Primary Care Cures
Episode 89: Dr. Jay Parkinson

Ron Barshop:
This episode is brought to you by the MediSearch Institute. What happens when patients cases become too complex to solve in a typical 30-minute visit? Well, we've all had those super thick, super deep patient history nobody's looked at in a long time and gone back through. Well, I'll tell you what happened is those patients bounce around from doc to doc without getting any answers or making any progress. These patients are trapped and lost in a maze.

Ron Barshop:
Well, MediSearch is here for those doctors and for those patients. Their motto is we solve the unsolvable. Their process is rather simple. Dr. Trent Talbot, the founder, assigns a team of medical detectives, typically three MDs and one PhD to each case. They research the latest breakthroughs and clinical trials and they elicit the opinions of 10 to 15 world-leading experts per case. They purposely seek out experts who will come at each case from a different perspective, the Bayesian method. Altogether, they will put in over 250 MD hours for every case. That means 500 times the amount of brain power that typical doctor can afford to offer.

Ron Barshop:
You know most problems in health care 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 squeezes the docs and is totally inaccessible to most of the employees. The big squeeze is always on for docs. It's the acceleration of cost, deceleration of reimbursements. I want you to meet those in this show that are making a difference. With us, Ron Barshop, CEO of Beacon Clinics, that's me.

Ron Barshop:

America is number one. We lead the world in healthcare, and here's where. We lead in obesity rate by far. We have 36.5% of our Americans are obese. Diabetes rate, 13% officially, but it's really three to four times that if you look at the prediabetes numbers are over half of us. Our administrative bloat is 10 times that of the Brits and the Canadians, and our pharma costs per capita is a third more than France and Canada and Australia, and almost double that of Germany, Italy, and Spain, and UK. And Japan, we're about two and a half times their pharma rate. Our spend per capita as a nation is 11 times Croatia, who we nestle in between them and Cuba for outcomes. So we're number 56. We're not number one there. And almost half of our population is popping pills daily, which far exceeds that of any other country. And in the opioid spend, we are easily number one because we are consuming 80% of all the opioids on planet Earth. How about that one? I learn something new every day. And we're number one in medical bankruptcy. No one else is even remotely close. One in six Americans we all know is in collections, if you listen to this show, and two-thirds of all personal bankruptcies are medical bill related. So the next 100,

1,000, 10,000 reasons for bankruptcy don't even come close to medical bankruptcy, which is double all of them combined.

Ron Barshop:

So in the big picture, we spent about a third of our healthcare spend in hospitals and another third in drugs, so they're fair game. I live in a world where everyone wins, and so does our guest today. There are five winners, so if you're still talking about triple aim, you haven't been paying attention to Dr. Jay Parkinson. Because with his model, and particularly since it's been merged in the last few years, there have been five winners. So we got to talk about quintuple aim because now we have a happy patient. We have a doctor that's happy. We have an employer that's happy, and we have population health outcomes that are stellar, all with lower cost, that started about 10% when you use the model I'm about to talk about, but I've seen more commonly 30 to 60% lower costs. So please forget the triple aim. It's been dead since our guest reinvented primary care. So he searched past number four and he achieved number five when his firm Sherpaa merged with Crossover Health.

Ron Barshop:

It's called direct contracting, and everybody in healthcare has a cash pay rate, whether it's a doctor, a surgeon, the labor and delivery people, hospitals, imaging labs. Even pharmacies are buying wholesale and passing most of that savings on to directly contracted employers today. And there are several benefit brokers who now charge maybe three to 5% of their cohorts with the big alphabet houses, and the engineer all of the above to benefit you and me as employers. This is also a transparency movement, but more important, it's a revolution in eliminating cost friction and time friction. And this is truly the way out of all of this sad litany of number ones that I mentioned at the top of the show here. So we merely are sidestepping the middles and the gamesmen who don't really want change, they like this sick care system, and they prefer to hustle us, not to heal us. And about 1% of American employers now agree this company is a leader, bringing them to the forefront using direct contracting. And it's interesting that the early adopters are mostly Silicon Valley and Walmart. I want to find out why that is. But this is only the beginning. This isn't a movement. And the employers win big when able to control the number two spend.

