

To Dr. Kara Odom Walker  
DHSS Cabinet Secretary

Dear Dr. Kara Odom-Walker,

I am president and a practicing physician at Progressive Health of Delaware, one of the most popular privately owned primary care offices in New Castle County.

I want to make you aware of a problem facing many of the primary care doctors in Delaware. As you may know, **many of our Delaware primary care colleagues have been changing their practice model to "concierge"**, where the patient pays a large fee (typically \$1600 a year) just to have their primary care doctor still care for them. The physician still bills their insurance and collects the deductibles and copays. In the last 6 months, at least 3 doctors in North Wilmington have switched to this model, leaving most of their patients in a bind to find a new primary care doctor.

The reason so many doctors are doing this comes down to economics. **In our area, reimbursement is low while costs are high.** Most of the private insurance companies reimburse independent primary care offices in Delaware **significantly less than Medicare rates.** All of the private insurance companies in Delaware pay 80% the rate of Medicare, or LESS! Our worst insurance company only pays 69% of Medicare rates. We recently looked into joining a new Electronic Health Record that would have also done our billing. They said insurance companies all over the United States will typically pay more than Medicare rate in other states, but we are in a strange area with less payment than Medicare. They estimated that over the past year, we lost over \$84,000 in income.

**Such lost revenue limits the funds I can put into my practice to ensure proactive care.**

Many primary care offices have also closed in the past 3 years, or moved into Pennsylvania. The need for primary care is growing dramatically, especially with the baby boomers on the rise. Medical students are not going into primary care, as they know it is hard work with poor pay. This year, not a single Internal Medicine Resident from Christiana Care is interested in going into primary care. Most residents become Hospitalists, as their pay rate is twice that of primary care. **Without primary care doctors as the gate keepers, the entire healthcare system becomes more expensive,** due to increased specialist visits, ER visits, and hospitalizations that could have been avoided had a good primary care doctor been involved along the way.

Our practice at Progressive Health of Delaware is really suffering as we are having a hard time recruiting providers as they get paid better by other specialists or medical fields. Christiana Care Health System actually gets paid MORE than Medicare rates, which makes it incredibly difficult to compete with them for good providers as well. **The reimbursement rates given to us by our local private insurance companies are unjust.** I would appreciate any advice or help you could give in this matter. We are seeing more and more patients and getting less and less income.

The financial viability of our practice is very much in jeopardy.

I do not want to add my busy practice to the growing list of Delaware practices that "went concierge" or get taken over by Christiana Hospital.

Sincerely,

Deborah Zarek, MD, FACP

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