



Doctor Reveals How Senior Living Communities Are Partnering With Physicians To Offer A Valuable Service, Increase The Lifetime Value Of Residents, And Reduce Attrition Rates.

By Kevin Williams, SeniorMarketing.com President
With Dr. Steven Fuller, President and Physician, House Calls

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Introduction

Kevin Williams: Hello, this is Kevin Williams here; I'm the President of seniormarketing.com and very excited to have our next guest for the Genius Mind of Senior Living. We have a special guest today with us, this is Dr. Steven Fuller who is President and Physician of House Calls, which is an innovative company in Idaho that partners physicians with senior living communities and unites them as a team to bring in home healthcare to seniors.

Dr. Fuller attended college at Michigan State University where he received his BA in Music Literature, his MS and PH degrees in physiology and DO degree in human medicine. Dr. Fuller's current focus is partnering with medical and social networks to prevent hospital re-admissions and he's passionate about the necessity of coordinating the medical and social needs of outpatients in order to allow them to remain home and out of institutions.

All right, I'm excited to get started to talk to Dr. Fuller here. I know you're a busy person and have plenty to do so, again thank you Dr. Fuller for agreeing to be part of our series.

Steven Fuller: You're very, very welcome Kevin. Thank you for asking me to, I appreciate that.

Kevin Williams: Great. So Dr. Fuller, where's your business located now and what markets do you serve?

Steven Fuller: The business now is located in the Boise, Idaho area and we service just in Boise and the surrounding communities. We started about a year and a half ago forming this company called House Calls. It's an LLC and we spent about a year developing a model whereby we could make a profile for community physicians to provide their care in retirement communities.

I noticed in my clinical practice, which has been a preliminary and critical care practice for over 20 years, that in my office practice it was always very difficult for senior citizens to come in and see me, for most of them anyway and most of them or many of them actually avoided appointments I suppose very late in the course of their illness and the reason they avoided appointments because it was so challenging for them to get into the office. Either to find transportation or find a family member that could help them in or because they had to lug around a lot of extra equipment like walkers and oxygen and so on and to because they're also not feeling well.

So out of this experience where I saw the real need for bringing care to senior citizens, where they live, we developed this company House Calls to fill this need and

so although we started the company about a year and a half ago we just started implementing the services about six months ago in a retirement community where we bring local board certified family practice physicians into retirement communities to provide full primary care right in the patient's rooms.

Partnering To Increase Bottom Line

Kevin Williams: Yeah, that's great. I originally found you by I watched one of your YouTube videos. I think it was called Three Models Retirement Communities Engaging Physicians. When I saw that I was impressed because not only is it a great marketing tool for both physicians and communities but it's a great way for both of them to increase their bottom line and can you explain a little bit more on why partnering is beneficial to both parties and why you think partnering is the way to go?

Steven Fuller: Sure, I'd be happy to. Well first of all probably the listeners need to understand to begin with is that the basic business model for a physician practice is for, as everybody know, for patients to come to them to their office. And so physicians have an office where they have all their support. They have their receptionist, their biller, their scheduler, their medical assistant, their nurse, everybody's right there in their office and so the business model is for the patients to come to them and they provide their service in their office.

Well, if we want to fulfill the need of bringing physicians out of their office and into the community, which is what I'm doing, then that means we have to contradict the physician's business model. We have to go 180 degrees against it and that it take the physician out of the secure office environment where you have an office full of patients waiting for him and take him out of that environment and bring him into a retirement community where he's essentially by himself and has no support there at all.

And the reason why physicians generally do not go out of their office and provide care in retirement communities is because they have no support there. Their office, their business model, again is for everything to be centrally located in their office and when physicians then leave the office they leave all support behind them and so that's one reason why physicians don't go to retirement communities, because they have no support in a retirement community.

A second reason is because most of the patients in the retirement communities are insured with Medicare and Medicare generally, has very low reimbursement and if a physician is going to go out of his office and into a retirement community and at baseline, be very inefficient with his care there because he doesn't have any support

services there, is now doing it being reimbursed with Medicare at the very low reimbursement rates.

