

Primary Care Cures

Episode 117: Ron Barshop

Ron Barshop:

Welcome to the only show dedicated to a new way of delivering healthcare. This new model has no name, but let's go ahead and call it direct contracting or digital first care. The new way centers on opting out of the games bigs play with their rigged dice, their crooked game board and their purchased referees. And if you're looking for a future where everyone wins, that's the doc, the consumer, the employer, and with assured amazing outcomes and measurably lower costs that are ranging up to 60%, you're in the right place. I'm Ron Barshop, your host. I'm glad you're here. Welcome to the new healthcare economy.

Ron Barshop:

Direct contracting is any healthcare where any of the following three middles are eliminated. Insurers, PBMs, pharmacy benefit managers, and/or brokers.

Ron Barshop:

Last week, I saw my PCP, a therapist and a specialist. All three were paid their cash rate, yet each also billed a code to the visit. I asked why, and they said they had to. Well, they actually didn't, because you're billing codes to get paid, and they were paid in cash before I left. So they were paid the second the visit ended. So there was no biller, no coder, no collector, no pre-auth required, no referral coordinator. Technically I didn't even need to check in, because I didn't have any paperwork to fill out, it had all been filled out virtually, and I didn't have a copay on the back end, so there was no check out. And the PCP had a triage nurse to cuff me and weigh me, but there was no way to get their funds.

Ron Barshop:

So all of these workers at your friendly local clinic are handling money, not care. And it's funny, they're all called medical assistants but they're really financial assistants. The point is that all of this waste was eliminated by paying cash and going direct. All the staff, all the time, all the costs. Yet their training is so ingrained that these three providers still code. It's expected and ingrained, it's silly, I say. So I direct contracted with all three. I paid their cash rates. I got an hour with all three, no rushing, no factory medicine vibe. By the way, my all-in costs for all three was half what I used to pay monthly when I worked with Abuka and I would have paid premium plus my unmet deductible. So think about that. I would have paid the five or six or \$700 premium that is the employee responsibility. Plus I didn't meet my deductible yet. So I had to pay the cost of what I paid anyway.

Ron Barshop:

So this is the only time I can remember my entire adult life I've had to see three providers in one week. I rarely see one a month. So one of my guests, Clinton Phillips will be on our show next week, of Medici, has 13 million virtual primary care patients that employers pay for. He has one in three Fortune 1000s as clients at Medici. We'll revisit him in a week and find out what that

number looks like now that it's more than 13 million. Jami Doucette who's the CEO of Premise Health has 11 million primary care patients. So 11 plus 13 adds up to about 24, 25 million patients that just these two guys are experiencing what I did last week.

Ron Barshop:

No paperwork, unless it's a first visit, usually. No waiting, hour-long visits and their costs as a patient was zero. The employer pays all. The tests, imaging and labs likely are too, but that will vary wildly and widely by employers. Smart employers will also direct contract with these three parties too. So the cost should be absorbed as it can be negotiated at 40 to 80% lower pricing than using, say a traditional PBM or going through traditional imaging centers that are usually owned by a hospital systems, even though independents are half to a third of the cost. And we're usually right down the street.

Ron Barshop:

So self-insured employers like those kinds of numbers and should be direct contracting with all areas of the ecosystem. Well, this is what I call next gen healthcare. Direct contracts are elegant for consumers. And I use that word because I no longer feel like a patient, which makes me feel like a number. I got an hour, as I said, it's VIP care with direct contracts and each of those 25 million patients and my own experience each started with digital first care, my cell phone. So no forms or clipboards, no driving and waiting unless it's a first visit, as I said. So again, elegant for the consumer. It's also elegant for the provider. Few if any are going to burn out with nearly zero HR, zero billing, no charge backs, no pre-authorizations, no stupid tests or labs had to be ordered and they weren't rushed, they got an hour too. Pinch me.

Ron Barshop:

The payer was the big winner because I've been direct contracting for my team for three years. And as the payer of the premium for my company healthcare, my turnover has been zero for three years. Three years, I've lost no one, except people we wanted to. My recruiting has been just short of amazing. I used to have to interview 60 people to find four slots. And last year I had four openings and we stopped interviews at the fourth candidate. That's never happened in 35 years of my career as a CEO, but we offer free healthcare day one, who doesn't want that deal? So my people are taking way fewer sick days because with tele-health built into this digital first click care, they eliminate 85% of office visits, the statistics are telling my company. For them and their kids and almost all my team are single mothers who used to need a half a day just to go see one of these Medicaid docs and to feel like a number and get 8-15 minutes, just to get a silly script for a kid's ear infection or strep throat or pink eye that the mom could diagnose.