Ron Barshop:

I've been doing this now for almost three years. My turnover is zero. My absenteeism is way the heck down. And I've been doing this for, as I said, three years, and it's super easy now to hire people when I can offer free healthcare. So here's what I offer: no premium, no copay, no deductible, no co-insurance, no waiting, no time sucks. Those go away too. So employees and patients evolve into the true consumers like the rest of the economy treats us. Now we're on a wisdom path, and I've locked my best health... I've lost 45 pounds and kept it off the last plus 24 months, and I know now what to do next because I have a wisdom path. I have a care plan.

Ron Barshop:

So it's a future where everyone wins and our guest today, Dr. Jay Parkinson, truly is a pioneer. We're calling him a pioneering pediatrician. It's kind of like calling Lewis and Clark curious explorers. He invented virtual primary care in 2007 when the web was born. His first company

later became Sherpaa, and five years later was merged into Crossover Health, and they now have over a million patients. Self-insured clients include the likes of Apple, Facebook, LinkedIn, Intuit, and Amazon. Welcome to the show Dr. Jay Parkinson.

Dr. Jay Parkinson:

Hey, thanks. It's good to be here.

Ron Barshop:

Yes. So did I set this up right? You really invented, what I call, the direct contracting, direct primary care, virtual primary care. That kind of started with you in the very beginning, 10, well, 13 years ago.

Dr. Jay Parkinson:

It did. You know what's funny is the iPhone came out June 29th, 2007, and my last day of residency was June 30th. So I saw that there was a location-aware computer in your pocket now, and I started a house call practice in Brooklyn that was powered by my iPhone. So that kind of went viral and got about seven million hits on my site in the first month, and guest The Colbert Report and spots in Seth Godin's blog and all that exciting stuff. So it was kind of the first and only doctor's practice that launched to go viral.

Ron Barshop:

Well, it's so exciting that you merged with Crossover because what a perfect fit you two guys are. I mean, you and Steve really compliment each other's models brilliantly. And what I see now is that your new New York-Midtown Manhattan site, you're offering some new offerings. I want to talk about what the offering looks like if you're an employer and you have an onsite clinic. What you came out with initially was physical and mental therapy, so we'll throw chiropractor and physical therapy in the physical therapy category. Then you have the psychiatric and psychological help, which is badly needed today. Then you also offer, of course, primary care, and I'm going to call the primary care really an urgent care/primary care/dermatology/ everything else that goes with what primary care really should be. And then acupuncture is in there. And now I see you're offering optometry and some other offerings. Can you talk about what you're newly offering at new [inaudible 00:06:25]?

Dr. Jay Parkinson:

Yeah, I mean, for the most part, we're just sticking to our core, which is primary care, behavioral health, musculoskeletal therapy, and health coaching, and then care navigation. I want to talk more about care navigation because that's kind of our, I don't know, our secret weapon in a lot of ways. What's fascinating about a population's health spend, only about 5% of it comes from your routine primary care office visits and whatever they do. The other 95% comes from all the secondary care that's sort of directed by a very blind primary care group of providers. And what we're doing with the care navigator is we're embedding it onto the team so that when a patient needs care beyond our expertise, it is carefully coordinated and strategically considered, given the fact that prices can range all over the place and definitions of quality are not consistent. So it's a super fascinating new service, and it really is super embedded and connected into every

single clinical decision in our care team. So really that's how you impact that 95% of spend, and primary care really isn't the problem.

Ron Barshop:

So let's talk about labor and delivery as a good example. That's the most common "surgery." How do one of the employees who is used to seeing her OB-GYN get to see that same OB-GYN with that model you just described?

Dr. Jay Parkinson:

Well, that's the thing. I mean, we do not hire gynecologists or anything like that. We're more focused on family medicine and internists. So there's certain things that happen outside of the Crossover bucket.

Ron Barshop:

If your primary care physician is referring to a surgeon or a specialist of any of that universe, do you have a network of surgeons that the company has selected, that you've selected? How does that stay within a reasonable cost so that the cash pay rate is achieved, as opposed to ridiculous rates that they can charge?

