

# Primary Care Cures

## Episode 161: Tom Gentile

Ron Barshop:

We started this podcast three months ago to Sherlock a crime scene and answer this question, what cures primary care and the broken American healthcare system by extension? Well, together on the show, we solved the crime of wealth care versus poor care, and we found a fix to the mouth of the Nile, with self-insured employers funding direct primary care, fix the mouth of the great river of care, and downstream works out way better. And direct contracting primary care in surgery created in '93 coincidentally together, drove cash pay imaging, and labs, and specialists. And this movement, maybe it fixes everything, by skipping the bloated middles who extract only, adding nothing. Direct primary care is the foundational subset of direct contracts, which we talk about on this show all the time, and it seems to be an unstoppable movement funded by employers who care about retention and retraction. For employers who care about retention, and attraction, and engagement, and who doesn't? And for consumers who want to escape low value American sick care.

Ron Barshop:

Is it really a movement Ron? Well, let me make the case for that. You decide. We have 153 million Americans working today, and a hundred million of those are with self-insured employers. Mostly jumbos like today's guest. And 30 million Americans of that a hundred million strong are in direct contracting. Now, I'm estimating just based on the guests we've had on this show, it's got to be more than that. But 30 million Americans in direct contracting have to be supported by at least 20 to 30,000 PCPs who have opted in by opting out of the tyranny of collection centric, electronic health records versus the new consumer centric EHR that actually can answer a simple question. Hey, what's working in a pandemic, in actual primary care clinics to eliminate the needless death and avoid dangerous, dumb hospitalizations where family is not allowed? Where the hospital hurricane of complexity has led to the number three cause of death in America after heart and cancer. Medical errors, they're number three. And hospital systems who have burned out half of all our new nurses every five years that is also hardwired into their business model.

Ron Barshop:

So the big systems are ground zero for these mistakes that not only kill people, but are disabling almost four million Americans every year. So if advanced primary care physicians can use NextGen EHR to see what's working to reduce the hospitalization and ER usage. And if Legacy EHR answers a different question, how do I get paid? Or more accurately, how do I get delayed or slow played? In this movement, we have 60 free market surgery centers, 600 independent surgery centers, free market surgery, prices out about 40% to 80% less than the legacy surgery centers. And it has all in bundled pricing found almost always on page one of their websites, the complication and infection rates are almost nil in most of these cash pay surgery centers. So let's go and call them what they are, they're likely centers of excellence of the caliber of other centers

of excellence. And 1700 independent imaging centers are in every Metro and they're also 40% to 80% lower costs than the big charge, no facilities fees. And every lab, every specialist, takes cash, so networks are beyond broad, they're not narrow like the old failed HMO days.

Ron Barshop:

The ROI on DPC is often we find, one to one year one, which means it's free, pays for itself. And it goes up to three or four to one ROI in the subsequent years as it finds its footing steering members to high value care that I just described. We see on this show, so many more benefits from going direct and this cash pay care economy. One, the scaling of DPC, we now have several companies who have scaled DPC nationally for jumbos and tiny employers alike. So if you listen to our podcast, you're going to hear from companies like Premise Health and MediSan Everside Health and Crossover Health, 98point6 and Marathon, Redirect Health. These are all companies serving most of the 50, if not all, 50 States. Benefit two, eliminate the poverty cycles using the savings from direct contract healthcare. Every Metro, every community has an alpha donor. I'm recording this from San Antonio, Texas, where our guest has some manufacturing, but HEB would be the big donor with a big heart here.

Ron Barshop:

In Orlando, you've met Rosen Hotels through the show who gave us hope in two school districts. And now every poor student in the bottom 10 decile percent, has the same odds of graduating college or vocational school as the wealthiest kids in the upper decile percent. And they did that with almost half a billion saved over the last 30 years using direct care, they brought on site. Benefit three, eliminate turnover, 80%. We have had two guests, including Rosen Hotels who have eliminated turnover or reduced it, I should say by 80%. And that also helps with retention and attraction, engagement with no deductible, low deductible, low premium copay health care. So you'll hear the cold Johnson Show our most downloaded show by far, the PJD drywall, the fifth largest drywall in the country at Rosen Hotels, as I said, did the same, 80%. Get most meds for pennies or pills, the art of skipping PBM, tyranny and rebates and legal kickbacks. You heard ScriptCo.

