

Primary Care Cures

Episode 125: Dr. Juliet Breeze

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:

When we say that bigs are gaming the system, what exactly does that mean, Ron Barshop? Well, referrals are basically the raw meat into the sausage factory that is our local hospitals. And outpatient visits are much more profitable, three to four times that of the hospital visits themselves. So visits to locally owned primary care clinics, whether that's urgent care or PCP, specialists, docs, surgery, whatever it looks like, imaging, even labs, most of those are going to be owned by the hospital system and yeah, they want to deliver your baby and they want to repair your knee in that big facility, but the real money is going to be made in their outpatient facilities like urgent care. Did you know that 70% of all urgent care clinics are owned by big hospitals? But why? Well, if you read the quarterly reports of these bigs, that's where we learn this kind of stuff.

Ron Barshop:

Urgent care centers are a prime referral source for good commercially and paid insurers. So that's 70% are owned by local systems because it's a great meat feeder to the meat grinder, quite a game system as I talked about at the top, and I can hear today's guest nodding her head vociferously in agreement right now. Well, if that's not enough, we know that 90% of America has a local hospital that is actually a legal monopoly by every definition of the word, because they can set pricing due to their control of the market. That is gaming at its saddest. And the states, each are controlled by one or two big insurers, same thing, they have such control that they're all considered monopoly states with insurance companies.

Ron Barshop:

It's always interesting when the two collide, when a big hospital fires a big insurer, like what happened in Houston twice recently, but they had to kiss and make out because even though it's a clash of monopoly titans, the docs always get screwed in that deal, and therefore their patients have nowhere to go. So the docs complain to the hospitals and they got to keep those networks happy so they buckle every time.

Ron Barshop:

The true customer of any big is not you and I, the customer, not the employers, but it's the network of doctors, not the patients. So hospitals will almost always buckle to the insurance companies when these monopolies butt heads. And the lobbies. Let's talk about the the lobbies. In case you haven't listened to the show the last 128 times, bigs control hospitals and insurers, devices, and pharma, and together, that lobby is bigger than the next four verticals combined. So the healthcare lobby is bigger than Wall Street and Silicon Valley and big defense and big oil combined. So healthcare bigs write their own rules in 50 state houses and in Washington, DC. And they basically own the White House too until President Trump.

Ron Barshop:

So they didn't own him, but he did upset them quite a bit with a lot of transparency rules and other requirements that tip the apple cart a little bit. But if you'd like the idea of re-election and apparently he didn't, you're going to get knocked off if you don't play ball with the bigs and he didn't. So bigs gain the system and they control the referrals and they monopoly price, and they write the laws and regulations that make the rule book in the monopoly game. So they own the meat, the grinder, the pricing, and they write their own rules. Sweet. So if you have a pricey, ineffective tape worm of a system that serves shareholders, not the rest of us, the bigs are its architect, it's general contractor and it's developer, that unholy mess that we have to call American healthcare or transaction care, not healthcare. Sick care, not healthcare.

Ron Barshop:

So if it's ever going to be changed, like FedEx changed the post office forever and like the web changed faxes and a hundred other things, it's going to be fixed from the outside in, never from the inside out, because it's too rigged of a game board. You can't tinker inside the game board and fix it. So a new system of directly contracted care with employers on a subscription-based digital first model has 25 million Americans. And now with our guest today, a lot of new Houstonians skipping the middles and the bigs and these 25 million are worldwide and I know it's 25 million because I've had their CEOs on my show. So at least nobody knows. It could be 30 million, could be 50 million. I don't really know, but the ones on my show adds up to about 25 to 30 million patients. They're indirect contracted with digital first care. Don't even have a name, don't have any academic studying and never been a book written about it.