Dr. Jay Parkinson:

This all kind of starts with our platform. If you can imagine our platform is like Slack meets an EMR meets a project management tool meets a CRM, and the CRM really is for relationships with the local providers and facilities. So these are curated, and surprisingly, if I go into St. Louis, Missouri, it's not crazy to go in and just map out the healthcare resources of St. Louis. There's a finite amount of urgent care centers and cardiologists and things like that. So we just sort of do the research to basically curate that network. We don't want all 300 cardiologists in St. Louis. We want five that we have a direct, close connection with. And we choose them because they're not in the upper 95th percentile of cost, but they have great reviews, they have a great reputation, they've trained in great places. So really that's what we do. We just add these folks into our backend, so when our providers and care navigators are deciding where to coordinate care with, it's kind of served up to them. But most companies don't really care about secondary spend. We just think it's the most important thing to care about.

Ron Barshop:

And then what about, say, imaging and labs? I guess there's two big national labs. Do you have the same type of agreements with local imaging and labs, or do you just send them to the hospital, or does it really matter? Does place of service matter?

Dr. Jay Parkinson:

No, for sure. I mean, for those commodities, and we just call them commodities. An MRI, for the most part, is a commodity. We for sure wouldn't send that to an academic medical center. We would send that to a free standing MRI facility. So it's just simple things like that. I mean, I always say that doctors are the real consumers of healthcare because we make the ordering, somebody else does the paying. So we should be really smart orderers because whoever's paying for this, the costs are real.

Ron Barshop:

Yes. Okay, so you sent them, they've gotten their labs or they've gotten their imaging, do you do something to... I know you're all about consumer friction and keeping that down to as low as possible. Do you do something where they come in ahead of time to get the labs before they see your doctor? How are you reducing friction, other than the virtual primary care, which we'll talk about in a minute?

Dr. Jay Parkinson:

Yeah, well, we basically say that we're 100% digital first. So folks, whenever they need care, they go log into Crossover and click get care now, and that really creates what we consider, we call it the episode of care, but it's kind of the equivalent of a Slack channel. A member just tells us what's going on in that episode, and we immediately just start asking them questions. It's the same dedicated care team every time they reach out. And really what this is is about sort of doing as much as you possibly can online and using anything physical and in-person as confirmatory measures.

Dr. Jay Parkinson:

So what's interesting about that is our physical centers are really being transitioned into smaller footprints, more targeted services. And it really is about transitioning those centers away from being exploratory, meaning, hey, you walk into the door and we don't have any idea why you're here, we need to figure that out to we know exactly why you're here, you're in and out, and it's hyper-efficient.

Ron Barshop:

So with mental health, let's talk about that for a moment. People like going to the same provider time after time because they're sharing very personal things. Have you found that you're able to switch that into just a generalist or general relationship? Or do they actually have a one doc, or we'll call it a one provider, one patient relationship?

Dr. Jay Parkinson:

Yeah, it's really interesting. I mean, this isn't sort of Doc Hollywood where doctors are on call literally 24/7, 365. But is it a small team of doctors, just to be realistic in today's sort of staffing world? So every time you reach out, you're going to work with the same team of doctors. Our goal is 90% of the time you're working with one of that small team because really it's all about relationships. Whenever you have a relationship and every time you use a service it's the same team that knows you, that builds trust. And then once you have that trust, you have engagement and then that leads to outcomes. So it's all about the relationship. And also, that ongoing relationship unlocks us to be able to do all kinds of things online.

Dr. Jay Parkinson:

So for example, if it's a transactional telehealth visit with one of the sort of 10-minute video visit companies, they really can't do much because they can't order tests, they can't sort of follow up with you. It's just a tiny snapshot in your story. What we do is we own the entire story so we can just have that relationship and we can really be super comfortable as providers to really treat

things either aggressively or conservatively as possible because we have that ongoing communication and relationship with you.

