



Please Contact:

Molly J. Cogan

916.444.3934

[mcogan@healthevolutionpartners.com](mailto:mcogan@healthevolutionpartners.com)

**FOR IMMEDIATE RELEASE**

## **HEALTH EVOLUTION PARTNERS ANNOUNCES SECOND INVESTMENT IN MEDICAL IMAGING**

### **Investments Target Rapid Transformation of US Imaging Market**

SAN FRANCISCO, CALIFORNIA, June 4, 2009 – [David J. Brailer](#), MD, PhD, Chairman of [Health Evolution Partners](#), announced the firm's second investment in medical imaging services. The [Health Evolution Partners Growth Fund](#), which invests in rapidly growing middle market health care companies, invested in [Optimal Reading Services Group, Inc.](#), a US-based provider of medical imaging optimization services for hospitals, imaging centers and radiology groups. The investment will enable Optimal to accelerate its expansion throughout the United States and to continue its innovation efforts in select international markets.

Health Evolution Partners seeks out areas of major change in the health care industry and invests in and supports the leaders of that change. Health Evolution Partners targeted medical imaging for investment because of several major factors:

- There has been and will continue to be rapid growth in the rate of utilization and overall cost of medical imaging, driven in equal share by new imaging technology and increasing reliance on imaging as a standard of care, and this growth will invoke a number of responses from payors and policymakers;
- Forthcoming policy changes and actions by payors will put downward pressure on both levels of reimbursement and growth in imaging volume, rewarding models that can manage the imaging process more efficiently and can improve quality;
- Economic pressure, efforts to restrain imaging volume, expanded training programs and technology growth will drive a moderate oversupply of radiologists, but maldistribution of radiologists will prolong significant undersupply in some markets and oversupply in others, increasing strain on radiologist-hospital relationships;

- Payors and policymakers are increasingly concerned about the experience and credentials of radiologists who read specialized imaging studies, particularly MRIs, CTs and PET scans in areas such as neuroscience, cardiovascular and orthopedics, and are seeking ways to ensure that complex images are read by radiologists with unique credentials;
- Teleradiology capabilities have become widespread across radiology groups and many groups offer some form of teleradiology service, dissolving historical geographic barriers to competition and causing the market for preliminary image interpretations to become commoditized.

[Foundation Radiology Group](#) previously announced on April 20, 2009, an investment from Health Evolution Partners through a partnership between the [Health Evolution Partners Innovation Network \(HEPIN\)](#) and [Chrysalis Ventures](#). HEPIN invests in promising early stage health care companies directly and through investment funds that invest in early stage health care companies. HEPIN is a limited partner in Chrysalis Ventures, III, L.P.

Brailer summarized Health Evolution Partners' approach to investment in medical imaging, saying, "Medical imaging is among the fastest growing costs in health care today and is unsustainable. Rapid shifts in radiologist demographics, widespread propagation of technology and the certainty of downward reimbursement pressures will disrupt long-standing medical imaging economics. The companies we have invested in represent a new approach to medical imaging. We will work to bring these companies to their full potential as leaders of the medical imaging marketplace."

Health Evolution Partners continues to seek out transformative companies in imaging and other major sectors of the health care industry.

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#### **About Health Evolution Partners**

[Health Evolution Partners](#) is a manager of health care investment funds. It invests across the health care industry, from early stage to buyouts and from services to technologies. Health Evolution Partners invests in companies it views as leaders in the new era of value-based, cost-effective and consumer-driven health care. For more information on Health Evolution Partners, visit [www.healthevolutionpartners.com](http://www.healthevolutionpartners.com).