



John Marchica:

Welcome to Health Care Rounds. I'm your host, John Marchica, CEO of Darwin Research Group and faculty associate at the Arizona State University College of Health Solutions. Here we explore the vast and rapidly evolving healthcare ecosystem with leaders across the spectrum of healthcare delivery. Our goal is to promote ideas that advance the quadruple aim, including improving the patient experience, improving the health of populations, lowering the cost of care, and attaining joy in work. Please send your questions, comments, or ideas for Health Care Rounds to podcast@darwinresearch.com. And if you like what you hear, please don't forget to rate and review us wherever you get your podcasts. Let's get started.

Speaker 2:

This week on Health Care Rounds, we welcome Dr. Kyle Guyton, pediatrician, CFO, and co-founder of SouthernMED Pediatrics, a multi-site pediatric and counseling practice with 10 locations throughout the state of South Carolina. In addition to caring for his patients, he serves his local community as a member of the Lexington County School District One school board. Dr. Guyton attended the Medical University of South Carolina, where he earned his MD and furthered his training at the University of South Carolina in pediatric residency. Dr. Guyton has a passion to see that regions with a need for accessible, exceptional pediatric care are provided for.

John Marchica:

Let's get started. Dr. Guyton, one of the reasons I wanted to talk to you is that your practice, SouthernMED Pediatrics, is really bucking the trend in a number of different ways. So I thought it would be helpful just to, kind of like we talked before, but just tell me a little bit about your background, how you get started, and what your growth path has looked like.

Dr. Kyle Guyton:

Sure. So for me, work has never been much of an issue. Growing up, I did not really come from much. We were fairly poor growing up, and my father always... He really kind of had jobs. He never had careers. But one of the things he did have was he always had a little thriving business on the side, and it ranged. It was anywhere from carpet cleaning to floor care to you name it.

With it came, obviously, a work ethic. So you had to learn a certain work ethic. It came with non-traditional hours, and so a lot of times we were working late at night, early in the mornings. Sometimes I wouldn't start till 8:00 at night and get off at 12:00 the next day. So the work was never really an issue.

And from a business perspective, I can remember cold-calling the various businesses around us, like Rite Aids and Eckerd Drugs and all of these, to find out who was doing their floor care. I can remember cold-calling them as a 15-year-old. Trying to get in with a manager of a store as a 15-year-old, it was a little bit of a task, but it did teach me a lot of really good lessons. I think that's really what catapulted me forward, but it also taught me kind of what not to do. So while my father was an exceptional worker, one thing he wasn't very good at was business management. That's something that had to be... I guess he sort of planted the seed, and then it took some time for me to develop an understanding of what business principles are and how we can employ those and grow a business, if you will.

John Marchica:

So where did you go? Because obviously, they don't teach you that in medical school, and doctors notoriously don't like... Many of them. I shouldn't... I'm generalizing, don't like the business side of healthcare. How did you acquire those skills?

Dr. Kyle Guyton:

It really was a trial by fire. I always had an interest in the business world, and I completely agree with you. This is a conversation I have with a lot of people, in that the trend has become that physicians, unfortunately, make terrible business people. Just the methodologies and the processes by which we develop... I think providers and physicians and nurse practitioners and physician assistants and even nursing, they're so altruistic. They really do want to make a difference, even at their own peril. You ask a physician when's the last time he's been to a doctor or when's the last time he had his teeth cleaned or even had a haircut, in non-COVID times, you're going to find that they're going to push those kind of things.

I think the same holds true in business. They really just want to provide care for patients. So that is more of an industry trend, in my opinion. It's not something... And I think there's also a selection bias in that there are certain people who know that about themselves and know that going in, and that they just want to take care of patients.

John Marchica:

And those are the ones that... I think also too these days, there's a lifestyle component. Coming out of school with a bunch of student loans, and I can go work for Kaiser for 9:00 to 5:00, and they'll take care of my student loans, and that'll be... That's my career path. But I just know that historically, despite that, despite that maybe not being so good at business, I've always thought of doctors as being very entrepreneurial in putting together kind of like what you're doing now. But I just see it's against the trend.

And I get that about trial by fire. I mean, when I first started, I was in a... I worked for Abbott, and so that was big business. And then I went to start a company with one other guy, and it's a whole different ball game when you're trying... And then adding a third person, adding a fifth person, then the 20th person. You don't learn... And I have an MBA. You don't learn that in business school when... Those kinds of things that you learn in finance or accounting or marketing, any of that, just does not relate to smaller companies in my opinion.