Ron Barshop:

Is there a pushback when somebody wants to use their doctor? In other words, I'm going to imagine the last thing a company wants, an employer wants is noise. And when somebody loses their doctor to you, who's on site now, do you get some of that pushback that, "I miss my doctor. I wish I had my doctor," or does that all go away when they don't have to pay premiums and copays and deductibles anymore?

Dr. Jay Parkinson:

Yeah, we definitely are not... How about this? We compete with local providers based on the experience, right? And if you love your local doctor and you're getting care from your local doctor like we do, like we deliver care, I mean, that's awesome. That's a great partner in the community for us. But the majority of providers out there just don't have the sort of resources and they're working in that fee for service world. They don't have the time and the tools to really deliver the type of experience that we do. So, yeah, we're not trying to take anybody away from a doctor they love, but at the same time, we'll for sure compete on the experience and the lack of insane bills that you get after the visit. We think that people will switch to us.

Ron Barshop:

Do you have a kind of a roving number that's happened... Since you started Sherpaa, we're talking about almost a decade, there has been an evolution where virtual primary care really has taken a lot off the plate of the direct visit. The numbers I've seen you talk about lately are 95% of all visits are obviated by virtual primary care, is that still in the same ballpark? Because it didn't start out that way.

Dr. Jay Parkinson:

It didn't start out that way. But at Sherpaa, I mean, the second we launched we started tracking the number of... I'm sorry, the percent of cases that were solved entirely in-house. And we found that 70% were, but we only had primary care doctors. We didn't have behavioral health therapists or physical therapists or anything like that. So we were sort of limited. But now that we function as a team... And also the fact that we can use our partnership with RubiconMD to pull in specialists consults or curbside consults so that we don't have to refer to as many specialists, you just start seeing that the majority of things just don't ever need to be seen in person.

Dr. Jay Parkinson:

The best way to explain this is the same thing that every one of us is going through right now at COVID. I mean, we're not going into the office all the time, but companies aren't falling apart. We're still functioning because the majority of human problems are solved by communication and teamwork. So really, all we're doing is the same thing that the entire culture is going through right now.

Ron Barshop:

So I find it fascinating that the early adopters of this model have been Silicon Valley. That should be no surprise, but what is the resistance you get when you talk to people outside of that universe, why they don't want to do this? Because it just seems 100% logical and there's just... Except for legacy reasons or inertia, there's no reason to say no to this.

Dr. Jay Parkinson:

Yeah. I think that the most interesting reason why companies say no is because new models of healthcare delivery typically don't fall into traditional CPT codes that can be built through the health plan. And so then that leaves you stuck working with HR budgets, rather than health plan budgets. And so the big issue here is sort of extracting plan dollars and putting it in HR budgets and then paying for primary care in a new way because the way we deliver care doesn't have a crystal clear CPT code to bill health plans for. So it's a no-brainer if you can solve that problem. That problem takes a long time to solve.

Ron Barshop:

Is there a downstream cost saving that you present to them for hospital stays, for ER visits, et cetera, that you're able to reduce because of the primary care relationship?

Dr. Jay Parkinson:

Yeah. I mean, it kind of depends on the vertical, ER visits, urgent care visits, imaging, specialists. But it's really fascinating. If you think about, again, that doctor's orders, it's the same thing as the doctor ordering something on Amazon, but you can't see the price and you can't see the reviews and you're using somebody else's credit card, right? So why not arm that provider, who's spending the money of the employer, with some insight and transparency based on that partnership with the care navigator, who's doing the research literally on a one-off basis? Because if you can throw an hour or two's worth of a care navigator's time at a $5,000 order, that's money well spent, right? So that's kind of how we tackle this. Again, it all stems from the fact that doctors are the true consumers with healthcare.

Ron Barshop:

So, Jay, let's talk for a moment about... When we're talking about virtual primary care, what can not be done by virtual primary care and what will we be able to do in the future because of using artificial intelligence and the data metrics you're getting? What will algorithms do to even make virtual primary care better?

