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### Should You Opt out of Medicare in Your Rheumatology Practice?

Announcer:

You're listening to Conference Coverage on ReachMD, captured on location at the Congress of Clinical Rheumatology's Annual Meeting in Destin, Florida. Your host is Dr. Madelaine Feldman, Clinical Associate Professor of Medicine at Tulane University Medical School and Vice President of the Coalition of State Rheumatology Organizations.

Dr. Feldman:

This is Dr. Madelaine Feldman. I'm with Dr. Ellen McKnight, who is in private practice in rheumatology, and she has been in private practice since 1993, and she's done something a little bit different in her practice, and I'd like to have her tell us a little bit about it.

Dr. McKnight:

Well, I opted out of Medicare, and that's been a very interesting journey, and I would like to share it with fellow rheumatologists because I think they might find a model that might work for their practices as well. Now, most of us don't even realize that there is more than one way to participate in Medicare. You can be a participator, or you can be a nonparticipator, or you can be an opt-out physician, and that's what I chose to do.

Dr. Feldman:

When you opt out, are you able to see Medicare patients?

Dr. McKnight:

Yes, you can see Medicare patients in your office. The way that I like to describe it is that I gave up on Medicare but not the Medicare patient. So I set up what I like to call fair cash prices. Now, I had been seeing what was happening in the direct primary care models, and I didn't think that would work for a specialist, so I set up something called fair cash pricing, and I incentivize compliance.

Dr. Feldman:

Well, that's really important in the Medicare population. How does your fair cash pricing work?

Dr. McKnight:

Okay, so I do have a set price. This is based on 12-month intervals. And each time that you see me within that 12 months, it would get a little bit cheaper. I do try to incentivize compliance that way. Patients are motivated to get back in, and they have a very low bar for getting back in. However, if they stay away too long—so say, for instance, they come in at 18 months instead of within the year—that's harder for me, so it would then, of course, be more expensive.

Dr. Feldman:

How has this affected your day-to-day practice?

Dr. McKnight:

Well, I do not have to comply with much of the Medicare regulations, any of the Medicare regulations, and so I really am now still doing a very good history, I am observing my patient, I have time to examine my patient, and we really do talk. I am not a data entry clerk, and that has really added to my happiness quotient.

Dr. Feldman:

So, Dr. McKnight, when you see the patient and they pay you, are they then reimbursed by Medicare?

Dr. McKnight:

No. Unfortunately, the Medicare patient does not have a remedy as we all do if we see an out-of-network doctor in our private

insurance. The Medicare patient is 100% penalized. They have to pay all of what they pay me out of their pocket, and they have no remedy to go to Medicare to get reimbursed.

Dr. Feldman:

So, considering that they are not reimbursed by Medicare, did you lose many Medicare patients when you went to this system?

Dr. McKnight:

Well, I kept 57% of my patients—is what we figured out in the first year—because I did keep my prices so fair. And I have, as I believe most doctors do, very loyal patients, and if they felt that they could do it, they did it, meaning staying with me.

Dr. Feldman:

Do you foresee in the future Medicare ever reimbursing those Medicare patients that go to physicians that have opted out?

Dr. McKnight:

Well, I do see a movement in medicine, as is happening in the direct primary care movement. And then, of course, I have seen some specialists who have made this choice, so Medicare is starting to pay attention. However, we, as physicians, must be very proactive with this. And I myself went through the Florida Medical Association to try to advance this issue because I think we should call for a change in federal policy. I'd like to see the AMA on board with that because I believe that the Medicare patient is overtly penalized if they choose to see an opt-out physician, and I don't think that's fair to the Medicare patient.

Dr. Feldman:

So I understand you've been doing this for 3 years now. What are some of the benefits that you have found with the patients, and how is it going?

Dr. McKnight:

Well, I'm in, actually, 3 ½ years now, and each year it's been getting better and better. I find that the patients now appreciate my spending time with them, not having my face in the computer and looking directly at them. I believe observation is key in medicine, and I still feel that I can do that. And it's interesting, but the patients are now seeing it, because they go to other doctors who are really doing more data entry instead of patient treatment, and the patients now realize it, and when they come to my office, they like the approach. The doctor and the patient has the relationship. The relationship is not with the computer, and they appreciate it.

Dr. Feldman:

Well, thank you so much. The doctor-patient relationship, it calls comes down do that, and it sounds like you've got a very good one.

Dr. McKnight:

Thank you so much for interviewing me today. I really enjoyed it.

Announcer:

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