

Primary Care Cures

Episode #7 – Chris Light

Ron Barshop: You know, most problems in healthcare are fixed already. Primary care is already cured on the fringes. Reversing burnout, physician shortages, bad business models, forced buyouts, factory medicine, high deductible insurance that doesn't pay docs and is totally inaccessible to most of the employees, the big squeeze of always accelerated costs and decelerated reimbursements. Meet those making a difference with the host Ron Barshop, CEO of Beacon Clinics.

Ron Barshop: Welcome to Primary Care Cures.

Ron Barshop: Welcome to the show. The traditional answer to burnout involves three C's, complexity, counseling and cooperation. My answer is completely different. The root cause of primary care burnout and PCPs represent four out of the top six specialists that are measured every year, is in the end about take-home pay. Financial and mental well being are a Gordian knot, they are braided together very tightly. Now if you're fried to a crisp, money is very nice and you may be too far gone, but most would agree if they could double or triple their take-home yet add little or no additional work hours or patient volume, well that's an extremely interesting proposition to eliminate burnout.

Ron Barshop: If a family practice doc can match the take home of a dermatologist or even a cardiologist with little or no extra work, no cash outlay, these are not fantasies folks, these are PCPs doing this within your city right now. Probably using ancillaries or direct primary care model. Primary care has the distinct advantage over every other physician. You guys can offer tests and treatments that patients will truly appreciate that are also within your scope of practice, that are also backed by medical necessity. If you think patient convenience, if you think specialists workups that you're sending the patient to, and if you own those, if you hire those for people like our guests today, I know of 20 you'll be better off.

Ron Barshop: You'll meet most of these 20 ancillary offerings in the shows ahead. PCPs are offering them too, so you'll meet doctors that are using these services. My favorite doc nets seven figures, that's over a million for those of you who are mathematically challenged. He nets seven figures. He won't come on my show, and I wouldn't blame him because he's currently off the grid, and he's enjoying beaches and canals in Venice and waterfalls. He's retired under 55 years old.

Ron Barshop: So what's really truly driving burnout? Well, EHR mandates are supposed to be a culprit, and maybe you can get around that by hiring a scribe for 20 bucks an hour. No, you can't do that because 20 bucks an hour is likely your entire margin for that hour. If factory medicine is a driving factor for burnout, you can now see less patients daily if you add these ancillaries and spend more time with your patient. Volume no longer owns you and drives you. If debt is crushing you, pay it down now. What a difference I've seen that make in my clients, and I think our guests could echo that.

Ron Barshop: If a feeling of not being valued exists, step up your take home, and I promise you that feeling will go away. It costs you nothing if you hire folks like Chris Light. Burnout is mostly caused by something no survey ever measures, a very, very bad business model. Recurring revenue's a very good model. Selling a wider service offering to the same customer, a very good model. Add one of these 20 ancillaries we'll be making you aware of, and do two things. Overnight, you add recurring revenue, you widen your offering. So bye-bye bad primary care model with just a couple ...

Ron Barshop: ... graduated from HMS three years ago, and at one, they never discuss recurring revenue nor business models, and the other, they never stop talking about it. They're two miles apart ...

Ron Barshop: Folks, my daughter-in-law attends Harvard Business School, she graduated from Harvard Medical School three years ago. At one, they never discussed recurring revenue nor business models, at the other, they never shut up about it. Two miles apart, you cross the Charlies River, they're actually galaxies apart.

Ron Barshop: Here to talk a bit about business models and primary care, and his solution is my new friend, Chris Light, the EVP, co-founder of Principal Health Systems. An ancillary services provider with several hundred employees nationwide. Principal Health Solutions is one of the good guys. They're outcomes-focused, they're patient- centric, and they're smart people. Chris, welcome to the show.

Chris Light: Hi Ron, thanks for having me.

Ron Barshop: Good! Hey, I've got a few questions for you. What was the problem you guys were trying to solve when you created this model?