Dr. Kyle Guyton:

No, it doesn't. And to that point, my partner in business here, Dr. Delaney, he and I were in residency together. And we were offered kind of the very desirable positions, if you will, to stay on at the hospital, which we did so for a short period of time. But we quickly found that... I guess the way we are geared didn't really mesh well with the academic setting. It was a very kind of slow-moving process, and we always considered ourselves to be young, innovative guys. That was back then young. So we kind of came up with this idea that we're going to start our own practice. You would have thought that we were reinventing the wheel because it's like you realize nobody does this coming out of residency.

And it's like, "Well, no, we hear it, but we really think we can kind of make a go of this. We definitely have the work ethic. Now we've just got to fill in the hole with the business side of things and learning how to operate a clinical environment." So we did, and we made mistakes along the way, and



we had successes along the way. But it's definitely not an industry that is conducive to going out and starting your own business.

Now, you can certainly start your own practice, but then you have to answer a question. Are you really owning your own job, or do you own a business? And I think so many times providers, in effect, own their job. It's just a very well-paying job that they can pay other people to help them do, whereas you have to then make a decision, "Are you going to transition to owning your own business?" which, in fact, is going to become a beast of its own.

John Marchica:

Right. Right. So how long has that path taken, and what does your footprint look like today?

Dr. Kyle Guyton:

We started in 2008 with a single practice, and we did it here in my hometown in Lexington, South Carolina, sort of a bedroom community of our state capital, Columbia, South Carolina. And what a lot of people may not know about Columbia is that it's a little odd in that it is probably one of the hottest places on Earth you will ever live, but it really does a great job of holding people here. And it's mainly one of the business hubs of South Carolina. The great thing is we're very strategically placed in that we're two hours from the coast, we're two hours from the mountains, and so it really does have a great draw. So it's good for businesses to be here, and they can be successful. It appears to be a desirable area.

And as we were opening up our office, there was another office here in Lexington that was actually being shut down by the hospital that acquired them. So we went to those guys and said, "Hey, what can we do to help with this transition and to provide a landing pad for your patients?" We had great conversations. They were older gentlemen but, I mean, just well-respected in the community. And I think it gave them a certain amount of comfort to be able to turn their patients over to... Again, they didn't know us very well, but to be able to turn their patients over to someone they at least knew.

And as a result, we hired two of their employees, who are still with us today and are critical cornerstones of our company. And to their credit... We were the young, innovative guys, so we hit the ground running with an electronic medical record, and they really weren't operating in an EMR system. So to these ladies' credit, they took the ball and ran with it.

So we started with one, and then opportunities began to present themselves to begin to expand our reach some. So then we went to Dr. Delaney's hometown in Orangeburg, South Carolina, and opened up a practice there. And then it just began to expand more and more and more to the point at which we're at today with 10 clinical sites across the state of South Carolina and with plans to continue to grow. And we also added on additional services of counseling, so that we can provide behavioral options and behavioral counseling for patients, not just our patients, but for any of the community patients.

John Marchica:

Another thing that stood out to me in our pre-interview was how you talked about customer service. In the clinic or the medical setting, what is good customer service and how is it that you're emphasizing it as you're growing?

Dr. Kyle Guyton:

For us, when you start with nothing, you quickly learn who really pays the bills. And it's, in fact, the patients coming to you who are paying your bills. So you really... For us, that was a starting point for us to identify that we're not... We are not doing patients a favor by being open. The patients are doing us a favor by coming to see us because they have options. So for us, that became sort of a mantra, if you will, to really focus on the customer service side of medicine, which, in my opinion, is something that has been neglected for a very, very long time.

So we were very dedicated to our employees about, we don't like to use the word note. Let's figure out how we're going to do it. If we're getting feedback that, "Man, I wish you guys had some extended care options," well, let's look at that. So that led us to running 8:00 to 8:00 Monday through Thursday, 8:00 to 5:00 on Friday, 9:00 to 12:00 on Saturday. If it meant that we have to provide lactation services because the moms are having some trouble and there's not a bunch of great options, well, let's figure it out. So we really try to listen to our target audience and try to meet them where they are, instead of expecting them just to come to us.

I think parents are reassured by that, and it's one of the things that we continually preach. One of our standing precepts, if you will, our core values is that we provide radical customer service. But I will tell you, it can be difficult within the medical industry, not just from a regulatory perspective, but just from the way the industry itself moves. Like you and I talked about previously, I got a free fax number for a little app that I signed up for that was dedicated towards medical professionals. So we still rely heavily on fax, and we're probably one of the few industries that do so. So we're not, in the medical world, we're not very early adopters. Now, we can do surgery on somebody seven states away with a robotic machine, but we still want to get fax.

John Marchica:

That's right.