Ron Barshop:

But the good news is it's a movement and it's unstoppable. And it's inevitably going to replace transaction and sick care some day because everybody wins in this new model, the patient, the doctors for sure, and the employers. The old gamed sick care system is simply unsustainable and beyond right for replacement. Today's guest is an independent urgent care leader with 17 going on 20 clinics in Medical City USA, that's Houston, Texas. And she's thrived by serving employers in that new model. Houston Independent School District is their largest school district in Texas. They're a client. So they're members along with hundreds of other employers who come to see Dr. Juliet Breeze and her team at Next Level Urgent Care. Juliet, welcome to the show.

Juliet Breeze:

Thank you so much for having me, Ron.

Ron Barshop:

Yeah. Did what I said make sense to you?

Juliet Breeze:

Absolutely. It's a broken system and I think you hit the nail on the head in every way. There's certainly a lot of room for improvement. And there's a lot of people who are chipping away at this and I love your show for giving those people a bit of a voice.

Ron Barshop:

So you sort of discovered that urgent care wasn't your main business in the last few years, when you've set up your direct care tour for employers like the school district and you set up your own labs and you've set up a lot of other things like a digital first experience for these customers. Is that really your main business now, not urgent care?

Juliet Breeze:

I think that it's an evolution. I think that urgent care is very important to the healthcare ecosystem right now, a lot of the biggest cost. So I'm interested in bending that cost curve and look in providing cost-effective medical care that is super convenient and accessible to people. When you look at urgent care, urgent care is a fantastic model in that it takes a lot of the things that had traditionally gone to emergency rooms and we're able to take care of those things. We're open seven days a week or open the long hours. And so we have a lot more access and provide a lot more access and provide it at a much reduced cost.

Juliet Breeze:

However, what I think has been sort of bubbling to the surface is that, yeah, it's great that we're there for those things that would have gone to the emergency room, but what we're really lacking and what I think a lot of people are foregoing in the United States right now is really great primary care because they work long hours or they're working two jobs or they're a dual income family and there's just not time to get out there to the doctors to be seen for their different issues and so they just don't go. They don't go for their primary care or their preventive care. They don't go for their primary care visits.

Juliet Breeze:

And so we realized along the way, "Gosh, we have all these facilities. We have all this access. We are open seven days a week. Maybe it's time for us to also provide those kinds of services so that we can really meet the needs of the community." That's sort of where we've always been focused is let's solve a problem for the community. And initially, the problem was emergency rooms that were too expensive. And now the problem is how do we get cost-effective, convenient primary care?

Ron Barshop:

And cost-effective is the operative word because a lot of folks that are your clients, that are your members, don't have a plan where they can afford the deductible. So if they can take the high deductible plan with a thousand dollars, which they don't have in the bank, or take a membership only that the employer is paying all of, they're going to take membership only every time. Do you find that your members are migrating to your plan versus the legacy plan over time?

Juliet Breeze:

Ron, I'm going to have a lot more information about that as time moves on. We are fairly new in this space. And what I can tell you is that the clients that we started with, and we launched membership urgent care back in 2019, right before the pandemic year, but we actually launched primary care membership in January 1 of this year. So what has happened is that the clients that started with us are super happy. We are having increasing utilization every single month to the point of having doubled our utilization over a very short period of time. So I think that people love the idea of not having to take their wallet out when they come to the doctor but it does take a minute because people aren't used to that.

Juliet Breeze:

And we actually have to do quite a bit of enticing people to come in for the first time or to call us for the first time, because there's so much misgiving about going to the doctor because it's been so painful. It's such a costly experience for people that they're not sure what to believe. So we've had to win their confidence as they realize, "Oh my gosh, really? A virtual visit is covered a hundred percent? A primary care visit is covered a hundred percent? I can get a physical on a Sunday and it's covered a hundred percent?" This is new for them. And so we're really excited about this year. It's been a fabulous experience for us, but to be quite honest with you, I just don't have a lot of data to share. I'd love to come back in a year and tell you how it's gone.

