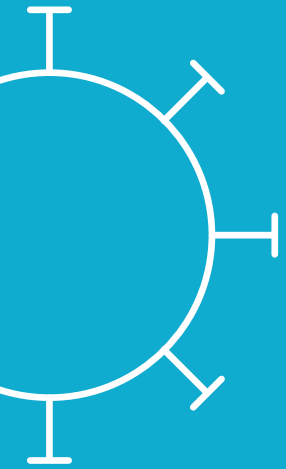


How private physician practices are surviving **COVID-19**



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The COVID-19 pandemic could not have hit at a worse time for many private medical practices. Already overburdened by reimbursement cuts and costly technology upgrades, these same physicians are now struggling to keep their doors open as in-person patient visits drop by 50% to 80%, amid concerns about coronavirus transmission.

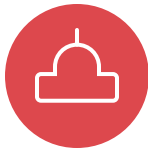
Most of the lost revenue is due to local and statewide stay-at-home orders, which limit healthcare visits to critical services only. Even where non-essential visits are allowed, anxious patients are delaying their wellness visits until after the COVID-19 danger passes. In other cases, practices are turning away patients to protect their staff. Regardless of the reasons, the result is the same—practices are being forced to take out emergency loans, institute layoffs, or turn to other drastic, short-term measures just to stay afloat.

“This is a dire situation. It’s not like we can operate off a shoestring budget and do healthcare.”

Gus Vickery, MD
Vickery Family Medicine



Loans



Government assistance



Layoffs & furloughs



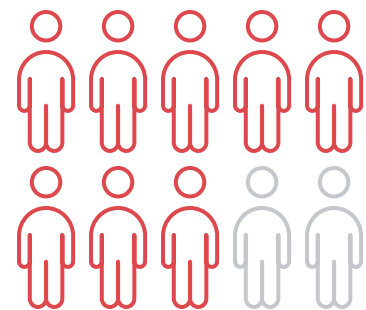
Telemedicine

Vickery Family Medicine in Asheville, North Carolina has seen its patient visits and resulting revenue cut in half. “This is a dire situation,” explains Gus Vickery, physician and practice owner. “It’s not like we can operate off a shoestring budget and do healthcare. I will stay positive, but if we don’t get relief in two to three weeks, there will be physicians laid off and not working.”

Thankfully for Vickery and other family practices, there are both short- and long-term solutions that can help restore some stability. Whether it’s instituting a vigorous telehealth initiative, applying for a government-backed small-business loan, or taking more permanent stabilizing measures, such as converting to concierge medicine, proactive measures are critical. Physicians do not have the financial reserves to wait for the pandemic to run its course.



Some practices are experiencing **50%** fewer in-person visits



Other practices are seeing an **80%** decline in patient visits



Telehealth and the stimulus package provide immediate, if only partial, relief.

Physicians are hoping that virtual visits will replace some of their practices' lost volume, even though an uneven reimbursement model makes this a less-than-ideal solution. Many employer healthcare plans offer extremely low reimbursement rates for remote services. In fact, until a recent government action, many insurers were not required to reimburse at all. Furthermore, many of the most popular telehealth solutions are not built to bill insurance or Medicare, but are configured for direct-to-consumer credit card billing.

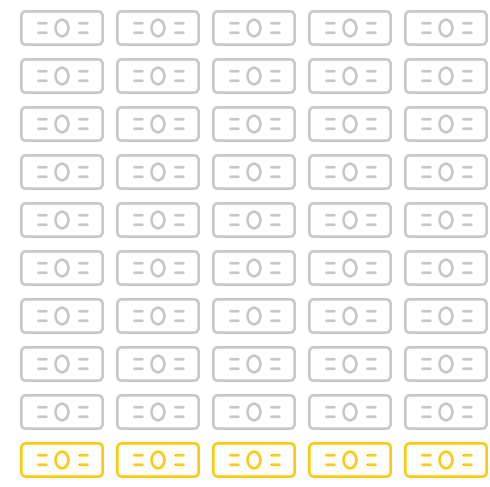
Christy Blanco, president of the Texas Nurse Practitioners professional association, explains, "What we're seeing is an inadequate reimbursement." According to Blanco, some insurers pay a practice \$70 for a primary care visit. If the same visit is performed via telehealth, the payment could be as low as \$7. Obviously, this is nowhere near enough to make up for the deficit created by a 50% to 80% drop in in-person visits.

For practices without the technology to quickly implement telehealth visits, the situation is even worse. These practices can little afford to update their technology at a time when they're already losing so much revenue—especially given that the resulting gains they might derive would be limited.

