- Magnetic Resonance Imaging
- Mammography
- New Technologist Skills
- Nuclear Medicine
- Radiologic Skills
- Stereotactic Breast Biopsy
- Tomosynthesis
- Ultrasound

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery. AT is capped at 80 training hours per-trainee.