Ron Barshop:

We'll do that for sure. How are your doctors reacting to when they, I'm not going to say transactional, I don't mean to be derogatory, but before they were seeing a patient once, they never knew if they're going to see him again, or I'm not going to say cared, but they didn't know. Now they have a patient who's going to come back reliably and see them and then they're going to bring their kids and their wife and maybe even their grandmother, but they're going to be coming in and they're going to be actually... They're going to have a record. They're going to have a history and you're going to get to know them very deeply. Are your doctors kind of liking that? Are they buckling against that?

Juliet Breeze:

I think it definitely depends upon the doctor. However, all of our doctors are family practice or most all of our doctors are family practice-based so this is a very familiar model to them. I think that they're excited about this sort of new way of approaching patients. However, I will tell you that it's not as crazy or new as you might think, because when we opened, because we were so easy to use for patients, we've had an app where they get in line and we text them when their exam room is ready, so patients have really loved using us for urgent care. And the most common comment we got before we started all of this is, "I wish you could be my primary care

doctor, because it's so easy to use you." And so a lot of families and people were already kind of using us that way.

Juliet Breeze:

Yes, we didn't do diabetes and hypertension, but we did see patients very regularly and their children for all sorts of things that were going on with them. So it's not a completely new model. And I think that most of the physicians who work here are actually looking at it like kind of a neat thing, because quite a few of the doctors that work with us really are... They like procedures, for sure. That's what... Urgent care, we have lots of different procedures that we do. But the thing that really drew them usually to the urgent care model is our wonderful lifestyle. The schedule is 12 hours and they only work usually two to three shifts a week and then they're off for the rest of the time. So many of our doctors loved being family practice doctors, but really wanted to have a little bit of something else going on in their life.

Juliet Breeze:

They wanted to have some time off with their family, or to do something else. A lot of our physicians have really interesting hobbies that they pursue in their four days that they're not working with us. And for a physician, it's really unusual to have a situation where when you're off, you don't carry any kind of a pager or you're not on call in any way. So that's what we offer. So a lot of people were drawn to us, even though they really loved being primary care doctors with regular patients.

Ron Barshop:

So Julie, when you see a patient that's a direct contracted patient versus one who's a paid for through insurance, do you chart differently? Because you don't have to bill and code that. You don't have to pre-authorize anything. You just get it done.

Juliet Breeze:

Right. We do quite a few things differently. One of the things you're right that we don't have to bill and code. We have made a lot. We've made billing and coding in our environment extremely painless and easy. First of all, with the urgent care, I went out and negotiated case rates for everything that we did because I am like you, really against having doctors be barraged with paperwork and administrative tasks. And so really, it doesn't matter whether a person, whether they have Blue Cross or United or Aetna or Cigna or any of these other things. If they come in, there's just one code we bill. So it's actually already super easy for them to work within that system. They just press a button and so whether a person had a hangnail or two broken bones, the charge to the insurance company is going to be exactly the same thing.

Juliet Breeze:

So I had already sort of taken care of that in my urgent care model. So to be quite honest with you, this isn't very different. We still diagnose the patient and so there's a diagnosis on the chart and then they're going to press a button just to close the note. It will be a little different, but it's not substantially different for them.

Ron Barshop:

I'm going to make a pretty unexciting leap of faith saying that a lot of your clients are saying, "Can we get you in Dallas where we have other offices?"

Juliet Breeze:

Oh my God.

Ron Barshop:

"And get you in Austin, San Antonio and the Hill Country."

Juliet Breeze:

Hook me up, Ron. Hook me up. I'm ready. We're ready to expand. We are actually really excited about what we're doing in Houston. We really want to go to other places and do something similar. What we're planning on doing is expanding with our clients. So as we get clients that say, "I wish that you were in Austin," then that's when we make the move to go to Austin. So we're currently examining potential to expand into several different Texas cities. We're hoping eventually to even get out of Texas, but right now, we're going to take it one step at a time. We just know that we're doing something that people appreciate. And interestingly, I've listened to quite a few of your podcasts. You do a wonderful job by the way of sort of really outlining all of the problems in this really crazy industry.

