

Business First of Louisville - August 11, 1997
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BUSINESS FIRST

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Louisville firm to help open 8 cancer centers

Business First of Louisville - August 8, 1997 by [Eric Benmour](#)

A Louisville business controlled by entrepreneur James Parrott Sr. has entered a joint venture with a Seattle hospital and a group of Illinois physicians to open up to eight prostate-cancer-treatment centers across the United States.

Radiation Therapy Associates Inc. of Louisville, Northwest Hospital in Seattle, and the Carle Clinic in Champaign-Urbana, Ill., are equal partners in Prostate Specialists' Medical Alliance. The alliance has potential revenue of \$29 million in its first year, said Parrott, president of RTA.

The development of Prostate Specialists' Medical Alliance is the latest project for Parrott, who has started four companies, all in the business of providing radiation therapy, since 1982.

Parrott said RTA has invested \$2 million in working capital into Prostate Specialists' Medical Alliance.

RTA develops, owns and manages about 20 cancer-treatment facilities throughout the country with another eight being built, along with four diagnostic imaging centers. Within the region, it owns a part interest in eight radiation-therapy centers, including one at Caritas Medical Center, and owns two diagnostic imaging centers.

Prostate Specialists' Medical Alliance's first centers are located in Seattle, and Scottsdale, Ariz. The new venture plans to add six treatment centers in the next 18 months, though none in Kentucky. The centers generally will be part of hospitals, though some might be free-standing locations, Parrott said.

RTA formed a partnership with the Mayo Clinic in Scottsdale, Ariz., about a year ago to open a radiation therapy center. Through that partnership, Northwest Hospital officials learned of RTA, said John Kim, vice president of corporate affairs for Northwest Hospital.

"It's a continuing pattern of how they've seen opportunities and stepped up to the plate," Kim said.

Prostate Specialists' Medical Alliance centers will perform a procedure called seed-implant therapy, in which tiny radioactive seeds are injected into the prostate using ultrasound guidance. The outpatient procedure is designed to treat localized, early-stage prostate cancer.

Locally, the procedure has been performed independently at Norton Hospital since late last year.

The first ultrasound-guided radioactive seed implant was performed in the United States at Northwest Hospital in 1985.

This year, more than 40,000 American men will die from prostate cancer and 210,000 will be newly diagnosed, according to a news release from Prostate Specialists' Medical Alliance.

The seed-implant procedure takes about 45 minutes, Parrott said in an interview. He said Medicare reimbursement for a procedure at a Prostate Specialists' Medical Alliance facility will be about \$12,000.

Meanwhile, Parrott is in the process of reorganizing his companies.

Parrott formed PPB Inc. in 1982 to make and install high energy radiation-shielded doors. It also designs, plans, builds and installs oncology centers.

From that, he developed the other three businesses: RTA, Serti and Mobile Medical Technologies Inc. Serti provides services for cancer centers owned by PPB. Mobile Medical Technologies makes mobile radiation oncology technology.

Parrott said the companies will generate about \$39 million in revenue this year, a figure he said will grow to about \$60 million next year just from contracts already signed.

Such growth has made it "too cumbersome to have separate companies," he said.

So Parrott is in the process of bringing all four companies under a holding company called Oncology Resources International Inc.

Parrott said Oncology Resources International will provide centralized management to the companies. PPB and RTA will keep their names and operate as wholly owned subsidiaries of Oncology Resources, Parrott said. The other companies will be absorbed into the either PPB or RTA.

Parrott will be majority owner, chairman and chief executive officer of Oncology Resources International. The other partners in Oncology Resources International are: J.L. Parrott Jr., chief

operating officer, manufacturing; Robert W. Brent, executive vice president, business development, acquisitions and mergers; Kristine Kaiser, chief operating officer, radiation therapy and diagnostic imaging facilities; Paul Torp, chief architect; and David Zeller, vice president, field operations. Parrott Jr. and Brent have been involved financially in all four companies since the beginning. Torp and Zeller got involved about nine years ago, and Kaiser has been a partner for six years.

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Parrott said he is in the process of interviewing candidates for the position of president and chief financial officer of Oncology Resources.

The four businesses combined employ 121 people, including 40 people in Louisville, at a manufacturing facility at 151 N. Shelby St. and at offices at 908 One Riverfront Plaza.

Parrott started Mobile Medical Technologies a year and a half ago to make mobile cancer oncology-therapy units for radiation and medical oncology. The company has made one unit so far and has orders for six additional units. Parrott said he expects orders to eventually reach a production level of 24 a year.

Parrott also said he expects to add 30 to 50 new jobs in Louisville in the next year. The manufacturing, clerical, service, architectural and design positions will be scattered among the enterprises.

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