Dr. Jay Parkinson:

Yeah, it's a good question. The first thing we can't do is a physical exam. We can't do procedures, and we can't sort of look in the eyes when we need to, right? Physical exams, if you ask any doctor, it's one of the many data points that are important when making a diagnosis. It is far less important once a diagnosis is made and you're just managing the issue over time. At the same time, there's some interesting things happening in the world for physical exams online.

Dr. Jay Parkinson:

For example, there's an app called ResApp, which is essentially Shazam for coughs. When you think about it, each disease has a different type of cough profile. So if you record your cough, it

can spit out what type of cough you just did. So that's objective data that's much better than subjective stethoscopes. So things like that.

Dr. Jay Parkinson:

The other thing that we can't do, we can't do point of care testing. At the same time, there are companies like Everlywell, and LabCorp's Pixel, which we use all the time. Whenever we need to get some blood work done, we either send you to a local LabCorp. If it's not urgent, we'll just have a LabCorp send a testing kit at home to you. Because we're the ordering doctors, we get those results back. So that's what I'm saying. I mean, the majority of health care can be done online, especially now that we have all these new tools in our bag.

Ron Barshop:

Mm-hmm (affirmative). What are you saying the future looks like a year from now? Do you see that more traditional employers are going to start adopting this because of these market leaders that are getting their attention?

Dr. Jay Parkinson:

Yeah, I think so. I mean, it's interesting. Whenever you're an innovator, so much of this is about timing. Scott and I've been doing this 13 years, really, and I think the industry is now catching up. I think we're going to see some sea changes in who's going to be engaging in new models of primary care. At the same time, I mean, we got to be realistic. Healthcare is 20, 30 years behind our culture, which is nice because we can sort of see how our culture evolves elsewhere and they'd be prepared for it when healthcare catches up. So we're getting there.

Ron Barshop:

So you and Scott refer to this movement as a digital first healthcare movement. Is that how you prefer to call it? I call it direct contracting, but I think yours might be more accurate.

Dr. Jay Parkinson:

Direct contracting, to me, sounds more financial. Virtual first, to me, is more just like the care model. Just go online first to get care. If you need to be seen in person, we'll make that happen.

Ron Barshop:

And then do you have any sense of what number of Americans right now are in the virtual primary care world? Because it seems to me that it just seems to be growing by leaps and bounds, but there's not an association that's tracking it. I mean, DPC claims half a million members, but there's way more than half a million when you throw in all of your employers, Walmart, and some of the other caterpillars, some of the others that are doing these direct contracting models. Do we have any idea what the numbers look like?

Dr. Jay Parkinson:

Yeah. I don't know. I mean, honestly, there's nobody doing a sort of pure virtual first service like us that has the associate business model that can make that financially possible. We've all heard about how during COVID, the beginning of COVID, they were just skyrocketing in telehealth

visits, but in reality, doctors can't really throw on all those add-ons that you get via an office visit in a telehealth visit. So the business model of transactional telehealth doesn't really work when all doctors have is the ability to sell their own time.

Dr. Jay Parkinson:

So it's got to be the accompanying business model. And really that, to me, is the metric that you should use, rather than the metric of how many sort of virtual care visits were delivered. It's more about how many folks are under a business model where rational communication problem solving just makes sense.

Ron Barshop:

Yeah. Well, so if we call the big three models out there direct care or virtual care, if we call another one value-based care and another fee for service, what do you think the world looks like in three to five years? Is it going to shift away from fee for service? Because I mean, we are in fee for service with our allergy clinics, and the doctors have gotten completely slaughtered. Completely slaughtered. There's 15,000 that now have left primary care fee for service. There's another 15,000 that claim they're going to, on the last survey I saw, in the next 30 days. So fee for service looks like it's just absolutely walking dead.

Dr. Jay Parkinson:

Yeah, I mean, the experience that doctors and patients have today is a symptom of the business model. And if the business model is fee for service, you're just going to have technology and processes that maximize the services. So I don't see that changing really any time soon. There's a slow movement, of course, with Medicare advantage and the direct primary care movement. But in total, I mean, they're pretty small outside of Medicare advantage. So honestly, we've found that employers are more willing than anyone to pay for new business models for care. But again, it's a slow movement, even though providers are... They're not happy, and I understand why.