Chris Light: I would say the number one problem we're seeking to solve is bringing healthcare to the patient. So whether that be through one of our pharmacy services that brings medication directly to the patient without them having to wait in line at a pharmacy after surgery, we attempt to get them the medication prior to surgery. We have a mobile phlebotomy team for labs,

so we either draw labs in the office or at the patient's homes. Our DME line of business is, we actually deploy nurses to house calls. Our attempt is to bring healthcare to the patient, as opposed to the patient having to come to us.

Ron Barshop: So basically, we're talking a serious convenience factor you're adding.

Chris Light: Absolutely, yeah.

Ron Barshop: Let's now talk about the specific service you're offering the physician and what type of physician is this going to lay into most nicely?

Chris Light: We have a handful of ancillary services. We do laboratory, we do DME, we do mobile diagnostics for EMGs and muscle testing, and then we have a pharmacy. Ultimately, there's not a whole lot of providers that are unable to work with us. We focus primarily on musculoskeletal and general medicine doctors. So family practice, geriatrics, general practitioners.

Ron Barshop: This is a tricky question, because you're talking about different size practices, but if you have a typical two white coat practice, you lay in these four solutions you talked about, what type of revenue range--I know you can't commit to you're gonna make ten grand, or two grand--what kind of revenue range per month can they expect if they did, let's just say all four, or if they just did one of the best of the four?

Chris Light: That's an interesting question. I don't have a revenue range per se they would make. It would ultimately depend on the different the services they chose and what services of those are billable. Some of the stuff we do is more from a time-cutting, where we will parlay lab results with pharmacy results, because we have both of those internally. We can help share data that the physician wouldn't otherwise have, kind of like from a big health system scale that you would have at a hospital, but not on a specific two-coat practice.

Chris Light: Obviously, from a DME standpoint, DME services are billable underneath the physician practice, and so depending on what type of bracing you may be using, braces can range in revenue dollars from one hundred dollars to about eight or nine hundred dollars per brace. Technically, we have one that goes up to two thousand, but it's probably not going to be prescribed at a family practice.

Chris Light: It just depends on the services you're using and then when you look at from a laboratory standpoint, there are certain tests that a lot of physicians will bill in their office without having to build out a entire laboratory, they can have what's called a quia waves lab. To give you just a small sample of an example, you can have a toxicology cup that there's a two-portion

test, you'll do a screen and a confirmation. The physician can take the screen portion of the test, bill that inter-office, and then ship it off to someone like us to do the confirmation and that will net them twenty, thirty dollars per patient.

Ron Barshop: Do you have a full-time staffer in there to drive these ancillaries, or is the doctor responsible for his own self-referral?

Chris Light: Part of our model again is to bring healthcare to the patient. For instance, with laboratory, if we're working together on blood, if we're doing your phlebotomy draws, we oftentimes, we'll deploy that with the phlebotomist to have them in the office to work in conjunction with the physician's staff for laboratory-related matters obviously. For DME, we deploy usually it's a nurse to do the fitting, so that's the staff does not have to do that. For diagnostics, we're sending board-certified techs. We're deploying those folks into the physician office in order so that it's not a burden on the actual physician.

Ron Barshop: And the doctor doesn't have to spend a dime on front-end or ongoing costs to keep this going. It's all on you.

Chris Light: Correct. We carry the burden of carrying costs and employment costs and everything like that. There's no cost associated with the doctor to work with us.

Ron Barshop: You and I are in the same business. I just do allergy, but my number one reason I have to tell people no is because they don't enough space for me. I need a room. I need an exam room. Do you have the same problem?

Chris Light: Absolutely. For instance, with our mobile diagnostics platform, we're doing a procedure on the patient. Usually if you have a very busy clinic they'll say I just don't have room to give you to do it, which creates a quality problem for the physician, I would say, that you're so busy that you're out of space, but also a problem for us, because we can't deploy our services. Absolutely, that's an issue that we[inaudible 00:10:41]

Ron Barshop: If I had a son or daughter that was getting into medicine, I would say you know whatever amount of space you think you need in primary care, it wouldn't hurt to double it, because you can fill that space with so many good ancillaries that you can drop a lot to your bottom line, add a lot of great services to your patients. The trick is finding guys like you that are honest brokers. You guys are really after patient outcomes. You're trying to do the right thing by the doctor. You and I have both met a lot of guys in our business that aren't, I would call them mercenaries. They're more about money, money, money, and more money. And they don't really talk much about outcomes or quality results for the patients. They have a

whole different lens they look at this through. You guys I consider one of the good guys. You're in every state in the country? You're all across the country?

