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Diagnostic imaging departments and clinics are steadily moving their PACS to the cloud

By outsourcing, they no longer face astronomical costs to invest in hardware and software.

BY DIANNE DANIEL

Steady growth is predicted for the Canadian Picture Archiving and Communication Systems (PACS) market as healthcare providers across the country increasingly adopt digital imaging technologies and look to create more efficient workflow to deal with skyrocketing imaging demands.

One offshoot is a rise in the number of facilities deciding to move PACS to the cloud, a shift that is opening the door to future possibilities, such as seamless imaging exchange and advanced artificial intelligence (AI) tools, say industry observers. Vendors including AGFA HealthCare, Philips, and Sectra are responding by expanding cloud-based enterprise offerings for diagnostic imaging across the Canadian healthcare sector.

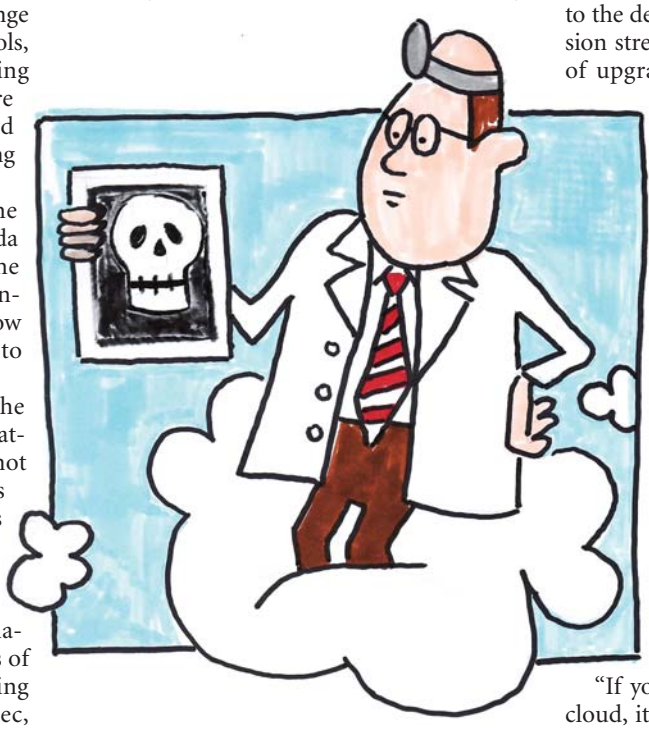
"We went from curiosity around the cloud to commitment," said Sectra Canada president Nader Soltani, noting that the decision is no longer a choice between on-premise PACS versus cloud, but rather how quickly can healthcare providers move to the cloud and at what scale.

"The cloud is not the destination. The cloud is to enable us all to level up to a platform we can build from," he added. "It's not just about getting to the cloud, but it's everything you'll be able to do after that's going to be interesting because otherwise, we're just going to stagnate."

Sectra Canada is one of a handful of vendors seeing rapid acceleration in Canada's cloud imaging market. Early adopters of the Sectra One Cloud enterprise imaging solution include the province of Québec, where all public hospitals are transitioning to the cloud, amounting to roughly 12 million examinations per year; and, the 13 member hospitals making up Ontario's Enabling Healthcare Across Networks for Central East (ENHANCE) where imaging will be consolidated in the cloud across 13 hospital sites to support collaboration within their radiology, breast imaging and orthopaedic workflows.

More recently, Southlake Health (Southlake) announced its transition to a fully managed Sectra cloud solution, starting with radiology and breast imaging. Southlake vice president, digital health and diagnostics, Amir Soheili, said it made sense to start with cloud-based PACS because the technology has reached a level of 'digital system' maturity that other systems like digital pathology have yet to reach.

"There was a time when hospitals were building Fort Knox data centres and putting in all of the bells and whistles and resources required to operate large data centres, but when we think about the cost and effort associated with that, it really is no longer feasible," said Soheili.



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"So, the question becomes, how do you create that balance…where the footprint of the on-premise could be as small as it can possibly be and then you can leverage some of the cloud services that are available," he added.

A leading community teaching hospital in Ontario, Southlake performs roughly 200,000 diagnostic scans per year just in medical imaging. Transitioning to a cloud model alleviates the burden of purchasing and maintaining on-premise hardware – ensuring that patches are done, security is relentless and upgrades are up to speed – as diagnostic loads continue to grow.

At the same time, it provides one unified system for end-users, making it easier to access and share images.

"At the end of the day, when I speak with my users, what's important to them is: do I get my cases quickly, do I have the functionality that I need to have, and does the system function without any glitches," said Soheili.

Moving PACS to the cloud is a way of ensuring that end-users have the reliability, speed and features that they need.

Philips Canada is another vendor seeing an increase in PACS cloud adoption in Canada, including a recent implementation at Schroeder Ambulatory Centre, a state-of-the-art, non-profit health centre in Ontario, which was expected to go live in January. The company's HealthSuite Imaging leverages AWS to provide cloud-based archiving, imaging sharing, diagnostic reading and reporting.

Philips enterprise informatics sales specialist and solutions architect Colin Tysick compares the transition to cloud-based PACS to the decision by consumers to adopt television streaming services –- the constant cycle of upgrading and managing hardware like DVDs and players is replaced with a predictable monthly cost, and the service is there when you need it.