Ron Barshop:

So mentioned here already free market surgery, we're going to go past that, but we've had three guests that are CEOs of that end scaling cash pay imaging with green imaging. You can hear that show. The show that we'll end this little litany with is that the States that are underfunded in their pension are trillions behind. And the federal governments even pull a hundred trillion behind with a T problem with billions of newly discovered healthcare savings. We just taped a second Chris Deacon episode, so you can listen to Chris in the State of New Jersey talk about how she saved 1,000,000,005 for that State using these strategies. So you can eliminate false imaging reads, that's another huge thing. Ron [inaudible 00:06:23] signed on Walmart because they didn't want to have that imaging reads, but we'll get these links to you on the show notes today, so that you don't have to dig around in our episodes to find these things.

Ron Barshop:

But we're basically a movement, 30 million strong, and we're living in a future where everybody wins. The evidence to me that it's unstoppable is happening every day. Amazon Care jumped on

this bandwagon and they've added Hilton and Precor to their Amazon Care model, which has indicated it's more than just a consumer play for Amazon. Teladoc has launched Teladoc 360, another recent edition, and they immediately announced 11 Fortune 100s. So the biggest telehealth company in the country, instead of platforming for people like the US government they are now performing virtual primary care for employers. It's the same thing we're talking about. Meta Facebook, Google, LinkedIn, Intuit, they're all adopting this model to serve their employees. In other words, our most employee competitive industry tech is fully awake to this new normal that high valued employees expect digital first onsite or near site care or both.

Ron Barshop:

And Legacy Care, I think has been a great ride, but I think it's walking dead or dying or a dinosaur. I think the model of the bigs is in big trouble over the long haul. So big tech HR discovered this retention miracle that is direct contracting like Rosen, like the Drywall company, like four or five other guests we've had. So I've learned how much easier it is, myself in my small company to recruit and retain a player talent when I offer free or low cost high value healthcare. So this model changes everything. And several DPC hybrids are now public, like one medical who serves Apple and that's their biggest investor. So if dozens of our CEO, guests only represents 30 million by my head count, there's got to be way more than 30 million out of that a hundred million of self-funded employers that are on this movement bandwagon. So it's not fully formed movement and that's okay, it's in its early days. We're like the iPhone one or two today, but stay tuned and we are getting organized.

Ron Barshop:

So well, you and me saw this crime together on this show, but the sherlocking will always evolve. Can't wait to watch this movement take over, replacing the misery and tyranny of our uniquely American design, sick care, destroying our treasure, our national unity, our communities, and our health to benefit a few suits and a few shareholders, but not the rest of us. This direct contracting is a future where everyone wins. Today, we're going to meet another early adopter Spirit AeroSystems. It's a \$7 billion revenue company with almost 15,000 employees and Tom Gentile as its president and CEO. They are the largest manufacturer of airframes, also known as Aero structures. So thank fuselage, wings, panels and that stuff for commercial airplanes, for defense, for business and regional jets. Their genius is not only understanding every aspect of aluminum, but all the advanced composite manufacturing solutions for Boeing, Airbus, Defense Contractors, and aftermarket commercial and private jets.

Ron Barshop:

Their HQ is in Wichita, Kansas and Spirit has facilities throughout the United States, France, Malaysia, and Casa Blanca Morocco. So that makes them a cool company. Okay, with Dick Gephardt, Tom wrote a piece in the CEO Magazine a few months ago, announcing they too have joined this direct contract movement. They call it concierge primary care. Welcome Tom Gentile to our show.

Tom Gentile:

Thank you very much, Ron. It's a pleasure to be here.

Ron Barshop:

Well, any comments before we get going here?

Tom Gentile:

Well, I think you've outlined the challenge, which is that healthcare is broken in our system. And we were trying to find a solution that would bring better healthcare outcomes to our employees and keep them healthier during their working careers.

Ron Barshop:

So what has changed recently for the Spirit employees and their benefits?

Tom Gentile:

Well, it goes back to a few years ago, we were looking at one of our plants and we had a challenge there with our benefits cost. And it was impeding us from continuing to grow and win new work. So overall as a company, we had started the shift toward high deductible healthcare plan. And that was just so that we could lower our healthcare costs, lower the acceleration of the increases each year and try to remain competitive in our very highly competitive global market in the aerospace industry. And so what we decided though is while we were making this transition to high deductible healthcare plans is we also wanted to have an offer to our employees for better healthcare outcomes.