Ron Barshop:

So when I talked to my value-based care guests that have large scale operations, they're maintaining the lifestyle diseases, not getting worse, and that's how they're getting paid is by maintaining. But there are companies out there that are reversing, like Virta Health. There's company in Austin doing the same thing. What are you seeing on the horizon that can actually reverse some chronic disease that is lifestyle diseases? Do you have anything in your bag of tricks that looks like it's going to do that for your patients?

Dr. Jay Parkinson:

Well, there's nothing outside of a motivated patient that can reverse anything, right? So the best we can do as providers is motivate our patients, and the best way to do that is via our relationships and an accountability partner. And that's really what our health coaches serve on our care team. Again, if you're a member at Crossover, you have a primary care doctor, a health coach, a mental health therapist, a physical therapist, and a care navigator, and you work with that consistent team every time. So really it's about... You see a lot of these companies like Amada, which are just awesome and they're doing a great job, but really what that is is an app and a health coach. It's disconnected and even carving out the traditional provider. And so we

think that's cool and a great business, but at the same time, to have that app health coach and the provider on the same team, we think that's a winning bet.

Ron Barshop:

So when you're meeting with a prospective employer who's not in your university yet, do you have any stats that you speak to for outcomes that you're particularly proud of?

Dr. Jay Parkinson:

Oh, goodness gracious. I mean, I would say that outcomes come in the form of decreased secondary spend. I mean, I think our best was about a decrease in... I think it's between 25 and 30% of the total spend of members who are users of Crossover, versus traditional community users.

Ron Barshop:

So you're saying that the employer/patient, their spend is down 25 to 30%, as opposed to just the user being the patient or the user being the employer? You're saying combined, they're-

Dr. Jay Parkinson:

Exactly. So, I mean, that's the thing. It's that quintuple aim, right? If you're a user, it's... All we're doing is giving people a different door to come in and then that door is logical once you get in there.

Ron Barshop:

Okay. Well, I want to be respectful of your time. How do people find you if they want to reach you or bring you to come speak?

Dr. Jay Parkinson:

Yeah, Twitter's probably the best, or my blog, Jay Parkinson MD is another one. Or just reach out to Crossover and I'm right here.

Ron Barshop:

Great. And if you could fly a banner over America, what would that banner say?

Dr. Jay Parkinson:

Oh, man. Hang in there. It's going to be better.

Ron Barshop:

Okay. Good message. Jay, we'll do this again. This has really been an honor to meet you and talk to you, and I really think you guys are market leaders. It's very exciting to see you getting traction. Even if it's slow, it's traction. So that's good news.

Dr. Jay Parkinson:

Of course. Yeah, with this arrangement with Amazon, it's not going to be so slow. It's going to be crazier, so it's very exciting.

Ron Barshop:

Good news. And you just got into Texas in Dallas and you'll be... I think you're in Houston also. Aren't you?

Dr. Jay Parkinson:

Yeah, it's close to Houston. I think it's Springbook.

Ron Barshop:

Yeah. So you're in 48 states. Well, very good. Again, nice visiting with you. We'll do this again soon and thanks for your time.

Dr. Jay Parkinson:

Thank you.

Ron Barshop:

So welcome to Just a Hospital Minute. We are adding these segments for one minute at the end of every show to tell you some of the games that hospitals play.

Ron Barshop:

Defensive medicine is where the more tests you order, the more you get paid. The more you're touched, the more you're paid in a hospital. This is not always good because there's an unnecessary test asked for every 13 seconds in America.

Ron Barshop:

So this is just another hospital minute.

Ron Barshop:

Thanks again. Thanks again to our sponsor, the MediSearch Institute. I want to read you a note a CEO friend of mine sent me who used them for a rare childhood disease her daughter had. Dr. Talbot's research was thorough. He provided clear paths of treatment and he gave me access to the best physicians. I'm so grateful for his work. That's the MediSearch Institute.

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 us spotlight what's working in primary care by listening on iTunes or wherever you get your podcast and subscribing and leave us a review. It helps our megaphone more than you know. Until next episode.