"I think most institutions or health authorities are realizing they don't want to be in data centre management," said Tysick, noting that deployment of a cloud-based PACS is typically three times faster, compared to scaling up on-premise solutions.

"You can have a baseline system built in a week and then your deployment time becomes a standard informatics deployment," he said, adding that speed of deployment was a priority for Schroeder, which went from business consulting to start of a project in less than 60 days and ready for go-live within three-and-a-half months.

"If you have an opportunity to go to the cloud, it's the critical path for success in my mind because the level of effort for on-premise infrastructure management disappears," he said.

"Philips Canada has delivered PACS as a managed service at both provincial and hospital scale for decades, so for us the move to a cloud SaaS model is a natural evolution, not a leap," added Nathan Bluvol, head of health-

care informatics at Philips Canada. "With AWS, we supported more than 34 million patient exams exclusively in the cloud over the last 12 months and securely managed more than 134 petabytes of data, including nearly 11 billion medical images and patient records. That experience is helping Canadian facilities move quickly and confidently."

An August 2025 report by strategic consultant 6Wresearch points to cost, interoperability issues, and data, security and privacy concerns as leading challenges in the Canadian PACS market, along with the constant need to update and upgrade systems as technology evolves. Moving to the cloud alleviates that IT burden, freeing up internal IT resources to focus their efforts elsewhere, such as modernizing their imaging systems by integrating advanced AI and machine learning capabilities.

"AI has the greatest impact when it's seamlessly integrated into the flow of work, not layered on top of it," said Omar Sunna, president, North America, AGFA HealthCare. "A cloud-based, fully managed platform creates the foundation for AI to support clinical decision-making and efficiency as imaging demands continue to grow."

Industry observers note that cloud adoption is rarely a single, uniform step. Supporting healthcare organizations in transitioning at their own pace starting where cloud delivers the most immediate value for their clinical, operational, or financial priorities, and expanding over time has become an important consideration as imaging environments continue to evolve.

"It's about creating a single enterprise platform that can evolve with each organization," said Sunna. "When delivered as a managed SaaS model, it can help reduce infrastructure complexity while supporting security, resilience, and continuous updates. That allows IT teams to focus on higher-value initiatives, while clinicians benefit from a consistent, enterprise-wide imaging environment."

Of note, this approach is already in use, including in the Province of Manitoba which is live on AGFA's SaaS cloud for its VNA and Universal Viewer, while multi-site private providers such as EFW Radiology are also moving imaging workloads to the cloud as part of broader modernization strategies.

EFW Radiology, based in Calgary, recently selected AGFA HealthCare's Enterprise Imaging Cloud software-as-a-service (SaaS) offering to modernize its imaging infrastructure. Director of IT Eldhose Yoyakki said agility and flexibility were driving factors in the decision to move to the cloud.

"With our current PACS system that is on premise we see hardware dependencies, and the ability for us to scale up is very much limited without capital investment, whereas cloud is a predictable operating expense," said Yoyakki. "We know this is the cost per study and we don't need to worry about anything else."

Users aren't expected to see any difference as all EFW Radiology imaging modalities move to the cloud, he added, and the IT team can now shift focus from managing security patches and router connections to activities that add value.

"It's opening the door for other tool sets and functionality we can do in the cloud," said Yoyakki, adding that the roadmap includes incorporating AI. "That was all in the thought process when we decided to go to the cloud."

Southlake's strategy, said Soheili, is to develop AI solutions in partnership with large vendors like Sectra or Meditech, based on appropriate use cases such as helping to triage cases in a busy emergency department so that higher priority needs are brought to the top of the list. Another common use case might be to focus a radiologist's attention on regions of interest when reporting on an image to speed decision making and improve accuracy.

"It doesn't matter how much experience you have, we see cases where little things are missed," said Soheili. "AI can potentially prevent that."

At Sectra Canada, Soltani believes leveraging AI is necessary to help alleviate the enormous demand on healthcare as imaging demands increase in relation to Canada's aging population.

The more that AI algorithms are approved for simple use cases, the more they can be applied to relieve pressure and decrease wait times in a busy emergency department, for example.

"We're going to see an increased load on our care providers and a reduced number of care providers to handle that load," he said. "AI won't replace radiologists, but I do believe our healthcare system needs it to help radiologists scale their services to meet the demands."

Building on the TV streaming analogy, Soltani underscores how cloud solution providers are providing a service that includes reliable storage, access and performance – just as users expect when they log into Netflix to watch a movie. Nevertheless, hospitals and clinics will still require PACS administrators to take care of data quality and ensure departmental needs are met.

"We're managing that system in the cloud to make sure you have what you need when you need it, but how you use it remains the ownership of each hospital," he said. "You don't have an IT person managing servers anymore, but they are transitioning to higher-level tasks – they can do different work focused on integrating healthcare solutions into your workflow."

At Southlake, Soheili anticipates using the Sectra platform as a unified place where all the hospital's different 'ologies' can accumulate images, including cardiology and digital pathology. Right now, a cardiologist who wants to read both an echocardiograph and a cardiac CT would have to log into different systems, he explained.

"This is where you get into a discussion around best of breed versus unified platforms, and I think yes, best of breed has advantages but a unified platform always wins that argument," he said.