Tom Gentile:

And we came upon this concept of direct primary care, and we came through it, through a couple of different partners that we've implemented in different places. But essentially the idea was, is that we would provide basically Spirit clinics with doctors dedicated to Spirit employees, primary care physicians, dedicated to Spirit employees to provide a better level of care that could deliver better outcomes. And the employees would get this as they made the transition to the high deductible healthcare plan. So it was the way to provide them with a better service that would help offset some of the increased costs that they would experience from going from traditional healthcare plans to these high deductible healthcare plans, which we needed to be competitive.

Ron Barshop:

Well, I live about seven minute drive from your Spirit clinic in San Antonio, Texas. I'd love to be able to get a tour with one of your folks to see what they look like. I literally almost could walk there. So let's talk about the savings, is it two... Oh, go ahead.

Tom Gentile:

Yeah, well, we're very excited about the facilities that we have created in a couple of our different markets. And these are facilities which are a hundred percent dedicated to Spirit employees and their families. And the doctors come in and that's a different model for them, instead of having upwards of three or 4,000 patients, they have between 800 and a thousand patients. So they can spend more time with each of their patients and deliver a better type of care.

Ron Barshop:

Very nice. Is it only primary care or do you include mental health or occupational health in that offering?

Tom Gentile:

Well, it's focused on primary care and we call it concierge primary care is the way we have branded it. And what it is, is we have dedicated primary care physicians to our employees and their families. And as I said, they average about 800 to a thousand per physician. So they can spend more time delivering better care. We also have healthcare guides to help people manage long term issues, such as diabetes or heart issues, blood pressure issues. So we have these healthcare guides that can help the patients navigate those things. So it's not just primary care, we try to add some other services to it. And at the clinics there, you have the physicians, of course, these are dedicated clinics in Wichita, for example, it's a brand new state-of-the-art facility that was built from scratch for the concierge primary care.

Tom Gentile:

And we include things like lab work that you have, so you can do all of the basic blood work. We have all the basic pharmaceuticals that 80 or 90% of the basic things that people would normally need. Those are on site. We have some basic imaging like digital x-ray, but also we have contracts with local imaging centers so that you can do more advanced imaging like CT, PET, MR, ultrasound, those sort of things. And then in addition, we also have facilities and negotiated packages with providers that provide high volume procedures like hip replacements or shoulder replacements, those kinds of high volume procedures, where we can offer it basically to our employees for zero. So we negotiate volume discounts and it's a win for the provider, it's a win for us because we get a lower cost and it's a win for the employee who often get those services for free. So that's the basic elements of the package on concierge primary care that we've been providing.

Ron Barshop:

So if you bent the curve on your spend have you actually created any savings yet, or is it too early for that?

Tom Gentile:

It's a little early, but we are seeing some good results. So first of all, the feedback from employees has been outstanding. There was some trepidation at first with a lot of employees or their families, they said, "Oh, I've had my primary care physician for many years, I don't want to change." A lot of reluctance to change, but we gave people flexibility so they could stay with their primary care physician if they wanted to, but of course, then they would have to pay a fee. If they came to our concierge primary care facility, it was either no fee or a very negligible fee. But once they got there and they saw the difference in the service providing model that we had, they loved it. And so the first thing is the feedback has been outstanding. The second thing is we are starting to see some improvements in the care model.

Tom Gentile:

So for example, we looked at number of days absent from work, for example, or number of emergency room visits, or number of inpatient admits to hospitals, the length of hospital stays, the number of repeat admits. And we are starting to see some improvements in all of those measures. Particularly, for example, in terms of emergency room visits, what we encourage people to do is call their primary care physician and get their answers from them as opposed to going into an emergency room. Or we encourage people to go into predefined, urgent care clinics. We've seen a 70% reduction in emergency room visits, which are a very high cost for us. We've also seen an improvement in the time that people have to leave work, in other words, absences. We've seen a 15% decrease in hospital admits, over a 35% reduction in outpatient admits to hospitals.

Tom Gentile:

So we are seeing some behavioral changes right away. It's still early in terms of seeing some of the clinical benefits. So if we look at incidents of diabetes or hypertension or things like that, it's a little bit early to see some of those improvements. But we are tracking those, we are looking at things like BMI index and hypertension and diabetes and blood pressure. So we are tracking those, but it's a little bit early to see the clinical improvements, but we are seeing the behavioral changes, which are driving some cost improvements for us overall.

