

Jay Parkinson Sells Out?

By Bill Schu - View more articles by Bill Schu
Published: May 12, 2008

The Brooklyn apartment is endearingly simple and predictably grungy. The front door opens to a small kitchen that is little more than a hanging pot rack, a tiny fridge, and a rusty stove. The walls are freshly painted but bare, and the parabola-shaped hole in the bathroom door is covered from the inside by a white towel. On one end is a small bedroom, and on the other side of the galley kitchen is a surprisingly large and green courtyard that is shared by two row house units. It's the kind of place where you picture a young bohemian photographer or an earnest poet scratching out a living. But the current renter is Jay Parkinson, MD, the anti-establishment doctor who is trying to change healthcare delivery as we know it.

"I kind of like grime," Parkinson confesses as we wander the streets of the Williamsburg section of Brooklyn in search of an appropriate photographic backdrop. Parkinson has rather quickly made himself that rarest of commodities—a physician celebrity—through a combination of serendipity, a unique practice model, and marketing savvy. His site to date has collected more than 7 million hits, he is a coveted "get" on the convention circuit, and this isn't his first cover story. If there was a reality show about his life (as Parkinson says he has been offered), it might be called "Hipster MD," as he was dubbed by the Gotham-centric media site Gawker.



Parkinson's practice, as it was structured until recently, involved an initial visit by house call, and then a cash-for-services rendered system, usually around \$150 for an episode of care. "Much of the downfall of healthcare is that it's been taken out of the community and made very impersonal," Parkinson says. "For me, I have no overhead costs whatsoever. I have my computer, my Internet connection, and my iPhone. That's my overhead. In my neighborhood, I can see 10 patients a day but take care of 25, which is a typical doctor load. Half of all office visits don't need to be taken care of at the office by a doctor."

How it all began for Parkinson, and where it might go next, may have more applicability to you and your practice than you think. Or it might not. In Parkinson's best-case vision, he and his colleagues at Myca, the Montreal-based company he recently joined, will change the primary care model from the bottom up, first in Brooklyn and other large metropolitan areas, and then in a suburb near you.

The fact that Parkinson has joined a corporate venture has come as a surprise to those who thought he was anti-establishment to the core. But Parkinson says that joining Myca was part of the natural progression of his practice, and that he hasn't compromised any of the ideas or the ideals that led him here in the first place.

"No innovation is going to come from within the industry," he says. "It's going to come from outside the industry. There are 47 million uninsured who have to pay cash for healthcare, and there's another likely 40 million that are going to need supplemental insurance. That's a significant buying power that no one is even thinking about in the healthcare industry. I'm not anti-corporate. I'm just anti-stupidcorporate. I'm very much a businessman."



Though Parkinson says that the vast majority of physicians he has spoken with respond positively to his approach, the attacks have been withering at times. One Sermo commenter dismissed Parkinson as a “glorified traffic cop who thinks you’ll find enough value in his connections that you’ll pay him an annual fee for him to be your friend.” But many physicians posted responses applauding his willingness to put forth an entirely new model of care.

Besides the incredulity that Parkinson would practice medicine without ever seeing a patient, criticisms fall into four main categories:

1. As a pediatrician, he shouldn’t be caring for adult patients;
2. Parkinson is not all that innovative; he’s just following in the footsteps of other boutique practices that have been around since the mid-1990s;
3. He is simply “cherrypicking” healthy patients; and
4. His practice isn’t sustainable anywhere outside large metropolitan areas.

To the first criticism, Parkinson responds that the only thing that really changes from adolescence to young adulthood is the rankings of certain acute diseases on the differential diagnosis list. And the way he structured his practice was that people would tell him the problem via the Internet before he would see them. “If I was uncomfortable with the issue, I would refer them to an internist,” he says. To the charge that he is only copying an already-established boutique medicine model, Parkinson points to his work in establishing networks of physicians, pharmacies, and labs that offer discounted services. He also mentions that the majority of his patients are uninsured or freelancers, and that his fee is a fraction of what typical concierge practices charge their mostly wealthy clientele. On the “cherrypicking” charge, Parkinson freely admits that his practice is not intended for—nor would it benefit—chronically ill patients.

As for applicability beyond Parkinson’s Brooklyn ZIP code, we’re about to find out.

Shortly after the Yahoo! article, the big players in healthcare came calling, looking to add Parkinson’s youthful appeal and irreverent reputation to consumer-centric efforts already underway. “A lot of people who know me want me on board,” he says. “I don’t think like any other doctors. I could do whatever I want now in healthcare IT.” He has declined many offers, waiting for the one that would allow him to continue what he started with his own practice, but with the bells and whistles that could only come from a larger investment. Then Nathaniel Findlay, the founder and CEO of Myca, a privately held company based in Quebec City, Canada, called Parkinson to get more details.

Within weeks, Findlay flew to Brooklyn, where he and Parkinson shared coffee and the vision Findlay had for an expansion of Myca, from its popular nutrition-based coaching platform to a broader platform for delivering health services. Findlay, who earlier in his career had helped build the multi-billion dollar healthcare juggernaut Cardinal Health, immediately saw the possibilities of crossing Parkinson’s grass roots practice with significant seed money.