Dr. Kyle Guyton:

It's sort of this duality of nature that it kind of makes you scratch your head a little bit and say, "I really think we could figure out a way." So even online scheduling, I left a meeting last week with our EMR vendor, and they don't really want to change the way that they allow us to do online scheduling. And we do a very popular scheduling called wave scheduling, where you book three at the top of the hour and two at the bottom of the hour. Well, they don't really want to make their EMR conducive to allow for that. So it's just like we really need... We need to leverage technology better than what we are, because it results in a better product to give to our potential clients and our current clients.

John Marchica:

Sure. Now, there's a lot of things, though, that you're not in control of, if it's the problem is with one of the insurance companies or if the pharmacy is not filling the script when you've already sent it over twice. I'm not making excuses. I'm just saying there's a lot of touch points in healthcare. You can do the best with what you have, but that's part of solving this problem for being customer oriented or being patient centric or whatever the latest buzzword is around patient decision-making. So does that frustrate you? I mean, you want to give that excellent customer experience, but then there's these other variables, like what you're talking about with the vendor, that you don't have control over.

Dr. Kyle Guyton:



Well, it costs, not only from the standpoint of just money and day-to-day dollars, but it costs from the perspective of lost opportunity. So just before this meeting, I was meeting with one of our MCO organizations, and we are just now getting a check from 2019 from-

John Marchica:

Oh, geez.

Dr. Kyle Guyton:

Yes. So we haven't even touched 2020 and we... So to devise a plan for 2021 and moving forward, I found out that we now have... We had access to a platform which allowed us to see our gaps in care over a year ago, but we were never advised nor given opportunity to look at those things. So those things are very frustrating to have to deal with. It's frustrating with some of our... So for example, our EMR does not communicate with our financial software. So you have to create your way of doing business. And while it is frustrating, I will tell you that it is almost kind of a creative outlet. I think naturally providers are problem-solvers. So when you're faced with a problem, be it the patient before you or the business problem beside you, it's just a problem to solve. And that's what we've done. We like to think that we're pretty good problem-solvers, and that's what's allowed us to continually grow year over year for the past 12 years now.

John Marchica:

Sure. So what's the future look like? We talked about... I know that you've got... You don't need to give me all the details of your strategic plan, but what are you looking at over the next few years?

Dr. Kyle Guyton:

So the future state, and that's one thing actually... COVID did allow us a chance to really take a step back and evaluate and kind of catch up on some of those things that kind of got pushed to the side or didn't quite get the focus or attention they needed. One of those was strategic growth and what that looks like. But what I will tell you is that COVID has even changed that. The latest numbers indicate that one-third of outpatient offices will close as a result of COVID and just the inability to maintain adequate cash flows.

So for us, we see that as not only an opportunity, but a privilege to kind of meet with these providers to continue to provide service to the areas that need it because, unfortunately, the ones who are going to shut down are probably more of your rural offices that need the most help. So the last thing that can occur is that we further the divide by not having adequate healthcare. So, in our opinion, this is one area we're going to focus on. One of our local senators here, Tim Scott, created opportunity zones, which I'm sure you guys have seen about and such.

John Marchica:

Yeah.

Dr. Kyle Guyton:

So there's now some good business incentives to continue to provide services. So really we see that as the future for us. Of course, we see diversification, continue to diversify our services and what that looks like. Counseling, we know, will be a huge part of it as we come out of COVID. We're already seeing the

effects: day-to-day increased rates of anxiety, depression, suicidality, different things like that. And fortunately, telehealth looks like it's going to stay, at least for the time being. So that's going to, again, provide another avenue for us to provide these many crucial services that we deem necessary.

John Marchica:

I was just going to ask you, did you adopt telemedicine in a big way with COVID like everybody else, or did you already have that implemented in your practice?

Dr. Kyle Guyton:

We had the plans to implement. But the only problem we had, and you'll find this one kind of funny, in order to get paid for telehealth services in South Carolina, a patient had to come into your office and sit in front of a monitor, and then the provider can either be on that site or another site, but they had to actually be at one of your facilities to provide telehealth services. As you and I both know, that really doesn't... That argues completely against the telehealth model.

John Marchica:

Right.

Dr. Kyle Guyton:

And we knew, with our counseling services, we had about a... roughly about a 30% no-show rate on average pre-COVID. And we knew that if we could offer telehealth services, that would close the gap considerably. Well, in the wisdom of the legislators here in South Carolina, they raised the limitations on telehealth and allowed that to begin to happen. And we immediately saw a 20% reduction in no-shows just by simply having the ability to do telehealth. Now, is telehealth the game-changer that is going to be the broad paintbrush? It's not. It needs to be a very fine-point pen that you use. But when it's used properly, it can be incredibly impactful. So we did have a very quick adoption of telehealth once the reimbursement accompanied it.