Ron Barshop:

Well, and it's a natural conclusion logically to think that if I am one of your chronic employees, I don't want to call them chronic employee, but they're employed with a chronic condition, like those you've mentioned. They probably, with their high deductible were not accessing the care or the medications they needed to stay consistent, or actually start thinking about even lifestyle change to reduce their condition. So the beauty of this is you've eliminated money friction, and time friction for those folks.

Tom Gentile:

Absolutely right. They can contact their physician and get answers to their questions immediately. We even have a HIPAA compliant texting application, which I use myself, my family uses it. And if I have a question, I can just text off a note to my primary care physician and get an answer virtually immediately, which means I can get the kind of care that I need or some changes in behavior that might be required. And so that's happening now yeah, much more frequently. And we're also seeing that people are able to get guidance, as I said, from these healthcare guides on chronic conditions like diabetes or hypertension. And so we focus on things like compliance. Are you taking the drugs that you've been prescribed? Are you making the lifestyle changes that you're supposed to make? And the guides can help coach people through that whole regimen. And that we see and are starting to experience better outcomes as a result from all of that guidance and coaching.

Ron Barshop:

I love asking this question, but can you ever imagine going back to Legacy Care or the way you used to do this high deductible rollout, can you imagine going backwards now?

Tom Gentile:

We certainly wouldn't want to, I'd say our employees really value the concierge's primary care. They see the benefit, they've experienced it now, and I don't think they'll want to go back.

Ron Barshop:

Okay. Nor would you, I imagine?

Tom Gentile:

No, for sure not me. For me, in my career, I have traveled around a lot. I've lived in different countries, moved around the US quite a bit. I've never had better primary care than we have right now in Spirits concierge primary care system.

Ron Barshop:

Oh, that's a big statement. Thank you. So I know in a company like yours, you're going to have a good team to run this program and grow it and expand it. Is this taking a lot of your time and bandwidth to do this, or is this somebody else's chief responsibility and what does that look like in your company?

Tom Gentile:

Well, we have a team, our HR team is really the lead on this, and they've been managing the interactions with our primary care physicians and our service providers and all of the ancillary functions and services that are involved. So for myself, I was involved early on in terms of laying out the concept, negotiating the original agreements with some of the providers, talking with our unions and getting their buy in, working with our board member, Dick Gephardt to do that. So I was heavily involved in the early setup of this, but in terms of the actual implementation and ongoing management of it, my role is much less. It's really our HR team that has the lead on that.

Ron Barshop:

And for those of you who are too young to know, Dick was the speaker of the house for the House of Representatives for many years. Well regarded leader.

Tom Gentile:

Yes. Congressman from Missouri. And he served during the 80s and 90s and was senior leader, as you mentioned, during the Clinton administration.

Ron Barshop:

Well, you brought a super interesting point, Tom is that labor unions actually are going to be friendly towards something like this, aren't they?

Tom Gentile:

Well, yes. I think when they saw the opportunity to get a better service, despite having to pay a higher cost with a higher deductible healthcare system, they were very receptive to it. And I think the feedback once they got into it has been outstanding. They really appreciate the higher level of care. They appreciate the ability to get drugs on site, the imaging services, the lab work,

as well as these procedures, the high volume procedures, that has been a big hit. And so the feedback from the union employees has been very strong. It's always a difficult discussion when you move to a high deductible healthcare plan, but in this case, by providing a better service, we've offset some of the concerns that resulted.

Ron Barshop:

So typically a company of your size, almost 15,000 and across so many countries is going to roll this out as an option, you can pick DPC, or you can stick with the HMO or the PPO if you want, and you can keep on your doctor, but it's going to cost you more. How is engagement looking? Is it trending in the direction you're happy with? Is it taking a while to get people to understand something like this?

Tom Gentile:

Well, I think it's going in a good direction. It does take a while to get people to understand it. And we've rolled it out now in several different sites. And the take up is always positive and moving forward, but people do have to get used to it. And I think the more they learn about it, the more feedback they hear from their coworkers, the more excited they get and the more receptive they are to making the plunge and trying it out for themselves. We do offer the option, in most cases for people to take this or something else and so it has to stand on its own merits and I think it's doing a good job. People see the advantages of it in terms of access to primary care physicians and the type of care they receive, and they are making the choice to adopt it.