And so to get physicians to contradict their business model and leave their office and go out into the community, into these retirement centers, it really requires a novel and very creative approach that is not seen and that's what we've done with House Calls. And without this approach, retirement communities simply will not have physicians that go out there on a regular basis. They simply will not have it.

And so, we at House Calls, and because I'm a physician and my partner is a physician as well, an academic physician, we realize what a challenge this was from a physician's side and we developed a model that works for the physicians to be able to go to the retirement communities and so the model is very supportive of physicians and allows a family practitioner to have a profitable practice on-site in a retirement community.

So that's why it's attractive to the physicians. They realize now that they can have a profitable practice in a different site like a retirement community. It's also attractive for physicians because it gives them a little diversity in their everyday practice. So instead of having to go to an office everyday and practice at the same location every day, they now can sort of vary that around a little bit by several days a month go out into a very nice retirement community and have a practice with a whole set of very appreciative patients who aren't used to having physicians come out to see them. You're sort of a celebrity in a way. They physicians are when they go see these residents.

So from a physician's standpoint, it works really nicely, the model that we created. From the community's standpoint, the retirement community's standpoint, it's also very attractive because they have several challenges that we're meeting, that the House Call's model is meeting for them by bringing physicians out there.

One of the challenges for retirement communities is that they lose a significant number of their residents through health related attrition and that is the residents by virtually being elderly and having multiple chronic medical conditions, get sick and if there's no one there immediately to attend to their failing health and the residents then end up in the emergency room or have to be hospitalized and therefore when the retirement community loses a resident to the emergency room or to a hospitalization, you never know if you're getting them back again and very often you don't. So now they have, as a result of this health related attrition, they have an empty room that's where someone's not paying rent any longer.

One of the benefits that House Call's brings to retirement communities is that we can intervene in the failing health of their residents much more quickly and stop the failing health for many of them and as a result, by stopping the failing health and instituting treatment much more quickly, we can prevent their health related, or reduce anyway, the health related attrition that these retirement communities see and keep their residents there as rent paying residents and so the benefit.

One of the benefits that we can have to the community is that we can stabilize their census and keep residents there rather than losing residents to the emergency room or the hospital. Another benefit that we can have is that we can help grow the census of the retirement community. In fact, very few, only House Calls partners here in Idaho are the only ones that have physicians go out there so very few, relatively speaking, retirement communities have physicians that will go out and see their residents and that's why this is a real market distinction for the retirement communities to boast that they have a physician that will come out to their community and will, from House Calls and see their residents right in their room.

And now, prospective residents are looking around the community for a place that they would like to live in and their baby boomer children who are looking for them will more likely choose a community where they have a physician that comes right to their residence and performs their primary care right in their own room. They would prefer that community and will choose that community in preference to others that don't have this service.

So two of the benefits that we have towards retirement communities are to reduce the health related attrition and then also to help grow the census by capturing new residents who prefer a community that provides on-site house calls or physician services.

Powerful Way To Differentiate

Kevin Williams: You were just talking about a way communities can differentiate you know too many communities seem to be stuck in this mode that they can only provide senior living for people and even when their residents desperately need other services and why do you think this is?

Steven Fuller: Well I think the old mode, you know, things change and it's not just the retirement communities but services of all kinds are realizing that they have to be more customer friendly now in order to continue business. In order to grow their business. Physician offices for example, can't be just cold and impersonal places, a cold and impersonal

place where patients come and then physicians just sort of take them for granted. They have to be much more customer friendly and customer service oriented now.

Automobile dealers have to do that too, they have to provide, they have to make it nice for people to come in and wait in their dealerships to make a service or look for a car or whatever. Retirement communities are part of all this as well, that they're in a very competitive environment where there's lots and lots of communities in these metropolitan areas and they're all competing with one another to capture the senior citizens who need to live in a community.

