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Doctor's business venture offers an image of growth

South Florida Business Journal - by [Brian Bandell](#)

Midtown Imaging has enhanced its status as Palm Beach County's largest chain of diagnostic centers by opening new imaging centers in Wellington and Jupiter.

With a \$10 million investment, the physician-owned company opened a 9,500-square-foot center in Wellington and a 5,000-square-foot facility in Jupiter. The bulk of the cost went into buying advanced imaging machines, including two CT positron emission tomography (PET) scanners purchased for about \$2 million each.

Midtown now has five imaging centers in Palm Beach County, including two in West Palm Beach and one in Palm Beach Gardens.

Dr. Robert Burke, who owns the largest stake in the company and splits the rest with a private equity firm he declined to name, is scouting locations near Good Samaritan Medical Center in West Palm Beach and further south from Boynton Beach to Boca Raton for two more centers.

Midtown had \$14.5 million in revenue in 2004 and the new facilities should boost that to the \$19 million to \$20 million range, Burke said, and increase its staff from about 100 employees to 130 or 140. He expects the new centers to mature financially in 18 months and be cash flow positive before then.

South Florida Business Journal listed Midtown as the sixth-largest diagnostic center in South Florida in 2004, based on the number of patients seen in 2003. It was the only Palm Beach County facility in the top 10.

Doing 120,000 exams in 2005

Last year, the imaging center chain performed 80,000 exams at three locations. Burke expects his five centers to perform 120,000 exams this year.

Midtown is in strong position to compete with hospital outpatient centers because of its quick turnaround time, Burke said. He promises shorter waits and quicker results than hospital imaging centers, which must also deal with emergency patients, which Midtown doesn't see.



Mark Freerks

Dr. Robert Burke expects the five Midtown Imaging centers to perform 120,000 exams this year.

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"Hospitals just don't get it and are thoroughly inefficient in the outpatient area," Burke said. "Hospitals are usually concerned with filling beds, rather than outpatient services."

Midtown's Jupiter location will compete with the nearby 5,000-square-foot imaging center run by Jupiter Medical Center. Started with a \$4.5 million investment, it is available for exams and results at all times. The hospital said its wait times for appointments are comparable to a freestanding imaging center.

A neuroradiologist, Burke set up radiology programs at St. Mary's Medical Center and Wellington Medical Center before founding Midtown Imaging in West Palm Beach in 1991.

Being one of the first private imaging centers in the county, Burke built up a physician referral network that now numbers nearly 700. He's been positioning new imaging centers in fast-growing communities near hospitals.

Multiple tests in one office

Staying ahead in the imaging business requires major investments in the latest technology. All Midtown centers offer MRI, CT and PET scans, as well as mammograms, ultrasounds, bone density scans, X-rays, fluoroscopy and full-body scans. The multiple devices keep patients in one office for all their tests, Burke said.

The latest imaging technology he bought is the CT PET scanner by Siemens. The PET scan detects the tiny particles called positrons that are emitted from a radioactive substance administered to the patient. The exam produces a three-dimensional slice-by-slice view of the body that's used to spot various types of cancer, including lung and breast cancer, as well as look for signs of melanoma and Alzheimer's disease.

At the same time, it also does a CT scan.

The results are available in about 20 minutes and patients receive them on a CD-ROM.

Midtown's CT PET scanner in Jupiter is the only one in north Palm Beach County, said Henry Shapiro, a hematologist/oncologist in Jupiter. The machine provides higher-quality images than standard tests, he added.

"It's quite common now at major cancer centers to have a CT PET, but it hasn't gotten into the community because of the expense," Shapiro said. "But these machines end up paying for themselves very quickly because of the way they're used. So from an entrepreneurial perspective, it should be very valuable."

In contrast to the high-yield services, Midtown offers mammograms, even though the service loses money. With modest reimbursement rates of \$65 to \$75 per reading and malpractice insurance rates that have skyrocketed - up 400 percent since 2000 in Midtown's case - many diagnostic facilities have a hard time finding radiologists who will read the exam for breast cancer.

All five of Midtown's radiologists read mammograms.

"[Mammograms are] definitely a loss leader," Burke said. "But it's a service that saves women's lives and we feel obligated to offer it."

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