Juliet Breeze:

But I will say that one of the things that kind of has been interesting and difficult is that employers are not quite ready for this. I feel like I'm presenting them a toe in the water because they are not biting off on not having insurance at all. In our model, they still have catastrophic insurance. They can still have a high deductible plan. And what we do is we just come in at the very first level and we say, "Look, just add us as a membership to your plan that you already have. And if you're self-insured, you are going to save so much money because we're going to divert people away from the ER. We're going to divert them away from hospitalizations for crisis care, because we're going to be taking care of... We're going to be lowering your lab costs. We're going to be doing all of these things. We're going to prove ourselves to you."

Juliet Breeze:

And then over time, my long range vision is to do what quite a few of your guests have done in the past, which is start to add some specialties and start to add some things. But right now, really all we're doing is we're saying, "Just let us take care of your primary care needs and your urgent care needs and your telemedicine needs. And you can go anywhere for a specialist visit. You can go to any hospital. You can be in any network or no network. We'll work with you on whatever basis you want to work with us."

Ron Barshop:

If your doctor... Well, yeah, you said it well that not only are ER visits going to drop somewhere between 40 and 60%, if you look at what our previous guests have made claims on, but hospital visits drop about the same. Medication use drops at 20 to 60%. The cost of medications easily drops 40 to 60%. You now have a lower absentee rate and you have a higher engagement rate. So when patients aren't afraid to get on a phone or get on a text and get an answer to a quick

question about pink eye for their kid, or some kind of bacterial infection in their stomach, or something simple, they don't miss work. And there's literally all kinds of savings and dividends to point to when an employer signs on with you all and in a year to two years, you're going to have the data to support those patients that are still with a legacy plan versus those who are utilizing next care urgent. And so you'll be able to say, "Well, look, we weren't kidding about these savings. These are real."

Ron Barshop:

And eventually, I suspect the teacher and the bus driver and the cafeteria worker are going to talk to their fellows who are using you and they're going to say, "Wait a minute. No copay, no premium, no deductible. Really? I just got a raise, man." It's \$400 a month, \$500 a month raise or \$20,000 a year raise if they're a family. That's significant.

Juliet Breeze:

It really is. And if you see what some of these employees are having to pay for these emergency room visits, they don't know that there's a different option. So one of the things that we put in place is our care navigation system and again, this is not a new concept, but people need someone to give them guidance. So we made a very simple way of... They just literally push a button and they get immediately hooked up with a care navigator who can answer anything for them, whether it's, "I don't know if I should go to the urgent care or if I can do this on telemedicine or do I need the ER?" It's very confusing for the consumer right now as to how they get taken care of. And we're there to help them to make the right decision and also the most cost-effective decision.

Ron Barshop:

So what are you most proud of in this past year since you've created this new baby?

Juliet Breeze:

Oh my gosh. I am actually really proud of my team because you asked the question, "What do your doctors think?" Certainly, we didn't start out this way and I could have had everyone push back on me and say, "What the heck? You told us we were going to be in urgent care. And now what are you doing with us?" But that's not at all what happened. Really, people are very excited about offering a solution to a system that all of us know isn't a great system. And so I think what I'm most proud of is that this has not been something where I had to beat everybody into submission. Everyone has been thrilled to come along on the journey. They've been very excited about all the new changes.

Juliet Breeze:

And as you know, I have 520 employees. It's not easy to introduce change usually. And so I feel like if all of these people know this is the right thing, this is a good thing. And of course, they especially feel that way because they get this membership. I buy this membership for them, so they all get free healthcare. They're pretty happy with that. And I know you know that really helps with retention. It really helps with employee happiness. Everybody seems to be on board for that reason.