Chris Light: We don't do business in every state. We're in about six states currently.

Ron Barshop: What are your biggest challenges as the number two in the company to continue to get the model out there and grow it?

Chris Light: From a challenge standpoint, I think we're experiencing rapid growth. Our company grew two hundred and fifty percent last year, so from a challenge standpoint, I would say it's more honestly an infrastructure challenge for us. If you've been, and I know your background, Ron, you've been in a lot of rapidly growing companies, most people who have not been on the back end of managing a company infrastructurally and financially, don't always understand that growth is incredibly expensive. When you're growing at a rapid clip, that's our biggest challenge. In general, we're not having an issue sitting down with physicians and bringing them great services.

Chris Light: So that's not, I mean obviously, would you want more? Sure. But I would say we're pretty happy with the growth to the fact where we are having to deal with banks and even private equity venture capital to if we want to continue the hockey stick growth curve that we're on just because we're growing at such a rapid clip. I would say that's our largest challenge.

Chris Light: But I did want to mention also, just to go back on, you had mentioned that there are a lot of people in our business that are out there for money and we are really trying to drive what we consider, our motto is precision medicine, personalized service. What we're trying to do is marry a host of ancillary products from a quote unquote hospital-style system. You and I have talked in the past and we know the independent physician is a dying breed and so what we try to do is bring hospital-related ancillaries as well as the data analytics.

Chris Light: One of the things I mentioned was we're marrying results of hey, you ordered a genetic test from us that says this, but you're writing this prescription that's not exactly conducive. The independent family physician can do that, it just takes a lot more time. What we're trying to do is create algorithms in our softwares from a data standpoint to actually kick that out to the physician in real time so that they don't have to rely on themselves or a nurse practitioner mid-level or an NA even if you're trying to see four or five patients an hour to pick up on these things.

Chris Light: We absolutely care about the quality of the medicine being delivered to patients and to follow up on that, I think we're one of the few people out

there that we actually tell physicians to order less. We have a huge screening process, what we call our verification team, when orders come in, and we're constantly looking at medical necessity and advising physicians, like hey, these tests that you want to order, that's all great. We obviously make money on tests, right? That's how our business generates income, but on the same token, if you don't have proper supporting diagnosis for what you're ordering, what really results is that insurance companies don't like that at all. Ultimately the patient ends up footing the majority of that bill.

Chris Light: So we try to educate our physician customers on medical necessity on an ongoing basis. To be honest, that changes from insurance company to insurance company. What BlueCross BlueShield allows, Aetna may not, and vice versa, or Medicare. It's a moving target. It's something we're trying to help physicians with.

Ron Barshop: In my opening, I talked about bad business models. I think that the independents dying off is due to the bad business models first and foremost.

Ron Barshop: It's like location, location, location. If they had the opportunity to have recurring revenue and expand services, they wouldn't be having to be forced to be corporatized. They wouldn't be forced to chase volume, and work their buns off for very little pay. Instead, they would be able to get a little oxygen and relax a little and do the right thing by their practice and by their patients.

Ron Barshop: It just frustrates me that when I started in 2009, it was two-thirds independents, one-third corporate and it's flipped exactly in the last 10 years. I mean, 2019's gonna mark the year that we have less than a third, probably. It's all unnecessary.

Ron Barshop: It's like when I see allergy patients suffering needlessly, it's like we have the solution, guys, it works 100% of the time. [inaudible 00:16:21] this test, get this medication. Your life will be better.

Ron Barshop: The same for doctors, I see PCPs suffering, I see burnout, I can see it. I mean you can smell it when you walk in the clinic sometimes and it's so unnecessary and we can stop this corporatization if we had a little more [inaudible 00:16:40] exam rooms and a few more ancillaries added in and it would just solve pretty much every problem that the bad business model creates. Do you agree with that?

