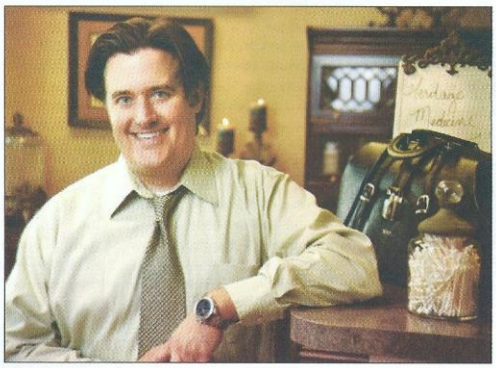
PRIMARY CARE

Solo Practitioner Tries Lean Business Model for Primary Care

BY JANE EHRHARDT

A year ago, as the economy faltered and single-physician practices fell to the lure of health system buyouts, Matt Parker, MD, put his wallet where his philosophy is and opened a solo practice. "Because everything is changing, that's exactly *why* I did it," Parker says.



Matt Parker, MD

Driven by the federal Affordable Care Act, Parker predicts employers will shed their healthcare coverage over the next two to three years and, with exchanges not yet in place, large numbers of previously insured people will become uninsured. Parker is not alone in this belief. The Congressional Budget Office recently predicted that 20 Million Americans will suffer this fate within five years.

Parker hopes to fill their medical needs with low-overhead primary care services. "I might be dead wrong about this, but I sincerely believe that good quality primary care delivery does not have to be expensive," Parker says.

Parker opened Heritage Medicine in April of last year. He rented a storefront in a shopping center on Highway 280 with one full-time employee – his wife Kelly – to serve as receptionist, clinic manager, and medical tech. Six months ago, he hired a full-time receptionist/medical tech/billing and coding specialist. Last month, he hired a part-time medical tech. "Everybody here does multiple jobs, myself included," Parker says, listing giving injections, drawing blood, and putting together charts among his job duties.

The clinic contains two exam rooms, reception area, triage room, procedure room, and "a small closet of an office for me," Parker says. Keeping the overhead to a minimum, the practice harbors little equipment beyond what he could fit into his doctor's bag.

"But [the lack of high-priced diagnostic equipment] hasn't been much of an issue," Parker says. Because before he opened Heritage Medicine, Parker negotiated the same rate as Blue Cross with the labs and imaging centers in the area. Without his intervention as a physician, those ancillary services (like blood panels) could run his patients $500 or more. But through negotiation, his patients are charged $150, just as if they were insured. "They pay me, and I pay the lab," Parker says. "I don't make money on labs, I only charge patients for what I do." It costs $50 to walk in his door.

That's the crux of Parker's mission: to thwart the current medical models structured by third-party payers where procedures are imperative for the financial stability of a practice.

"I don't own an x-ray machine, because for the vast majority of what I do as a primary care physician, I don't truly need it," Parker says. "It doesn't really aid in the diagnosis or treatment of the patient's complaint, and it would only serve to increase the cost of their visit." Parker instead chooses to refer the occasional patients who require diagnostic services to the board-certified radiologists instead. He says one reason primary care physicians have chosen to invest in that kind of equipment is not necessarily to provide better care, but because reimbursements decreased for visits.

"We're still paid well for procedures. But to add income from procedures, you

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have to add to overhead. And so you have to increase utilization of that equipment or that procedure to justify the cost," Parker says.

The normal business model for a solo practitioner would fail under the explosive growth of urgent care clinics, Parker says. "They're the apex predator in the insurance market here. They are built to maximize the efficiency with which they are reimbursed from insurance. So you have to do something unique, because you'd never have pockets deep enough to compete."

His lean business model is "my own angle derived from my own personal interests," Parker says, who's spent years working in urgent care and as a locum physician in Alabama. "I've had a lot of different clinical experiences and I've seen a lot of different models of primary care."

For his own practice, he puts prevention at the core. "If we just treat the blood pressure and not why they have blood pressure, then we're missing the point." His initial visits can sometimes run an hour.

Prevention tends to run toward lifestyle changes, vitamin regimens and weight loss, as well as medication transitions from antidepressants and sleep aids to hormone therapy. "Heritage Medicine is now starting to identify different collections of symptoms that we previously called syndromes but are actually elements of underlying diseases," Parker says.

The weight-loss program he developed results in a 25-percent loss of excess body fat each month, he says. "A lot of it is based on stuff that's out there already. I didn't invent the way people lose weight. I just try and teach them what I've learned from experience. I'm just not that smart," Parker jokes.

He also does house calls, recommends Old World and Native American herbal medicines, performs aesthetic procedures, and sells a physician-grade line of vitamins. "We'll do floors and windows if we have to to keep this practice going," Parker laughs, though 95 percent of his income derives from the copays and cash from the primary care services.

"I'm exhausted," Parker says. He works four primary care part-time jobs outside his own practice. "But I need to know for my own benefit whether this will work, because what's happening in medicine is killing primary care. And I need to know it still can be done."