Ron Barshop:

And here's what we know so far, providers, patients, consumers, and payers, all won in what I've described. That should be the triple aim. But the actual triple aim that was put together about 20 years ago was adding cost and population health to the puzzle of happy patient. They don't call them consumers. Well, we're way past the triple aim. So let me explain: most in healthcare would say the triple aim is impossible to have that happy patient, good population health at a low cost. Those three things, you can get two of the three, but you're going to have to give up one. And now somebody else threw in a quadruple aim and said, well, there should be a doctor happy in there now. And I'm saying the fifth part of the quintuple aim should be now, four of the

quadruples should go to quintuple, should be a payer, employer or the individual that's making the payment.

Ron Barshop:

So they say you can only get two out of five yet direct contracting not only has happy doc, happy consumer, happy payer, lot lower costs and better outcomes. Those that use direct care have 30 to 60% lower medication use, less stays in hospitals, shorter stays in hospitals, 30 to 60% fewer ER visits, less imaging, specialist visits, and procedures. And their health is improved with a regular doctor that they can now see 24/7 and contact basically anytime they need.

Ron Barshop:

So this is the key. It should be called the five aims, not the three aims because not two out of five are met for 25 million, but all five were met for all those 25 million have talked about. And I haven't even mentioned to you, Paladina Health, Nextera Health, Crossover Health, 98point6, Green Imaging and Sano who will be in our show again in a couple of weeks. These are all people that have been on my guests and there's dozens more I haven't talked to. Maybe three to five million patients more than the 25 million that we should be able to add to this head count.

Ron Barshop:

Now the direct primary care coalition will tell you that there's only 500,000 people dealing directly with their primary care doctor, but they're not widening the definition to include any employer-paid primary care, which is not really in their calculus. So again, we're not at 25 million, we're way past 25 million. And we're closing in on probably 28 to 30 million Americans that have opted out of this factory medicine machine. There's 140 million working for self-insured employers in America. So we're talking about over 20% are in this movement with no name.

Ron Barshop:

So why isn't everybody switching to direct contracting? That's so hot. So cool. Well, they will. I think inertia is the reason why most people that sell to them say they're not jumping aboard the band wagon, why they're not in this movement, but I've had two guests on this show who were early pioneers in opting out like I was in Texas. Cole Johnson in episode 23 laughed when I asked if you'd go back to big insurers again. Charlie Cano did the same thing on episode 73. He's the local cable provider in East Texas and Cole is the top 10 national dry waller. Both were pioneers in Arizona and Texas, respectively as I was three years ago. But the bar is so low to improve these five aims that it doesn't take much.

Ron Barshop:

So what is happening here is nothing short of a simple opt-out revolution. No other show in the podcast universe is talking about this folks, as I said at the top of the show, and no other show is introducing you to the CEOs and medical directors of these players. Most are giving their personal emails out even so you're getting insider stuff. So why aren't we seeing more of this revolutionary idea and talking about it? Well, you're going to.

Ron Barshop:

Two companies went public last year that are both direct contracting hybrids. A hybrid is

somebody who bills insurance and sees patients who pay a monthly subscription fee, which sucks as a doctor because now not only are you coding at night, but you're also taking tele-health calls. Not to mention their license is at risk, as I said earlier, so the docs are violating these two laws in these hybrid models. And I'm putting links in my show notes that you'll find that we'll list. Show you how to get to these two laws that people are violating that are in hybrid.

Ron Barshop:

Okay, this is a short show, but let's tie this in a bow. If you're not doing this, start doing this, it's going to simplify your life. Even if you're with an employer-paid plan, you can opt out and go directly with companies like Redirect Health and Sedera. And you'll save a lot of money and a lot of aggravation. As a doctor, as a patient, as employer, we all should be dropping in on this bandwagon. And you'll find that you'll never go back to the sick care factory medicine world to again.

Ron Barshop:

This is just plain smart. It's the next gen of what has to happen if America wants to eliminate divisions between white and blue collar, have and have not. This treehouse of care today is only for the top 10 to 20% that can afford the deductibles, copays and premiums, which 70 to 80% of Americans cannot afford all three of those. But with this movement, and if everybody's treated like a VIP, a dock worker and a CEO are treated equally. And think about this as an economic stimulus is of the highest order. Every employee just got a \$500 a month raise because premiums and deductibles vanished. \$400 a month on average, that's a new home. That's a credit card pay off. That's a first true vacation for people that have never had one. That's a nicer school district for their kids. So direct contracting is mom and apple pie and sugar and spice and everything nice.

Ron Barshop:

It's a no brainer for the hero of this story. And that hero is we, the employer. We are the answer to what ails this country, what Warren Buffet calls the tapeworm, this healthcare suck on the economy. What Jeff Bezos predicted was the era of the middles is over. And that's exactly what's happening in this direct contracting is we're getting rid of the middles that are the administrative waste. This is gathering steam and there's nothing that will stop it. And I say a lot, you'll see in the stuff I write and talk about that I live in a future where we all win. You get it now? We all win. Please join me.

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 podcasts and subscribing. And leave us a review. It helps our megaphone more than you know. Until next episode.