And the old school thinking has been that well, we're here, we'll just wait for the elderly people to come here and when they come here then they're here, we don't have to really do anymore. Now we got them. And so they can really, if an elderly person needs a service while they're at a community, like a medical problem or if they have another personal issue or some family issue that needs to be addressed, the old school thinking from a community standpoint is well, let them take care of the problem themselves, that's their problem, that's not ours.

But now, with the extremely competitive environment in which these communities have to operate, they realize they have to be much more customer service oriented and that is when their residents have a problem or an issue, these retirement communities need to respond to that and extend themselves out to provide an answer or a solution for their resident's problems. And so if they have a family they need to get involved and provide them resources to help resolve their problem.

If they have a personal issue, the retirement community needs to get involved. If they have a health issue, which for retirement communities 100% of their residents all have as a primary concern, their health, just by virtually being elderly, then the retirement communities need to provide a solution for this as well and they will find, the retirement communities, when they have changed from their old way of thinking where they just have an impersonal approach and their residents are sort of on their own, to a new way of thinking where they try to be more customer friendly and try to provide solutions for their residents.

They will find that when they perform this customer service they will keep their residents longer. The residents won't come in and then end up being unhappy there and then leaving and they will capture residents who will sense the warmth and the support that residents with a new way of thinking have and the new way of thinking again, is very supportive and solution oriented and wants to help out whenever there is an issue or problem that comes up for their residents.

And once they provide the services for them that provide real value, like healthcare services, the retirement communities that will be successful in the next three, four to five years, will be those that are much more consumer oriented or customer service oriented that help provide solutions for them rather than the old way of thinking where you go there and you capture your resident communities are sort of on their own no matter what happens and that's the old way of thinking and communities that maintain those thoughts are simply not going to survive in this very competitive environment.

Kevin Williams: Yeah and I completely agree and along the lines with the customer service, it's extremely important in today's online environment where anybody can go online and within seconds and write a review or you know voice their opinion about anything now. So it's...

Steven Fuller: And that's a good point Kevin. That's a real good point because a lot of elderly people explore these communities with their baby boomer children. And even though the elderly person may not be connected as much online, their children are and very often the first contact when looking around for a community, the first contact is online. Just like you said. Then people talk online about a community and it can... And positive things can spread in a viral way but negative things also spread in a very viral way and so the online aspect of all this as you're pointing out, is really important.

A Need For Innovation

Kevin Williams: Last time we talked we both mentioned how we saw in our local newspapers and online and yellow pages how communities had this type of me too, type of advertising, which everyone was saying the same exact message. Do you mind talking a little bit more about that and how differentiating and innovation plays in today's environment?

Steven Fuller: Sure, I'd be happy to. The observation is exactly as you pointed out that if you are to, and I challenge our listeners to be, to put yourself in a position just as I am all the time. I go out and look at the print media, look at our local papers and senior publications and advertisements wherever they are and see how these retirement communities advertise each other and they all look exactly the same.

It's just amazing. They look exactly the same. They all say the same things about having nice food and nice people and they show nice pictures and the pictures they show are not people who live in their communities. Most of the time it's mostly just stock photos from models that you can get on the Internet and very often these stock photos end up on several communities websites and so you're looking at the same

smiling seniors at two or three or four communities in your area. So you know it's really kind of phony and it just looks funky.

And these days I just spoke with a community yesterday as a matter of fact, who we're going to be partnering with as a matter of fact. But they advertised or they spend approximately \$6 to \$8,000 or more per month on advertising and they're spending all this money on advertising that makes them look exactly identical to everyone else. So, if a community really wants to stand out then a different mindset needs to develop that will allow them to take the risk of using some advertising that will help them to stand out and to perhaps change the way they market their community.

One way, one obvious way, again along the lines of my interest is to market the fact that they, a community can market the fact that they are partnering with House Calls to bring physicians to their community. And so since in my area of Boise, Idaho, since that's so rare right now, this is a feature that 100% of their residents will be interested in because they're elderly and they're all interested in healthcare and they all know what House Calls is, you don't even have to describe the service, they say House Calls and every elderly person know what that is.

Kevin Williams: It's a great name, yeah.

