Primary Care Cures
Episode 109: Daniel Corless

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:

I'd like to welcome our guest this week, Dan Corliss. He is a benefits advisor based in Las Vegas. Dan, welcome to the show.

Daniel Corliss:

Thanks, Ron. I appreciate being here.

Ron Barshop:

Good. You're helping mostly self-insured employers that are usually under 100, but can be larger than that. Tell us what kind of savings you're generating for these new customers when they switch from a traditional plan to one of your plans.

Daniel Corliss:

Yeah, sure. First, I want to clarify, we're helping groups that are fully insured, and we're helping make that transition from a fully insured health plan to a self-funded health plan. Now, there are various factors you're looking at when doing that, and you need to take various points of risk into account. And we have a number of different solutions and ways to do that effectively while still delivering good rates. But I would say we're saving anywhere from, on average, I would say 15 to 40% overall planned spend saving in the first year.

Ron Barshop:

And are you helping people around the country or just in Nevada?

Daniel Corliss:

All over the country. I have partners that I work with. We have agency partners and independent broker partners all over the country. We're doing business from literally West Coast to East Coast, and everywhere in between. We have groups that are right on the Eastern Seaboard and groups that are right on the West side and in the sunny Southern California, and up the coast into Oregon and Washington as well.

Ron Barshop:

I digged into some of those. I saw you post about you created such savings, that it was easier for the employer to fly in one of their employees to another city and give them a four star hotel experience, get their surgery or their birth, or whatever their procedure was at the hospital in another city, and then flying them back. And it still made more economic sense for the employer. Tell me about how that works.

Daniel Corliss:

Yeah, so we do this quite often. And when I say we, I mean my partners and I, and we come across this all the time where there's a very narrow market with some providers or health systems that have an oligopoly or a monopoly on the market, and they basically set the prices. And my post was referring to ski towns in particular, but it could really be any type of market where there's one or a few health systems that have just driven up price over the years. If you don't have a [Bupa 00:02:39] insurance plan, which is what they're used to, they're just going to charge extremely high rates for surgeries. And in this case, it was an elective surgery, a medically necessary elective.

Daniel Corliss:

So the provider was wanting to charge over $40,000. And that was including the facility fees, the surgeon and the operating fees, and then also anesthesia, and you have implants and things as well. They get back into that cost. But at the end of the day, they were wanting to charge $42,000 for this surgery that anywhere else, would cost under 15,000. So what we did is just say, "Hey, let's give this member another option." And that option happened to be, "We'll put you on a plane. Actually, you and your husband, we'll put on a plane, round trip. We'll send you to Las Vegas, Nevada. We'll put you up in a resort for the whole week." So we even put four days on the tail end of the surgery so that they could recover and relax in Las Vegas, be by the pool, et cetera. Gave them a rental car, a stipend for entertainment. And everything included the surgery, the anesthesia, the travel, the lodging, was still under $13,000.

Daniel Corliss:

So, it's just... And this is a rare case. This doesn't happen all the time where you're able to get somebody a surgery at that cost and still save the plan close to $30,000. I'm not going to lie to you and say this happens every month, but every once in a while, this happens. Typically, we're saving somewhere near 10,000 or 15,000, or even just a few thousand dollars and we do this. But yeah, this was absolutely one of those cases where it was a huge success not only for the plan, but the plan member got to spend a week in Las Vegas, a fully paid vacation and the provider. They're getting steered patient members to their clinic where they provide a high quality, low cost service. Everyone wins.

Ron Barshop:

I know. So this what we call medical tourism. Do you have some other tricks up your sleeve with pharmacy benefits or with primary care on how you save a dollar for the employer? What are some strategies that you deploy there?

Daniel Corliss:

Yeah, we have tricks up our sleeve, but probably not any tricks that other folks out there aren't already doing as well. But yeah, pharmacy is a big one. Next to medical [inaudible 00:05:18], usually number two and specialty drugs and name brand drugs, obviously being the two with the most fat to trim when it comes to savings and getting people on medications, access to medications and solutions actually that provide them that savings. So I would say the two biggest methods that we're using to get the most savings from pharmacy are one, taking an outbound approach to getting members on a manufacturer copay assistance program or something of the sort, that they might not have even known they had access to. So usually health plans aren't identifying members that meet a certain income level or in some cases don't even need to meet that criteria, but have access to some sort of rebate or a manufacturing assistance program.

Daniel Corliss:

And essentially, the manufacturer will eat a bunch of that cost and pass that savings to the plan, and supply that drug for a much lower cost. When I say much lower, I'm talking tens to even more thousands of dollars a year. So big dollar amounts, especially when you're talking about multiple members in a health plan that are on drugs like Humira and some of these other hepatitis C and HIV drugs that are coming out that are just absolutely enormous health plan costs. So number one is manufacturer assistance. Taking that outbound approach, calling the member after we have identified them to being on a high cost drug and saying, "Hey, let's try to see if we can get you qualified." Number two would be some of these Canadian Rx programs that you might be familiar with.

Ron Barshop:

Do you belong to a study group, or how are you identifying such significant cost savings?

Daniel Corliss:

Well, like any advisor that's trying to do a good job in this industry, you keep your ears to the streets. You pay attention to what's going on out there, you just get information from other advisors. I work with some of the best partners in the business and we work with some great pharmacy consultants and pharmacy benefit management outfits that... They actually have these methods already built in to what they're doing. So it's embedded in their program. We don't really have to do much other than let the plan or the members know that they have access to that type of assistance.

