



Doc's cash-only billing bucks the insurance morass

Brian Peterson, Star Tribune

Dr. James Eelkema, a longtime ER doc, has setup a cash-only family practice in Burnsville, posting prices online. One problem:\$36. Two problems \$54. He's out-MinuteClinic'ing MinuteClinic.

A Burnsville family physician totes a black bag on his house calls.

By **CHEN MAY YEE**, Star Tribune

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Think you're fed up with the red tape in health insurance?

Meet Dr. James Eelkema, a family doctor who got so tired of the paperwork he cut loose and started a cash-only practice.

Eelkema, who has been treating patients for 30 years, quit a large family medicine clinic last summer and set up his own shop, TimeWise Medical, in Burnsville. He does the blood draws. He does the urine analysis. He even makes house calls.

Got one ailment? That's \$36. Got two? \$54.

Three problems? "Why don't you schedule a physical?" his website cheekily asks.

Eelkema is one doctor swimming against the tide. The number of solo family practitioners has fallen precipitously in the past two decades as medical care has grown more complex -- along with the billing. But he's also a potent symbol of the times: Doctors spend more of their day complying with insurance rules, which are usually well-meaning but take time away from patient care.

"What Eelkema is saying is, 'I'm opting out of all the over-regulation and lack of support for primary care,'" said Dr. Patricia Fontaine, president of the Minnesota Academy of Family Physicians.

Still, it takes a very determined doctor to cut out insurers altogether. In Minnesota, just a handful of physicians have taken this route, most of them psychiatrists.

"Many people will fantasize about it, many people share these frustrations," Fontaine said. "However, solo practices face many obstacles to their survival ... not many physicians are likely to follow his lead."

Closer to patients

James Eelkema looks more traditionalist than maverick. He wears a white coat and carries a black doctor's bag on house calls.

He recently drove out to see Bob and Joyce Silas at a senior complex in Brooklyn Park. Joyce, 83, is a cancer survivor with chronic pain in her back and legs. Bob, 85, is legally blind. One of their caregivers recommended Eelkema, who now sees them once a month, charging \$200 per visit.

"The convenience is hugely important," said Rob Silas, the couple's son, who used to take time off work to drive his parents to medical appointments. Plus, he said, "they enjoy seeing him."

Eelkema grew up in St. Paul, the son of a radiologist and a homemaker. Two of his brothers are doctors, as is his wife. He graduated from the University of Minnesota Medical School in 1979 and practiced with several groups before joining Quello Clinic in the 1990s.

Over the years, insurers -- alarmed at the growth in medical spending -- began tracking what doctors do in the exam room as well as patient outcomes. Has a patient stopped smoking? Was her blood sugar under control? At every patient visit, doctors had to record everything they did.

Quello was by no means the only chain affected. A national survey published in the journal *Health Affairs* in May found that physicians reported spending 43 minutes per work day, or three hours each week, handling administration for insurers - prior authorizations, drug formularies, claims, credentialing, contracting and quality data. The time consumed costs physician practices \$23 billion to \$31 billion each year, the authors concluded.

The authors noted, however, that the rules can save money elsewhere. A doctor who needs a prior authorization is less likely to order an unnecessary procedure, for example, or prescribe an expensive drug when a cheaper one will do.

When clinics began installing electronic medical records a few years ago, the push to record everything went into overdrive.

"If you undercode, you lose money," Eelkema said. "Overcode, and you get fined. Now it's an audit tool."

By 2008, he'd had enough. The final straw came when the clinic linked his pay to the care measures, so that as much as a third of Eelkema's \$150,000 salary would depend on measures such as whether his patients got pap smears or whether he got them to stop smoking.

"That's it," Eelkema remembers thinking. "I want to get back to a one-on-one doctor-patient relationship."

After he quit, Eelkema worked for a while as an ER and urgent care physician. He drove around the state -- Two Harbors, Bigfork, Thief River Falls -- working 72-hour shifts and sleeping in doctors' lounges.

It was time for Plan B.

Eelkema rented 850 square feet in a Burnsville office building five minutes from his home. He hired an office manager and opened his doors in June.

In doing so, he joined a dwindling tribe. The number of solo practitioners in Minnesota fell from 89 in 1990 to just 39 in 2008, according to the American Academy of Family Physicians. About 2,100 family doctors practice in the state.

Determined to succeed

One reason for the drop is that modern clinics are expensive to run, with complex computer systems and paperwork required for payment by insurers. The bigger the practice, the more doctors to share the costs.

But Eelkema had no intention of dealing with insurers at all.

In making his break, Eelkema had a few things going for him. Thousands of Minnesotans had lost their health insurance in the recession and were looking for low-cost medical care. With the spread of high-deductible plans, even those with insurance were paying the first few thousand dollars out of pocket anyway.

Eelkema found a small IT outfit to design a website and a bare-bones system for health records. He even began blogging, though he admits writing doesn't come easily.

"He wanted it simple," said Gandy Wong of Global IT, whose other clients include a dentist office, a property management company and a seafood restaurant. "We left out all the insurance policy stuff."

Business has been slow, but growing. Eelkema averages 20 to 25 patients a week. The other day, he hit a daily record: 12.

It's mostly run-of-the-mill stuff: sniffles, appendicitis, sewing up a gash on a kid's finger. So far, he's invested about \$80,000 in the business and brought in \$22,000. He hasn't paid himself anything, and he gets his health insurance through his wife's job.

But Eelkema, a former marathoner and a black-belt in karate, is determined to make it work.

"I intend to be profitable," said Eelkema, 56. "I have no intention of retiring."

Recently, a patient walked in with a cyst he wanted removed.

Eelkema looked at it.

\$100, he told the guy.

\$70, the guy countered.

A pause.

OK, the doctor said.

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