John Marchica:

Yeah. Yeah. And I know that, based on one of our recent surveys, that it looks like there are some payers out there that initially were reimbursing at parity that they've kind of pulled back from that. Are you seeing that in South Carolina too?

Dr. Kyle Guyton:

A little bit, but not as much. I think that's more on the horizon. I think you'll probably see an 80-20 after it's all said and done. There'll probably be about an 80% reimbursement rate for telehealth services, which I agree that there probably is a reduction in the amount of overhead that's potentially associated with it. However, it's still... The lion's share of that is the provider's time. So obviously, of your overhead percentage, the provider reimbursement is going to be the higher part of that. So there's probably some more fine-tuning that needs to occur there from a reimbursement perspective, but we were prepared for a reduction in reimbursement associated with telehealth.

John Marchica:

Well, I'd love to check back in with you in a year or two and see how your growth has been, and maybe we can talk about how Darwin's growth has been, Darwin Research Group, which is my company. We're experiencing pretty rapid growth these days too. But I did have one final question for you that I'm going to reintroduce that I used to ask on the podcast all the time of physicians. And that is, what advice would you give to a student coming out of medical school today?

Dr. Kyle Guyton:

I guess, to answer that question, I think I would have to think about my life and what would I have done different? The natural evolution of a medical provider is your 20s are pretty much dedicated to education. Your 30s are, for the most part, dedicated to paying back that education and also beginning to develop your comfort within the medical world, your patient base, those kind of things. And then your 40s, you start to, which I'm... I'd have to ask my wife. I think I'm 43 right now. I'm just now at a point where I really have developed a comfort in life in that the 80 and 100-hour weeks are kind of behind me. So it does feel like it gives you some breathing room. But then as you look back on it, I also have now a ninth-grader, eighth-grader, and fifth-grader, and I think about all the things I missed out on.

And I don't know if given the... If you would have told me that at 20 of what I know at 40, I don't know if I would have been as hard-pressing, if you will, from the start. I think I would make sure that any medical student knows that you really have to find a work-life balance in there. You really do. You can't be so thrown into the medical industry that you neglect everybody around you. So it's not a lesson that you want to learn. It is something that you would rather be very proactive about, and just know that tomorrow will come. I promise. It's one of those things that you don't have to do all of it today. Tomorrow will come, and just be patient and allow yourself some freedom to have some work-life balance in there.

John Marchica:

That reminds me of when years ago, when I was in my late 20s, my first company, and I was part of this entrepreneurs... It was called the Strategic Coach. It was a three-year program to try to help people like myself understand small business. And the one thing that the leader at the time, Dan Sullivan, he said, "We try to get to people before they have their first heart attack."

Dr. Kyle Guyton:

Yeah.

John Marchica:

It's a common... I bet a lot of that, hours you could have taken back, a lot of that had to do with just growing a business, going from having a job or growing a job to growing a business. It does take sacrifice. And at the same time, it's like you have to remember there are other things that are as important or more important, and you have to find that balance. So that's excellent advice, especially, I mean, they run you ragged in your residencies, right? So, I mean-

Dr. Kyle Guyton:

Yeah, it's changed a little bit. They actually did identify that some of the hours that we were being asked to work were excessive, and it could have even been potentially dangerous. It didn't feel like it at the time, to be honest. You just did what you kind of had to do. But I'll tell you, it definitely is a sacrifice.



Fortunately, I have been surrounded by people who are willing to make that sacrifice with me. I couldn't imagine what it would be like if you didn't. My business partner here, Dr. Delaney, and the other parts of the leadership team, I mean, they're willing to make the same and equal sacrifices. And even at home, my wife and their wives, I mean, they're also understanding that we just sometimes have to do what we have to do. So they never stood in the way of that, and they even supported it. And they were very vital parts of our business startup. Both my wife and Dr. Delaney's wife, they did billing. They did accounts payable. They answered the phone. They painted walls, put down flooring. I mean, we kind of had to figure it out, and they were willing to do it. So I would say a lion's share of the credit goes to them.

John Marchica:

Yeah. Yeah. I had a similar situation with the second business, and it's important to have that kind of support around you. So well, Dr. Guyton, thank you so much. This has been a real treat. It's always nice to hear a different perspective. Very often I'm interviewing a CMO from one of these big health systems, and it's so much more different when you have somebody who has the business, but is grounded and closer to the people. So thank you for taking the time.

Dr. Kyle Guyton:

Absolutely. Thank you for your time.

John Marchica:

Take care. Let's keep in touch.