Ron Barshop:

I've had this program in my company now, much fewer employees, but nobody has left the company. There's been no turnover, except when people physically had to move out of the city. I've been able to recruit very easy with free healthcare. It's like a no brainer. I used to have to interview to get four MAs, 60, and today I interviewed five and then I'm done. It's not a half a day process anymore. When I see my employees, I used to talk about mission and values and all this other garbage. You know what? I talk about now, "How's your husband's pink eye? How's your kid's flu? How are you coming along? Did you call the doc about that issue you talked to me about last time?" So it's a whole different vibe with me and my team. I know what's going on in their health, if they want me to and they let me know that they're using these products and these services and they're delighted. So it's really very cool. I can never mention going back.

Juliet Breeze:

It really is. I did a survey just recently of my employees and asked them, "Is the fact that we offer these free healthcare services a factor in your decision to stay at this company?" It was nice. A lot of them said "Yes, but I love being at the company, but if the question is, 'Is this an important benefit to me?' Then the answer is yes." And we got that. It was an amazing number of people felt that that was a very important factor in their decision to either come on board or to stay on board with us.

Juliet Breeze:

And so I can't overstate the value. And so when I talk to employers, a lot of times, employers are really... They're hesitant. They've heard a lot of stories. They've had people tell them how they're going to save money doing this and that. And a lot of it is just not... It's just not true. And so when I go in and say, "Look, there's nothing up my sleeves. I'm just going to set this very low member per employee per month price. And your employees are going to be able to come and use this without any additional payment." They do get worried that this is somehow some sort of the next scam.

Ron Barshop:

Yeah. Too good to be true. Sounds too good.

Juliet Breeze:

Yeah. So I'm excited to basically just get some time under our belt, because really, the more time that goes by and our clients are still happy and our employees are still happy and everyone is enjoying the benefit of this, I think that we'll have an easier time. I think the discussions will come easier. I think right now it's just a little bit new and there's quite a bit of hesitance to give it a try.

Ron Barshop:

So let's talk about who's actually using direct contracted care, these 25 million. You can't name a tech giant that isn't doing it now. So Apple, Facebook, LinkedIn, Intuit, Google, Amazon, they're all using direct contracted care and they're early adopting it, meaning they're not doing it for the whole company, but they're trying it out and they're having nothing but success with it. There's

no hiccups. So some were using third party contractors. Apple's trying to do it themselves. But in the end, Apple just made a claim and it was buried in a Wall Street Journal article this morning.

Juliet Breeze:

I saw that. Yeah.

Ron Barshop:

91% hypertension reduction using their app and their primary care direct clinics in their own offices. 91%, that is unheard of if they're actually pulling... That should have been the lead in the story instead of Apple's trying something new.

Juliet Breeze:

Right. Right. Right.

Ron Barshop:

That changes America if you can reduce and eliminate chronic disease like that. So the cool thing about this is you have a lot... And by the way, Walmart's doing this for their employees, and I could go on and on. Caterpillar. It's a long, long list. A third of the Fortune 100s are doing direct contracting for their employees. So you're not selling some new-fangled Apple wannabe, or some new fruit that you got to explain it. It's an old concept. It's a doctor-patient relationship with a lot of the middle stripped out.

Juliet Breeze:

I think what's new is that now we're selling it to smaller companies and companies that have not seen this model, or don't fancy themselves innovative companies. They're not the tech forefront companies. These are just companies that are watching their health insurance bills go up and up and trying desperately to figure out what to do about that.

Ron Barshop:

So we'll make you an offer.

Juliet Breeze:

Yep.

Ron Barshop:

I'm going to make the same offer. I've paid a lot of my guests.

Juliet Breeze:

Okay.

Ron Barshop:

If you have any interest in bringing one of your employers, who's got a year's experience and wants to talk about it on the show...

Juliet Breeze:

Oh, wow.

Ron Barshop:

We've had a large drywall contractor, one of the top 10, talk about how it's completely changed his business model and he never loses craftsmen anymore. We've had basically the cable company and wireless company in East Texas. Both laugh when I say "Would you ever go back?" Because they're talking the savings are just massive. And pharmacy, imaging, labs, everything you talked about earlier...

Juliet Breeze:

Right.