Steven Fuller: Yeah I mean it's a supplement but it's perfect because it describes what we do. So since very few other communities offer this service, it's a real positive way a community can distinguish itself from all its competitors. This is just one example of a way that a community can adjust their advertising, is by partnering with a service like House Calls and then really promoting or marketing themselves with this new service, really up front and in a way that shows that they're separate from all their other competitors because they offer this very special service.

Kevin Williams: It's so true. It's a great unique selling proposition for these communities.

Steven Fuller: One thing I do have to mention, one of the challenges that I found in developing this model was that in order for me to bring the physicians out there that requires a lot of administrative work from a House Calls standpoint. So the ways that I partner with the communities is that it requires that the communities invest a monthly fee in my company, House Calls, in order to provide the services in their community. The physician's services. Because I provide all the administrative support for all of the physicians as well as much more.

And so, the communities have to pay for that. This is something that's foreign to retirement communities. To actually think about investing in a service to bring

physicians out. They're not used to paying for that and so I have to say that one of the obstacles that I'm faced with are challenged with all the time is having to convince the communities that unless you do make this investment, you simply won't have physicians. You'll have exactly what you have now which is nothing. You invest nothing, you get what you have right now and that is nothing. Invest nothing, get nothing.

But if they invest just a little bit, and our services are not expensive at all, they range just between \$300 and \$1500 a month depending on how extensive the medical services are that we bring in or how frequent they are, but if you invest just a little bit you'll get so much more in return. But I have to emphasize to them that if we are able to keep one of the investments in house that would have otherwise had to go to the emergency room or be hospitalized as a result of failing health, if we are able just to hang on just to one of those residents, now you have that room being paid for with rent on a monthly basis and so the rent for that room is much lower than the fee that we charge for our services.

So if an assisted living facility will on average end up charging \$2,500 to \$3,000 a month for a resident, they may only be investing less than \$1000 a month on our service. Maybe \$500 or \$750 a month whatever, in our service and yet if we're able to keep a paying resident at \$3000 a month in their facility then they've already paid for our service and are making a profit with just one resident.

The idea is that when we're in a retirement community, we'll prevent many more than just one resident from leaving and we will help them capture many more than just one resident to their facility as a result of the residents being attracted to a community because of physicians being there.

Increasing Lifetime Resident Value

Kevin Williams: Yeah. I'm glad you brought that up because something we try to help communities with is increasing the lifetime value of your residents because that's an important number and if you can keep them there longer, you're increasing the value of your residents. Especially if you're multiplying it over multiple residents and then if you factor in the cost to acquire a new resident, if you lose that one, it seems like it's an invaluable service.

Steven Fuller: Well, that's right and what you're doing is as well, you're really on the mark as far as focusing on the lifetime value of a resident because say the rent that the resident will pay is \$3000 a month. That's \$36,000 a year. That's a lot of money. That's one resident. \$36,000 a year. If you focus on the lifetime value of that resident, then that's

going to be multiplied many times over and if you're investing just a small fraction of that to help support that resident and keep them there, then just with the one resident, much like the beneficial effects on everybody else, just with the one, you're more than paying for the service that we have to offer and probably for the service that you're offering as well.

Kevin Williams: Yeah, it's incredible. Especially when you take into consideration the occupancy rate at your community and then go to value the community as an asset, it helps so much extending the lifetime value of your residents.

Steven Fuller: Well that's true. It seems like, one of the communities that we've been in for several months now has an occupancy absolute number in the high sixties for this one and their breakeven point is 91. So they have been operating deep in their rev for a long time and losing money for a long time and it's from their standpoint, you know an old way of thinking would be well, we're so much in the red that we can't possibly invest in something even more right now because we're so much in the red. But a more modern way of thinking is yes, I can invest and in fact, I should invest that because I will get back so much more. So it's like you give me \$2, I give you \$20.

Kevin Williams: Exactly.

Steven Fuller: You invest in me \$2, I give you \$20.

Kevin Williams: Yeah, it seems like they have no other option at this point too, you know?

