

Cashing in on House Calls

A cash-only, house call practice enabled this physician to earn more while spending less.

Two years ago I traded my salaried position in a traditional practice – with an office, exam rooms, staff, multiple health plan contracts, fringe benefits, not to mention a regular paycheck – for a cash-only, house call practice that relies mostly on a car, a doctor's bag, paper charts, a simple fee structure and cash, which I collect at the time of service.

I'm earning less per year than I did in salaried practice (because I work fewer hours now), but my hourly income is much higher – about \$150 to \$200 before expenses. My overhead was as high as 30 percent during my start-up year, but it continues to decline. My patient visits have increased 18 percent in my second year, and I expect this to continue. Here's how my practice works.

I arrive at the patient's home carrying a solar-powered portable scale and a medical bag with the essentials: blood pressure cuffs of all sizes, stethoscope, otoscope, ophthalmoscope, thermometer, pulse oximeter, folding ruler, gloves, reflex hammer, tape measure, chart forms and personal digital assistant, which I use to access medical reference material electronically. Should I need them, an EKG machine, mobile lab, nebulizer, halogen light source and an assortment of drug samples are in the trunk of my car. With these tools, I can do 95 percent of what I used to do in an office setting for about 30 percent of the overhead, and I don't have to hurry through the visit. My patients and I sit comfortably in the living room or share tea at the kitchen table during the visit. The medical office creates many physical and emotional barriers between doctors and patients; the house call removes them.

My practice is low volume by design, and this allows me to provide better service than what I could offer in traditional office practice – with its high overhead, declining reimbursement and increasing productivity demands – and it attracts new patients to my practice. I offer same-day service and aim to do today's work today. Imagine a patient's reaction when you answer the phone and say, "I can be there within the hour." I give patients my cell phone number so they can reach me easily. They respect my time and

call me only when appropriate. I open my own mail and check the fax machine myself, and I call patients with their test results as soon as I receive them. I call every patient I have seen in the last 24 to 48 hours to see how he or she is feeling. Patients are delighted by this attention. I also offer online consultations for established patients, for a fee. This is a great way to help patients with diabetes, hypertension and high cholesterol to manage their health between visits.

Financing the practice

The financial success of a cash-based house call practice hinges on having low overhead. I deliver care for a fraction of the cost of a traditional medical office, and I share the savings with the patient in the form of lower fees. ►



I can do 95 percent of what I used to do in an office setting for about 30 percent of the overhead.

A budget of \$5,000 will cover start-up expenses, including the basic equipment mentioned earlier and the fee you'd pay a practice management consultant, if you hire one. I elected to use paper records, but the house call model is ideal for using electronic medical records. Ongoing expenses include cell phone, fax line, Internet access, auto maintenance, license renewal fees and malpractice insurance, if you carry it. I don't. Malpractice insurance is especially high in my state, and my risk is relatively low because I have a low-volume practice, do ambulatory care only and actively follow up on my patients. So my "insurance" consists of a risk-reduction plan, asset protection and a commitment to making the visit a good experience for the patient.

■
The author sees patients in their homes and receives cash at the time of service.

■
Low overhead is a key characteristic of the cash-only, house call model.

■
The author charges a flat fee for visits up to 30 minutes and although she takes care of insured patients, she does not submit their claims.

I developed my fee schedule with my expenses in mind, as well as the fees charged by area practices, the number of hours per day I'd be able to see patients and the amount of time needed for a typical level-III visit in the home setting. I charge a flat fee for visits lasting up to 30 minutes. During business hours, this is \$100 for a new patient or an established patient with a new problem. I have different fees for evening, weekend and holiday visits, as well as phone and online consultations.

I collect fees at the time of service, offering family discounts or waiving fees when I feel it's appropriate. I don't accept credit cards for home visits, but online consultations are paid this way. I bill patients for telephone consultations. I supply insured patients with a completed 1500 form that they can submit to their insurer for reimbursement. I opted out of Medicare, so I see Medicare beneficiaries under the terms of a private contract that prohibits submitting any charges to Medicare.

Because I am the only employee of the practice, I am a sole proprietor. This means I can use my Social Security number for reporting income to the IRS. There is no corporation to set up – another expense I was able to avoid.

About the Author

Dr. Brand is a family physician in Longboat Key, Fla. Conflicts of interest: none reported.

Building the business

The key to attracting patients to my new practice is to show them why they should choose me as their doctor. Here are some strategies:

- Send a letter to existing patients and to colleagues that explains what you are doing and why. Describe your unique service – same-day service in their home or office. Explain your policy concerning insurance and how you will help them by supplying the necessary form for reimbursement.
- Offer to write an article for your local newspaper about a new way to deliver high-quality health care, and mention your practice.
- Offer to speak on a local TV news show and at community events.

The best way by far to promote your practice is through happy patients, and you will have them. At the end of my first visit with new patients, I surprise them with a T-shirt that reads "Dr. Brand – House calls on LBK!" [Longboat Key]. Visits with established patients usually start with the patient saying, "Thank you for coming," and they often end with a hug.

In more than two years, I have never looked back. I can deliver high-quality medical care to patients in comfort and privacy at a reasonable cost to them and with a reasonable income for me. It could work for you too. Just step out of the office, leave the stress behind and ring the doorbell. **FPM**

Send comments to fpmedit@aafp.org.

OTHER ARTICLES ABOUT DR. BRAND'S PRACTICE

"My Practice in Paradise." Brand A. *Medical Economics*. April 23, 2004.

"Going Bare – Except for a T-Shirt." Brand A. *Medical Economics*. March 4, 2005.

"Big Ideas to Help Your Practice Thrive: Practice Outside of the Box." Brand A. *FPM*. September 2004.