

## The Small Revolution in Delivering Primary Care Services

**By Elizabeth Anne Gilje**  
*Principal Consultant*  
*Clariot Consulting*



Consumer driven, convenient, proactive, transparent. Doesn't sound like our industry? Healthcare is fast becoming a consumer oriented business.

Quickly disappearing are the concepts of rich benefits, low deductibles, and all encompassing physician networks. Health insurance programs designed to attract the most desirable employees have historically given companies the competitive edge. Now, the employment market has downshifted so rapidly that employers can sift through hundreds, sometimes thousands, of potential employees without regard to exclusive employee benefits. Employees used to seek

services from the most expensive physicians and facilities without regard to cost. The cost of service was hidden from the employed patient. Today, an employer's budget concern over rising insurance premiums or deductibles is offset with a high deductible health plan or health savings account. Bad for our industry? Maybe not.

High deductible plans have forced consumers to finally attend to the cost of care. Individual consumers bearing their own healthcare financing have different demands, consumer oriented demands. Consumers want to control costs, have flexible retail options, and insist on service. Controlling cost translates into price transparency, thereby requiring medical providers to disclose prices upfront to patients shopping for services. The industry is reacting and new solutions are expanding in the market.

Two of these solutions include serving primary and urgent care at an affordable cost for the consumer. For example, mini urgent care clinics within pharmacies and store chains like Walmart, Walgreens, and CVS, serve as front door cost savers to the consumer. Within these clinics, visit charges average \$60, no health insurance is required. These types of clinics don't bill carriers. Typically,

staffed by ARNPs or PAs, they require no appointment, reserving more expensive visits to the emergency room or comprehensive urgent care centers for more serious conditions.

Flourishing too are retainer style primary care practices. Not expensive boutique or concierge access practices, but real medical treatment for a transparent price and monthly billing. Is this familiar? Yes! Retainer practices were started in the mid 1800's by lumber companies; Western Clinic (1916); Mayo Clinic (1929); Dr. Garfield and Henry Kaiser (1930's); Home Owner's Loan Corporation organized Group Health as mortgagees defaulted on home loans due to medical expenses (1937); 1945 Group Health Cooperative of WA. Eventually, forming HMOs with hospitals, clinics and financing.

We're back to the beginning. Hundreds of physicians across the US are revolting against the paperwork and scrutiny of public and private payers. Physicians are adding a pre-paid or retainer component to practices, some with only 10% of patient panels and others transferring their entire practice. The cost of primary medical care in retainer practices is approximately \$100 per month. Most doctors request patients purchase a high deduct-



ible plan or health savings account along with the retainer services. Regular, working folks can once again purchase affordable medical care directly through their doctor.

Primary care clinics like Qliance, deliver care with a flat monthly fee in return for unlimited primary care, chronic disease management, x-rays and urgent care. Polyclinic and Swedish have found an avenue for serving Medicare patients the way their doctors chose – through Medicare Advantage capitation. Clinics are adding retainer medicine to their lineup of third party payers in every state. Many states including Washington have already legislated specific regulations guiding clinics in developing their retainer practices.

Tom Curry, WSMA CEO stated, “WSMA has long maintained the position that public policy should not force a monolithic approach

to the delivery of healthcare services. We see the growth of these (retainer) practices as reflecting abject frustration with private and public payer hassles.” Physicians, patients and employers are upset with our industry. Could our own substantial reform come from the inside out through our own efforts? A small revolution is already underway.

*Ms. Gilje is the principal consultant of Clariot Consulting. Prior to establishing the firm in 1997, she served 18 years with Kaiser Permanente, Group Health, Virginia Mason, and Providence. In 2007, she reopened Clariot after 8 years as CEO of Kitsap Physicians Service where she conducted a successful financial turnaround.*

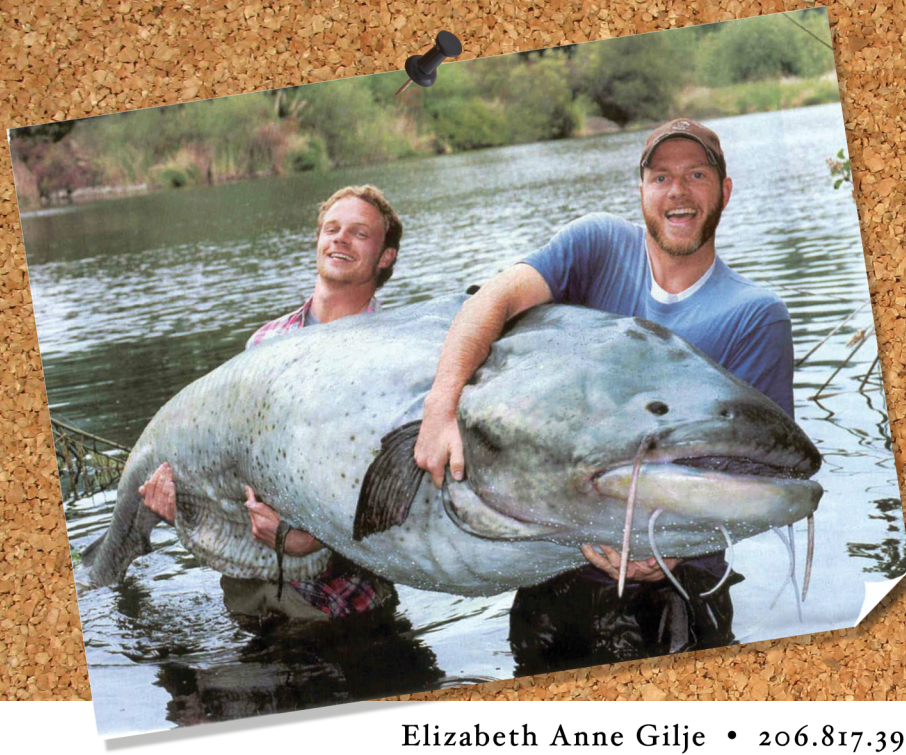
*Clariot’s success is in identifying and implementing consumer wishes in products or programs; then,*

*servicing proof of success through the client’s financial statements. Clariot’s research and practice encompasses areas vital to survival and growth in today’s healthcare climate including strategic market planning and positioning; customer satisfaction; development of products and programs and their target marketing; business, financial, strategic planning; and organizational cultural transformation.*

*Ms. Gilje has served as an annual guest lecturer for the MHA program at UW and for the MBA program at PLU where she earned her MBA. She is a Fellow with the American College of Healthcare Executives and frequently presents to regional and national professional organizations.*

*For further information or to contact Elizabeth call 206.817.3927 or email [elizabeth@clariot.us](mailto:elizabeth@clariot.us).*

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Elizabeth Anne Gilje • 206.817.3927 • [elizabeth@clariot.us](mailto:elizabeth@clariot.us)