Steven Fuller: That's right and so the communities that are most challenged with their census, should be the communities that are first in line to get a service like this and be willing to take the small risk of investing in it because they are the ones that are going to stand to gain the most benefit from increasing their census.

Be Open To Change

Kevin Williams: All right. One more question, we're just about out of time. If your best friend or one of your children was starting a senior living community, what's the most important advice you would give them right now from your perspective?

Steven Fuller: Well in general, what I would say is, be open to change and know that whatever you decide today, the decision that you made today may not be the same three months from now or six months from now. Always be willing to adapt to change and understand that the market is so dynamic and changes so fast now and is so competitive that you have to be willing to change on a dime and change your thinking and adapt to new technologies that come out and new opportunities that come by and

new ways of thinking and new ways of doing things that do not fall into the trap of being set in your ways and doing things today because that's the way we've always done it.

So, my advice would be, be ready to change and always even be the change, make the change and you'll be ahead of the curve and you'll be the one who takes advantage of new opportunities as opposed to just letting them go by.

Kevin Williams: Yeah, I think resiliency is a very good quality to have in today's environment with the economy and technology and everything.

Steven Fuller: Yeah, and good point. Long term now has a whole different meaning than long term 10 years ago. Ten years ago long term was 20 years. If you stayed at a place, or worked at a one place for 20 years or invested your money you'd want to do it with the idea that you'd be invested for 20 years. Well, that's not true anymore.

Long term now is maybe three months or six months. Maybe a year but not ever a even a year. A year is extremely long term now. So it just requires that people who are in put in positions of responsibility ad making decisions for lots of other people have to be very flexible and very willing to change their thinking and adapt to new thinking and adapt to the new changes and opportunities that come by.

Changing Healthcare

Kevin Williams: Dr. Fuller, thank you very much for you time. Is there anything else you'd like to add that you feel others in these industries would benefit from?

Steven Fuller: Well, I think we've covered some of the topics here. It's an interesting topic that as far as the changing field of healthcare and more and more healthcare is being focused out in the community rather than being focused only in institutions like hospitals, or clinics, or doctor's offices even that more is going to be taken place out in the community.

From a wider viewpoint, the care that we're able to provide in an retirement community takes on greater importance only because more and more general medical care is going to take place in these locations. It's going to be expected that places where seniors reside like independent living centers and assisted living centers, it's going to be expected that the medical care will occur here.

It would behoove these communities not to resist that push that general push in the way medicine is going and you see that this is being adapted very nicely in newer communities that have gone up, or that are in construction now that all of them have

healthcare arrangements on site. It's just part of what's happening and the way things are we're providing on-site medical care, making arrangements under one circumstance or another for that to occur for the residents on site in their homes or in their community and that's where it's going to happen.

The communities who are existing right now and especially the older communities I just can't make this point strongly enough. If you're going to be competitive with newer communities are coming up then the way healthcare is changing in general you have to adapt in this way, you have to take one medical care or the medical concerns for your residents and that means you're going to really need to partner with physicians to bring physicians into your community and to work with them and that may mean an investment. That may very well mean an investment that you make but the investment will be small and it will be paid back many times over by the improved health of your senior citizens.

Contact Information

Kevin Williams: Well, I've really enjoyed this talk and I really feel you've definitively helped contribute to the series and I'm certain everyone listening to the call will be grateful for your time. Do you want to share your contact information? So if anybody listening wants to get a hold of you.

Steven Fuller: Sure. I'd be happy to do that. We have a website. The website is www.housecalls-llc.com. Sorry, www.housecalls-llc.com. My phone number if anybody wants to reach out and continue a discussion is 208-908-9962. My email address is stevenfuller@housecalls-llc.com.

Kevin Williams: Fantastic. Well, this concludes this addition of Genius Minds of Senior Living. Once again, I'd like to thank our special guest Dr. Steven Fuller of House Calls for being so generous with his time and knowledge. I hope you take what you've learned from this call and put at least one thing into action to your business so you're constantly improving. Thank you.