Ron Barshop:

Yeah. I had to literally go to employee to employee and talk to them about why they're still waiting in a Medicaid clinic for their pink eye script for half a day. They're missing work. I said, "I want you at work, you're more valuable to me here than you are standing in line, waiting for somebody that's going to see you for five minutes." So I literally took an employee by employee at work. I had a hundred percent engagement in a very short time. Let's talk about how Spirit's going to expand this idea of direct contracting as you move forward. Do you have a two or three or five year outlook on what this blueprint looks like to roll it into more expanded services? Or what is your plan there?

Tom Gentile:

Well, one is expanding to the sites. We have still several sites that don't have this yet, but we've started the early planning to transition it to some new sites. So that's one thing. The other thing is continue to increase the penetration at the sites where we have it. And so there's active engagement with employee groups who have not yet made the switch. And then it's also, as you said, to continue to look at how do we expand the services? So for example, one thing we introduced at our Wichita clinic was handheld ultrasound and handheld portable ultrasound. And this was a new tool that we wanted to give to the physicians, so they could use it in their delivery of primary care services. And so they're learning about what are the best applications for that and expanding it in terms of their practices.

Tom Gentile:

We're also looking at ways to communicate better with employees and their families that are patients and attend primary care. So, as I mentioned, we introduced the HIPAA compliant texting app. We've also started to do virtual tour, virtual primary care visits, that started during the pandemic, but it's continuing and people like it. So those are just a few of the things that we're doing to increase the distribution to different sites, expand the penetration, and expand the services where it currently exists.

Ron Barshop:

I just had lunch with a young doctor who carries the handheld ultrasound with him everywhere he goes down. He says, it's basically a stethoscope on steroids. You can see so much more and learn so much more with these little devices than... And it's only a couple thousand for the doctor, it's a great add-on for their practice.

Tom Gentile:

That's exactly right. They like it. And they're just learning all of the different applications that'll help them improve their care to their patients.

Ron Barshop:

All right. So I mentioned, at the top of the show, Chris Deacon. She is going to be back on another show just after this one. And she's no longer with the State of New Jersey, but she saved 1,000,000,005, which is a record as far as I can tell, rethinking benefits. So she left New Jersey early, and she said in the second interview, y'all will hear later guys, that three to 4 billion was left on the table of a \$9 billion spend and potential savings of the healthcare spend for New Jersey. So by her estimate, they're spending still a lot more than they need to be, but she also told me a few days ago, something that I want to end as my final question for you. And she said that she looks forward to a day when the hero's journey of joining a movement, like direct contracting, like direct primary care, like your concierge program, aren't celebrated on some kind of show like this, or some cool Zoom panel, but it's an everyday thing.

Ron Barshop:

Like if you were to publish this article in CEO Magazine in 10 years, it would get a yawn, is her hope. So what's your message to hesitant CEOs and CFOs until we get there?

Tom Gentile:

Well, we have found that concierge's primary care, direct primary care helps improve healthcare outcomes, which is important for employees, but it's obviously very important for employers to have a healthy workforce. And we are starting to see a change in behavior, which is bringing down cost. And we're also seeing the early signs of some improved healthcare outcomes for our employees. So overall it's been a very successful transition. We look forward to expanding it. And I think companies that haven't yet tried it, ought to consider experimenting with it. It's something that works, and as I said, the feedback from employees has been absolutely outstanding. So we're very happy with it.

Ron Barshop:

Very nice. So the water's not cold, the water is warm. Okay, great. Well, so thank you, Tom. Do you have any way that folks would get in touch with you if they want to reach out and learn more about this program? Are there some folks in your company they should contact?

Tom Gentile:

Yes. They can contact our chief administrative officer, whose name is Justin Welner. He's been instrumental in helping develop this concierge primary care program for Spirit. And he'd be happy to talk to other people who are interested in exploring something similar.

Ron Barshop:

Great. And then if you could fly a banner over America with one healthcare message for all, what would that message look like?

Tom Gentile:

Well, primary care is about 80% of the type of healthcare people need. And if you can get a better primary care delivery and concierge primary care, direct primary care does do that. You can definitely improve healthcare outcomes and you can bend the healthcare cost curve as well.

Ron Barshop:

Great. Okay. Thank you Tom for joining our show and we look forward to another conversation in a couple of years as you develop this.

Tom Gentile:

Thank you Ron. Pleasure being here.