Ron Barshop:

So I'm going to imagine when you walk in the door and you can save somebody 10 to 40%, they're almost always going to take you guys on.

Daniel Corliss:

Yeah, we get that a lot. Actually, we have a couple of health plans that we manage now where in the beginning, they were very cautious. They thought we were selling them snake oil and were like, "Yeah, this just sounds too good to be true, but you were referred to us by so and so, so this seems like it could be legit. Let's give it a shot." Very cautious approach, but when they started seeing the savings and they got their...

Daniel Corliss:

A lot of the groups that we take self-funded, we do a level funding approach. So it looks and feels much like the previous, fully insured health plan that they were on. But when they start seeing that monthly premium bill, they're just... When they actually hold that in their hand, they're just like, "I can't believe it. We're actually saving this much money. This is insane." And by the way, they're likely going to get a huge reserve at the end of the year because we've managed their health plan costs well. So on top of the monthly savings, they're likely going to have reserves as well at the end of the year. They can put that money back and do other things. So it's pretty awesome.

Ron Barshop:

Why would anybody ever say no to this offer?

Daniel Corliss:

Well, they're uneducated or they're scared. One of the two. So you fear what you don't understand, right Ron. So there's a lot of status quo brokers out there and just a lot of mixed messaging around self-funding. And I actually try not to use the word self-funding anymore because people automatically go, "Oh, I've heard of that before. Yeah. That's dangerous, that's scary. I've heard of people that have lost their business because of it." Et cetera, et cetera, et cetera. That's just not happening anymore these days, especially if you're working with anyone that has an inkling of a clue what they're doing. You have cost controls in there, you have stop-loss insurance, you have methods and way of doing things where things don't get out of hand. Yes, there's some risk exposure, but we're not going to lose a business over this, and were 99% of the time going to do a good job and get the saving. It's a multi-year approach.

Daniel Corliss:

So I would just say that there's still a lot of information out there that is outdated, and the methods, the resources that we have available to us today, the data and the speed of that data, and how we're able to get in front of healthcare issues so quickly, this wasn't available even five years ago. So we've come a long way even just in the last couple of years and it allows us to do these things with efficiency.

Ron Barshop:

Most small employments under 100 don't think of themselves as self-funded or self-insured. They're all self-funded of course, because they're not laying the risk off of another insurance company, but do you see this as a gigantic marketplace that just is ripe for the picking?

Daniel Corliss:

Yeah. Because everyone overlooks the smaller employers, right. Everyone wants to be a big game hunter and they want to go out there and get the 500 or 1000 life employer and chase the same groups that every other broker or advisor is chasing. And that's great, those folks need help too, but we're focusing on the little guys that get overlooked and probably have no idea the options that exist for them in the self-funding world. The small groups self-funding solutions that exist today from an underwriting perspective, from a plan vendor perspective, cost-containment, are just as good, if not better than the solutions that are available for large groups like Walmart

and those guys. So the whole notion of, "Oh, you have to be this big to get on this ride." Type of thing for self-funding, does not exist anymore. It just doesn't.

Daniel Corliss:

One of the famous sayings that everyone would say, three, four, five years ago is you have to have at least 100 lives to self-fund. That's just not true anymore. So captive insurance is taking a bunch of small groups, pulling them together and captivating all that risk. So basically, the risk is spread. So you take a bunch of small 20, 30 employee health plans, you put those in a pool that adds up to 1000, 2000 members. And basically, that acts as a 1000 or a 2000 life health plan. You're shopping for stop-loss insurance based on that 2000 lives. You're shopping everything else as if you had a 2000 member life group. So you're getting deeper discounts, you're spreading your risk across the larger population. And it's a very attractive solution in most cases. And also, usually when there's a captive management entity in place, they're offering solutions for free or at a very discounted rate. So you can get tele-health or wellness solutions, things like that, for you next to nothing.

Ron Barshop:

Would you say that the average captive employer, who is with the captive, has a lot more work to do now and that the CFO or the CEO is going to think, "Oh my God, I've got a lot of work to do if I take on this new idea." Is that a myth?

Daniel Corliss:

It's not a myth. No. And actually to be frank, it is more work. But it depends on what are you able and willing to do to make your life more comfortable? So when you take on self-funding, you're taking on more responsibility. Usually your advisor, me and my partners, or the third party administrator that's administering the plan will help take a lot of that burden off of the shoulders of the employer, the health plan, the HR director, or the CFO, whoever it is. And they'll try to get in front of things for you. They'll try to manage your legal risks, your claims risk and everything else, but there's always that trade-off. So it does help to have somebody within that organization who has experience in managing a self-funded benefit plan. So whether that'd be like an HR director, another HR employee, a CFO. It absolutely helps. Is it necessary? No.

Ron Barshop:

How do people reach you if they need to find you?

Daniel Corliss:

Yeah. We have a website. It's www.stimulus4business.com. And my cell phone number is also (971) 276-8656. Or you can reach me on my email, daniel@stimulusforbusiness.com.

Ron Barshop:

If you could find a banner overhead, what would that say?

Daniel Corliss:

I would say self-funding is your savior, do it now.

Ron Barshop:

All right. Well, Daniel Corliss, thank you for reaching out to us and we'll enjoy having you on the show again soon and thanks for all the insights.

Daniel Corliss:

Yeah. Thanks Ron. I appreciate it. It was a great time being here.

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.