



TO: The Honorable Dan Hawkins, Chair
House Health and Human Services Committee

FROM: Dr. Josh Umbehrr
AtlasMD

SUBJECT: Proposal to Expand Medicaid

DATE: March 19th, 2015

Mr. Chairman and Members of the Committee:

Thank you for the opportunity to present testimony. My name is Dr. Josh Umbehrr. I graduated from The University of Kansas School of Medicine and completed my Family Medicine residency at Wesley Medical Center. After completing my training and becoming a Board Certified Family Physician, I was able to open AtlasMD, a practice I had been dreaming of for nearly a decade. AtlasMD represents my ideal medical practice wherein I am able to shrug off the burdens and restrictions of government and insurance regulation so that I may focus solely on my patients and their needs.

Expanding Medicaid is not the right way to solve what is wrong with our health care system. In fact, research shows that Medicaid enrollees have worse access to healthcare and health outcomes than privately insured individuals. This is due in part because Medicaid enrollees lack access to care. I will discuss how I am providing more access to my patients later in my testimony, but in contrast one in three doctors refuses to accept new Medicaid patients. Furthermore, Kansas can't afford to throw more money behind the solutions that won't work in an attempt to solve this problem. The states that have adopted Medicaid expansion are already facing increased budget pressures. Even without expansion Medicaid is failing enrollees, and expanding Medicaid puts pressures on states further cut care for the truly needy while attempting maximizing the number of people enrolled.

Just signing people up for Medicaid will not make them healthier. We should pursue entrepreneurial solutions that work and provide the most value for patients.

Entrepreneurship is the key to making health care less costly and of higher quality. Health care today is often expensive and inefficient because of red tape and poor incentives, so he who cuts the most red tape wins. And I think that's what we've done at Atlas MD. There are several variations on the concierge medicine theme and direct primary care, but I believe my practice implements Direct Primary Care (DPC) the best.

My model uses a membership plan with set monthly fees, rather than charging fees for office visits. The membership model of concierge medicine allows us to keep the cost per person low

while maximizing the availability and quality of the services. When you remove the per-visit cost of traditional office visits, you enable the patient to maximize the care they receive. When you maximize the care, you maximize the potential for good outcomes, saving them even more money downstream. By eliminating the third-party payer—insurance—when it comes to routine care, we get ourselves back to a model more consistent with the actual, marketplace purpose of insurance, catastrophic coverage. Instead of a family paying for health insurance they may not even use for routine family medicine office visits, they can reduce the cost of healthcare tremendously.

To help illustrate this in one particular case, a woman in her mid 30's came to us, uninsured, spending \$140/month on Prilosec at Walgreens. Our practice can get 1000 Omeprazole for \$55 dollars. She got medicine for \$1.55 a month and opted to get the full value of signing up her whole family for \$120 dollars a month, plus her medication, plus 18 dollars in her pocket. That is the standard deviation better that healthcare can get to.

The combination of business and medicine is not bad. It can be done, but when it is done right, it can be good for patients too. It can create a better value for your patients. Our average visit with patients is 45 minutes. This allows us as physicians to be better, satisfaction goes up, and quality will improve. It's 21st century care with an old school touch of actually having time with your physician. Then there is time to be there with patients out of the office. Under today's typical insurance model, a doctor can only get reimbursed for care he provides in the office. You have to come to the office to be seen. When people have the opportunity to email, call, or text their doctor for the simple stuff, it's not worth their time to come to the doctor to find out they have the sniffles. In a culture of fear we are very positive about the future of Direct Primary Care. Patients are very happy to be with us. Every dollar needs to be stretched as far as possible. There is a logical way to better serve patients.

Direct primary care is a win-win-win-win model. Employers who sign up for a group plan are able to get their employees better care for less money; insurers are able to insure a healthier group of people with less risk and thus higher profit margins based on lower premiums; doctors are able to make more money while seeing fewer patients and providing better care; and patients are able to get a more predictable product at a better value and a lower cost.

Again, direct primary is one solution. There are other entrepreneurial solutions that help to provide more access at a lower price than our current system. As entrepreneurs emerge we shouldn't pick winners and losers, but we should also

I am available for questions at your convenience.

Respectfully submitted,

Dr. Josh Umbehr