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Easing that other pain

Hayden doctor trims overhead, saves patients money

It's been five years since Dr. Richard Samuel started the experiment. The difference is apparent just in walking into his small Hayden office. Those with appointments are taken back immediately -- no waiting -- and Richard appears within moments.

He doesn't duck out after a few minutes but stays for a long, thorough chat, covering the problem at hand and addressing anything else that could lead to concerns down the road. Finally, patients pay up front, at a price the office touts as roughly 30 percent below what's typically charged at other private practices.

"We call it focusing on the four 'Cs': Cost, convenience, compassion and comprehensive," Richard said during a lunch break in his office.

Emphasis on the cost part. "In the last five years, we've probably saved our patients half a million dollars," the physician estimated. It isn't flawless, Richard's cost-effective business model, which he acknowledges bumps down his own salary and deprives the office of advantages some people might not want to go without.

Nor is it for every doctor. All Richard knows is he's a lot less stressed at the end of the day than he was at his old practice. And that he provides affordable health care to a lot more clients who are uninsured and underinsured.

"Medical care is expensive, and I saw a lot of people couldn't afford it. I wondered, 'How can we increase our access for patients when they can't afford it?'" said Richard, a board certified family practitioner who lives in Post Falls. "I was ready to try something radically different."

Hence the experiment. The heart of his new business model is slicing overhead, he said, to pass the savings onto his patients. They don't advertise, for instance. And staff is small: Just Richard, a full-time nurse and Richard's wife Donna, who acts as receptionist and virtually anything else needed.

"It's a way to keep the costs down -- seriously," he said with a smile at Donna, seated across from him. "She's got to be a 50 percent discount on the going rate for a receptionist."

One detail makes the biggest difference: Patients bill their own insurance agencies. "That's a major cost," Richard said of negotiating with insurers. There are the hours tied up on the phone, on the computer and filling out paperwork, he said. And even the cost of storing boxes upon boxes of files adds up fast.

"By not billing insurance, we're losing the cost of a phone line, hardware, software, a full-time employee," Richard said. "And I get more time with patients. Dealing with insurance draws so much time from patients. There is a risk of cutting corners and missing something."

Doctor 1

He got the idea, he said, after separating from his former partner at his old practice in Post Falls, where he had worked for six years.

"We decided to simplify our lives and simplify the lives of patients who don't have insurance or have very high deductibles," he said of himself and Donna, both in their early 50s.

And the Samuels do offer some deals. Fifteen minutes with Richard to treat a sinus infection will cost about \$63, Donna said. Three other private practices in the county charge upward of \$100 for the same, one charging \$160. Treating a bladder infection a Richard's office is \$74, while other offices were upward of \$200. "We see real benefit across the board," Donna said.

If clients are confused about dealing with their insurance companies, Donna said, she guides them through the process. "We call it the 'Buy your own stamp' system," she said.

David Becker, a patient of Richard's for several years and an insurance agent for 20, said he understands why the physician opted for his current business model. "Adding a middle man, it just actually causes health care to be less efficient," Becker said.

Doctors often have to lower their prices to contract with an insurance company, Becker said, and as a result they have to fit in more clients to make up for the loss, giving them less time with each patient. "Plus they have to add staff to do all the processing and billing through insurance companies," Becker said. "You can see where Samuel's idea might be an advantage for a guy who just wants to practice medicine." And that's what Becker likes about Richard, he said, adding that he could afford a more expensive doctor if he wanted one.

"I go with my mother when she sees her doctor. It's just like a factory where she goes," Becker said. "You wait around a long time, and when the doctor gets there he's in such a hurry to see everybody, he doesn't really spend time with people. Richard isn't like that."

Dr. Arlie Esau, who moved his practice to the U.S. from Canada like the other doctors at Hayden Lake Family Physicians, said the burden of insurance was one of the biggest surprises of his new country.

"The insurance industry is exceedingly complex in comparison to what we saw in Canada," Esau said. "There are over 100 insurers you have to deal with. Each of them has different, very complex rules for how we bill. It's just complicated, trying to get paid from all these various insurance companies, so we spend a lot in staff wages to deal with that."

He agreed that cutting out that aspect of the business would be a money saver. "We've considered it," he said. "We'd like to do that, trim down our office expenses and run a leaner practice." Yet it's unrealistic, he said. "There's only a small subgroup of the population capable of paying up front and billing insurance on their own," he said. "We know we would lose a substantial segment of our patient population."

Not patients like Carol Anderson, though. The 62-year-old is on Medicare, which Richard's office isn't eligible to accept because he isn't contracted with other insurance companies. She goes to him, anyway -- and so does her 93-year-old mother, also on Medicare. "It doesn't matter how busy he is, you feel like you're the only person he's seeing that day," she said. "He will go into a problem and check it out, until he's absolutely secure that's the right decision."

Sometimes care can be hard to afford, she admitted. "There are times I have to make choices," she said. "But I figure, you only have one body, and the person helping you take care of it is your main care giver. I want to get the best care I can get."