Ron Barshop:

They're shaving all these costs and they've got a healthier population. And guess where the only meat plant that didn't have to close during 2020 pandemic? It's in East Texas, and it's doing this exact same model.

Juliet Breeze:

Wow.

Ron Barshop:

Except they have the doctors on site. So it's a beautiful solution for America. It's a beautiful solution for small and large employers. And I tell everybody, "Come on over. The water's nice. It's not so scary."

Juliet Breeze:

That's right. That's right. Well, I think a thing that's interesting to me is how this is all going to shake out in terms of virtual care versus in-person care. And that one of the things that is a little bit different about what we've been doing here is we are truly a hybrid model. So we certainly encourage people to use virtual care when it makes sense, but because we have physical locations, we have lab and imaging available, we really encourage our doctors to make the right decision for the patient. So if the patient starts on a virtual visit, and then we determine that it makes more sense for them to be seen in an office setting, then we just simply put the virtual visit on hold and let them know that we can start right up. They don't have to miss a beat. The story's all there and they'll come in and get their x-ray or get their lab or whatever it is that they need without having to restart the visit because it was done on a disparate system.

Juliet Breeze:

So that's something that I think some of these larger companies are experimenting with different things. There's a lot of companies trying to go fully virtual. That's something... We're not doing that. We're kind of doing this hybrid model.

Ron Barshop:

A few more questions. Are you being discriminant about what size employers you'll talk to?

Juliet Breeze:

Right now, the smallest employer that we have, I think has 14 employees and the largest employer that we have, it has several thousand employees. So of course, Houston Independent School District with their urgent care membership has 31,000 employees. So that's certainly the biggest one, but no, we will work with any size employer.

Ron Barshop:

Okay. And how many members do you have today and how many do you think you'll have in, say three years from today?

Juliet Breeze:

Well, like I said, we kicked off in January and I really wanted to start slow because I wanted to make sure that all of our processes were good and that our earliest clients got a really great experience. So I didn't try to just kill it with tons members. Right now we have close to 5,000 members, but just in the next few months, we'll be adding about 10,000 more. So we've got it down now and we're going to start adding at a pretty healthy clip. But that's just because I've done some things in the past and it's always nice to give yourself a little bit of room to work out the kinks before you go full bore.

Ron Barshop:

Congratulations.

Juliet Breeze:

Thank you.

Ron Barshop:

And Juliet, if employers want to find you, what is the best way to reach out to you?

Juliet Breeze:

They can reach out directly to me. My email is jbreeze@nlucc.com. And we're looking forward to serving the employer community.

Ron Barshop:

And Breeze is just like it sounds.

Juliet Breeze:

Absolutely, just like the wind.

Ron Barshop:

And then if you could fly a banner over America, you know this is my final question if you listen to the show a lot, what is your banner going to say?

Juliet Breeze:

I tried to look back and see if anybody has said this. I'm sure they've said something like this, but I say this all the time so I think that this is what I'll go with. Health insurance is not healthcare.

Ron Barshop:

Yeah.

Juliet Breeze:

Health insurance is not healthcare.

Ron Barshop:

Yeah. Yeah.

Juliet Breeze:

And that's where I stand. And I just want to be providing healthcare for people at this point and have people stop pretending that they're giving their employees something when they're giving them an insurance policy.

Ron Barshop:

Well, I wish you nothing but good luck and success and a safe journey, but I'm struggling with what to call this movement because it doesn't really have a name. What would you call this? I call it direct contracted care. I call it digital first care. What do you call it?

Juliet Breeze:

Yeah. I think when I refer to it, I always talk about... Yeah, I always talk about direct contracts. I think that that's the simplest way and it's the way that people understand. Certainly, any time you talk about direct relationships excluding middlemen, I think you get people's attention these days.

Ron Barshop:

All right. Well, thanks again. And we'll talk to you in a year.

Juliet Breeze:

Absolutely. Thanks Ron for having me.

Ron Barshop:

Thank you, Juliet.

Juliet Breeze:

Bye-bye.

Ron Barshop:

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