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**The changing face of health care  
Innovation helps hold down costs; consumers are given more opportunity to choose**

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Consumer-driven health care is leading to new models for the delivery of medical services.

Consumer-driven health plans generally include personal accounts -- such as Health Savings Accounts -- that allow patients to directly control some of their health care dollars. Because they have a financial stake in their own spending, patients have incentives to shop for the best price and to make trade-offs between convenience and cost.



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At the same time, physicians are finding that they can reduce costly record keeping and claim filing by attracting patients who pay cash. A growing number of medical providers are therefore offering innovative services to meet the demand of empowered patients.

Here are just a few examples of significant innovations taking place right now:

- Telephone consultations. Few insurers reimburse physicians for telephone consultations or e-mail exchanges. As a result, patients often find access to their physician is limited, especially after-hours and on weekends. Entrepreneurial providers are making it easy for patients who pay cash to reach them. TelaDoc Medical Service offers medical consultations by telephone, nationwide and around the clock. Each call costs \$35, plus a nominal monthly membership fee -- far less than a visit to the doctor's office at \$80 to \$100, the urgent care clinic at \$150, or the emergency room at \$300-plus.
- Walk-in retail clinics. According to a study in the American Journal of Managed Care, nearly half of patients wait more than 30 minutes, on the average, to see a doctor in an office or clinical setting. However, a new type of walk-in health clinic is conveniently located inside retail stores where patients can shop while waiting a minimal amount of time. MinuteClinic has pioneered retail-based health care in the United States. These in-store clinics allow patients convenient access to routine medical services such as immunizations and strep tests at low prices. Most office visits take only 15 minutes, and treatment costs range from \$28 to \$110 -- with most services costing \$49 to \$59. RediClinic, a venture backed by AOL founder Steve Case, plans to open 500 walk-in clinics within the next three years. Offering numerous lab tests for prices nearly 50 percent less than traditional physician offices, RediClinic has forged partnerships with both Walgreen's and Wal-Mart.
- On-demand laboratory tests. A number of laboratory services are now available without a doctor's visit. MyMedLab (*myMedLab.com*) allows patients to register and pay a fee online, then stop by one of the nationwide network of 1,100 collection points where a technician draws a blood sample. MyMedLab offers a general health screen that examines 30 metrics of blood chemistry for about \$41 for those who register through its automated system. Direct Laboratory Services Inc. (*DirectLabs.com*) offers a comprehensive battery of tests for \$89. This blood profile provides a biochemical assessment of health based on more than 50 individual tests. Results are available online within two to three days and by mail within five days.
- Cash-friendly practices. Some physicians are seeking alternatives to the high overhead and low reimbursements associated with third-party payment. CashDoctor.com is not affiliated with any insurance company or provider network. Rather, it is a loosely structured network for physicians, dentists, chiropractors, pharmacies, laboratories, hospitals and out-patient facilities across the country that are "cash friendly."

SimpleCare is another physician association designed for patients who pay cash for incidental medical needs and rely on medical insurance only for major medical claims. As with CashDoctor, its physicians can offer much lower prices because they do not need insurance billing departments.

- Electronic medical records. Another innovative feature of many new health care ventures is the use of electronic medical records. Storing medical records electronically improves care coordination by making it easy to access patient information. It also allows the use of software to file prescriptions electronically, replacing a major source of treatment errors - physician handwriting.
- Personalized care. Some physician practices offer "concierge" or "boutique" medicine. For an annual fee of \$1,500 to \$4,000 per patient, physicians provide virtually unlimited access.

Empowered consumers will compare medical services and shop for care the same way they shop for other goods and services. Providers are already responding with innovative methods to attract and retain consumers. In the process, both are changing the very face of health care.

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