Chris Light: Yeah, I agree. We can probably spend days and hours on the healthcare system from a macro level. I think we would just need to get comfortable

and go on vacation together to talk about that and it would be a lot of late nights and early mornings.

Chris Light:

I think in general the independent physician today has to be savvy. We talk about it all the time. There's no medical school, to my knowledge, I'm sure at some point there's somebody at this point maybe a little progressive, but with the physicians that we're typically dealing with day-to-day, there's no medical school offering classes on small business and what the independent physician runs is a small business. At the end of the day, a lot of people don't like to talk about it, but you have to make sure the lights turn on.

Chris Light:

If you're going to pay a quarter million plus for school and go in debt, you don't really want to earn 80 or 90 thousand dollars a year. I don't know the exact figure, but I think family practice continues to fall, it's like, what, 130 grand. You would probably know better than I. [crosstalk 00:17:48] You have to be savvy to manage your business.

Chris Light:

A lot of people don't realize for solutions like yours per se or we have solutions where we come in and we'll bring a musculoskeletal solution to a general practitioner who would otherwise send these patients out the door, which I know is very in line with your model. Where it's like, hey you can send this a specialist, or we can partner together and we can treat these patients and you can keep some of that in the house.

Chris Light:

I think the independent physician has to be savvy of that and I also don't think they can cast their net too wide. I don't think you can be everything to everyone. I do think it's very important to refer to specialists when needed, but there's a lot of screening and initial treatment that can be done at the point of care, primary care, before we have to go a million different places. I think the independent physician needs to be very cognizant of that if they want to survive in this day and age.

Ron Barshop:

One of my questions I like to ask is, what is your message to all in a sentence? I think you just gave that. What should we be reading if we want to learn more about ancillaries or about perhaps re-thinking our practice? You're a typical PCP and you just don't like your life, are there any books that will move the dial for those docs?

Chris Light:

I would say there's plenty of books. I don't know if they're necessarily physician-like-medical-related books, but I think as an entrepreneur myself and so are you, I think there's plenty of books of how to run a well-oiled business. One of them that I'll point out is something that I think let's face it, the independent physician is in the service business. We're servicing patients who are sick.

Chris Light: One of my favorite books is Delivering Happiness. It's written by the founder of Zappos. It's really a customer service book and I can tell you we personally manage a physician practice in Houston and it's one of the things--it's a new venture for us, but we're looking at how we can change the face of that. I think one of the biggest faults of medicine is that customer service is almost like a secondary thought.

Chris Light: I don't know how many times you've been to the doctor where you wait in line, not wait in line, but you wait in the waiting room for an hour or two--I've been in the waiting room for three hours before--before you get seen, past you're appointment time.

Chris Light: Don't get me wrong, there are plenty of docs who are doing a good job at this and I would argue that those are the same docs that are doing a good job in their practice as a whole and financially. But it's not something that's typically thought about--again not taught in medical school--is that you're running a small business and customer service is a large part of that. Happy patients bring more patients. That's free advertising.

Chris Light: Delivering Happiness, the author is Tony Shea. He's the founder of Zappos, which was not taken over, but ultimately acquired by Amazon. I've toured Zappos. They allow people to come in. They have a very interesting, unique spin on customer service and the book is called Delivering Happiness.

Ron Barshop: To find you, Chris Light, I'm going to go to principlehealthsystems.com, and principle, not like the high school principal, but p-r-i-n-c-i-p-l-e, Principle Health Systems, right?

Chris Light: Yep, it's principlehs.com.

Ron Barshop: Got it. Okay, and if I want to reach Chris Light directly, because I want to talk to the man, [inaudible 00:21:33] way to connect with you.

Chris Light: You can find me on LinkedIn as well I can give my email address. It's c as in cat, l-i-g-h-t, like a light bulb, clight@principlehs.com

Ron Barshop: Thank you for listening. You want to shake things up? There's two things you can do for us. One, go to primarycarecures.com for show notes and links to our guests. And number two, help up spotlight what's working in primary care by listening on iTunes or wherever you get your podcasts and subscribing, and leave us a review. It helps our megaphone more than you know. Until next episode...