According to Parkinson, “[Findlay] said, ‘We’re the business expertise, but you’re the vision. We believe in what you’re doing. And we believe that there’s a market for this. So, here are the resources. Go crazy. Make something up you think people will like.’”

The timing for Parkinson couldn’t have been better. Near the end of our interview, almost as an afterthought, he shared this revelation: “I knew that my practice was unsustainable. I didn’t have a platform that talked. Just a minute ago, I was IM’ing with a patient. And they can IM with me. But I don’t get paid for it. And that’s not right. That’s why I was debating having a \$500 a year subscription fee. But then trying to keep track of 1,000 peoples’ monthly payments as an individual, there would be no way.”



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Another concern, he says, was that he wasn't going to be able to aggregate information on his patients into any kind of digestible resource. "Those are the limitations you run into when your start-up costs are less than \$1,500," he explains. What Parkinson and his collaborators at Myca are doing is creating the kind of back-end systems that would have been impossible for one physician of limited resources to create. He says that the Myca platform pulls it all together—the best of technology and a way to apply it to healthcare.

What he's building now is a practice called Hello Health that looks and feels like his (no office staff, no waiting rooms, open communication lines directly with physicians and patients), but with several improvements that only a huge investment can provide. Parkinson says the patient and physician interfaces on the operating system are leagues beyond a traditional EMR. Hello Health will offer free generics to patients and by-the-minute appointments that physicians will travel to via Vespa scooter should a face-to-face be necessary. Parkinson is nothing if not a master at marketing, and now with Myca's resources at his disposal, the sky is the limit. Hello Health has enlisted the talents of the Barbarian Group, the marketing geniuses behind Burger King's subservient chicken Web ads. But, according to Parkinson, the best feature of Hello Health may be the group's unique takes on franchising, marketing, and quality, borrowed in part from other successful consumer brands, such as the car-rental service Zipcar and fast food chain Chick-fil-A.

"Zipcar spread from Boston to New York three years ago," Parkinson says. "They had 35 cars covering Manhattan, and they were spread all over. It was failing miserably. They got a new CEO, and he decided to put all 35 cars in Chelsea and market the hell out of it there. And then they were able to roll it out to the rest of the city. That's the model we're going to use."

Parkinson's node will open up June 1 in Williamsburg, and it will be closely followed by a series of other "nodes" run by physicians looking to break out of the traditional set-up of brick-and-mortar facilities with high overhead and complicated contracts with managed care plans. Parkinson says he already has a list of 500 interested physicians. He and his colleagues at Myca will vet the list closely. "[When Chick-fil-A opens a] new restaurant, they get 1,000 applications for one management position. They get the best of the best, and pay them \$35,000 per year, but build the facility and provide them with all the tools to market it. Then they share profits with you equally, so you're going to make \$100,000 this year. Then, Chick-fil-A isn't in the business of managing brick-and-mortar. They turn it over to the manager, and it's his baby."

Perhaps the most important innovation in terms of overall applicability to physicians is Hello Health's take on physician quality. Parkinson calls physician quality a mess. "Most doctors are good doctors... actually, most doctors are average doctors," he says. "I hate doctor rating sites more than anything, because you only rate your doctor or your DVD player if it screws up."

Hello Health will take a different approach, again borrowed from a hugely successful consumer brand. Instead of measuring quality, they will measure patient satisfaction. "It's not going to be a rating system for doctors," Parkinson says. "It's going to be private information based on your effort with your patients. To me, e-Bay is the model. They have one question they ask: 'What is your satisfaction with the seller? Positive, negative, or neutral.' It's as simple as that. At the end of the month, you tally them up, and take the aggregate score, and the doctor will then make more or less depending on their average score." For physicians who score the highest, Hello Health will take a smaller portion of the fees collected.

"We're only going to have exceptional doctors," Parkinson says. "The only people contacting me are those who want to deliver better care but can't because of the system." On the cusp of Hello Health's June rollout, Parkinson seems more excited than anxious, fully confident that this new model will resonate with patients and physicians alike. For physicians, in particular, if the feedback from Sermo and other articles featuring Parkinson is any indication, the prospect of eliminating a lot of overhead and no longer dealing with insurance companies would be a welcome change.



On healthcare “consumers”

“Who consumes healthcare? Doctors consume healthcare! The healthcare system is sort of like having your own personal shopper who doesn’t have any idea what clothes cost. And they purchase your clothes for you. Our system [at Myca] is designed to educate the consumer, and that consumer is the doctor. We’re educating with medical cost data, and as much price information as we possibly can.”

On his criteria for success

“Success, for me, would be that people start valuing healthcare and the doctor–patient relationship again. I think that this can revolutionize the way we deliver healthcare.”

On trying out a new business model

“Fed Ex must have been having the same discussion when they were first starting out. There’s already a postal system. That’s your biggest fear, that people will only use the postal system. But healthcare doesn’t understand the consumer experience, and doesn’t want to. Can’t really. That’s what we’re trying to do here.”

On common misconceptions about his practice

“I think people just thought I was some sort of quack. I’m not a quack. But how do you defend yourself? The more you tell people you’re not a quack, the more they think you’re a quack. But I think the more this idea gets out, the more people will realize that it has merit.”

On the June 1 launch of Hello Health

“It’s going to kick ass. We found a space that’s a perfect location and a perfect node. [We] think the real issue is going to be managing demand.”