"The reduction in visit volume has blown a hole in practice finances," laments Dan Bowles, SVP of growth and network operations at Aledade, an accountable care organization. "Telehealth is helping to fill the hole, but it's not enough."

"The reduction in visit volume has blown a hole in practice finances."

Dan Bowles
SVP of Growth and Network Operations
Aledade



Telehealth could result in payments per visit reduced to only **10%** of in-person visits



\$2 trillion
stimulus package

Unfortunately, relief seems to be in short supply. Many struggling practices, looking for much-needed aid from Congress, haven't received the lifeline they'd hoped for. In its current form, the \$2 trillion stimulus package contains almost no direct funding for primary care practices, other than the same options presented to all small businesses. The package focuses, instead, on helping hospitals and large provider networks.

Hospitals and provider networks will receive **5%** of the \$2 trillion stimulus, while small businesses will receive **less than a fraction of a percent.**



Concierge conversion offers longer-term stability.

If your private practice is struggling, there are steps you can take now to ensure greater stability over the medium and long term. For example, this may be a good time to begin the transition process to a more financially stable, concierge medicine model.

So far, concierge practices have been less susceptible to the consequences of COVID-19. This is because these practices receive recurring revenue from membership fees for non-covered services, unlike traditional practices that rely on fee-for-service revenue for 100% of their income. Therefore, concierge physicians continue to receive at least partial income when a temporary decline in patient visits occurs.

This is why Dr. David MacIsaac, a concierge physician affiliated with SignatureMD, seems far more optimistic than his strictly fee-for-service counterparts. "Now more than ever, I am thankful to be with SignatureMD. As a solo, independent practice, we don't have to worry as much about a decline in overall visits like practices that rely solely on insurance reimbursement."

"Our membership fees... ensure we will survive this economic downturn."

David MacIsaac, MD
SignatureMD-affiliated physician

With help from SignatureMD, Dr. David Maclsaac converted his practice to a segmented concierge model. Rather than eliminate non-member patients like many concierge models, the more flexible segmented model gives doctors the ethical option of maintaining patients who don't convert—along with their associated income—while offering patients the benefits of a concierge membership option.

As a result, Dr. Maclsaac has good reason to feel confident. "Our recurring membership fees are enough to cover our overhead and ensure we will survive this economic downturn. In fact, we have seen patient enrollment in our SignatureMD program increase within the past month, as patients realize the critical importance of a close relationship with a personal physician. Now more than ever, they can appreciate the 24/7 availability and additional time spent with a physician who knows their health issues."

For other physicians simply trying to keep the lights on, these words should offer a glimmer of hope. Compare Dr. Maclsaac's view with that of Dr. Erika Swegler. As a traditional family physician, Swegler worries, "If I'm ill and have to leave the practice for up to two weeks or, God forbid, I'm hospitalized where it may be a three- to six-week period of time, I'm bankrupt."

**"Now more than ever,
I am thankful to be
with SignatureMD."**

David Maclsaac, MD
SignatureMD-affiliated physician

**To learn more about SignatureMD, visit
SignatureMD.com or call 866.804.5931**



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Matthew Jacobson founded SignatureMD in 2007 to give physicians a way to stay independent, boost revenue, and enjoy practicing medicine again. Concierge medicine, he believed, could provide doctors with something they truly wanted: space in their schedules to give patients thoughtful, high-quality service. Matt's vision emerged while working as senior vice president of an insurance company that specialized in workers' compensation.

He found that investing more resources up front to send injured workers to talented, top-notch physicians meant they often required fewer medical interventions and made a faster return to everyday life. He saw personalized concierge medicine as a way to offer quality service to a range of program members. But he discovered that existing concierge medicine options were flawed. For example, typical concierge models require physicians to "terminate" patients who don't join the concierge practice, making physicians uneasy and creating financial risk by eliminating existing fee-for-service revenue.

Matt wanted to create a kinder and more financially prudent concierge medicine program. As a result, the SignatureMD team encourages physicians to hire a physician extender or another physician to see non-member patients. The company uses a conservative predictive methodology to help affiliated physicians plan for the future. And SignatureMD's flexible model can be tailored to suit individual practices. No cookie-cutter approaches here.

SignatureMD-affiliated physicians say they appreciate Matt's straightforward, honest analysis and the attentive, personal service that he and the SignatureMD team provide. "We try to treat the doctors like family members and go the extra mile," Matt says. "We're not some big, faceless corporation." His policy, he says, is to under promise and over-perform. "I want all of our affiliated physicians to stay with us long-term," he says. "We need to earn their continued business each and every day."