

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.

Kim Ascutto:

Today, John speaks with John Shufeldt, the founder of NextCare, Incorporated, in 1993 and served as the CEO and chairman of the board until 2010. John now serves as the business manager and one of the founding partners of Empower Emergency Physicians and continues to practice emergency medicine at St. Joseph's Hospital Medical Center. John also founded MeMD, a platform used by more than 300 medical and mental health providers in 50 states to virtually treat patients on demand and in the comfort of their home or place of work.

Kim Ascutto:

John has authored 11 books on leadership, self-improvement, business, entrepreneurship, urgent care management, and urgent care medicine. John received his BA from Drake University and his MD from the University of Health Sciences, The Chicago Medical School. He completed his emergency medicine residency at Christ Hospital and Medical Center, where he spent his final year as chief resident. John received his MBA and his Juris Doctorate from Arizona State University. His certifications include Fellow, American Board of Emergency Medicine, College of Legal Medicine, and American College of Emergency Physicians and completed a certificate program in artificial intelligence at MIT Sloan School of Management. John also completed his Six Sigma black belt from the Fulton School of Engineering at Arizona State University.

John Marchica:

So today we're talking with John Shufeldt, a very interesting guy that we're going to get into his new book as well as some of the cool things that he's done. Dr. Shufeldt or John, how are you doing today?

Dr. John Shufeldt:

Well, thanks. Thanks for having me on the show.

John Marchica:

I always say this, but it's like the magic of podcast recording. By now, somebody will have read in your bio, but why don't you just tell us a little bit about your background, and then I'd like to talk a little bit about the book and entrepreneurship.

Dr. John Shufeldt:

Sure. I'm a practicing emergency medicine physician and grew up and trained in Chicago, went to medical school there and did a residency there. I moved out to Phoenix in 1990. I took a job as an ED director in a hospital south of Phoenix. I stayed there for 10 years. And while I was there, I started a business called NextCare, which was an urgent care center on 801 South Power Road and grew that to about 60 sites over, gosh, 17 years. Left there in 2010 and started what's called MeMD, which was a virtual healthcare business, and have grown that for the last 11 years. Along the way, I keep going back to

school about every 10 years to find the knowledge that I've either lost or never had. And that kind of brings us up until today.

John Marchica:

Yeah. So the MBA makes sense, but I've got to ask: why law school?

Dr. John Shufeldt:

Well, in emergency medicine, I had a number of friends who for multiple reasons couldn't practice any longer. One of them had a problem with their foot, so they really couldn't get around on it. One had a problem with their shoulder. And I thought, "Okay, I've got to cover my downside. And also, there'll be some day when I don't want to spend Christmas, Easter, weekends, and holidays in the emergency department working nights and weekends." So I thought, "Well, defending physicians in front of the Arizona Medical Board, helping them with contract disputes, would be a lot of fun." I understand how physicians think and being able to communicate with them, I thought, "All right, this would be a good career path or alternative career path."

Dr. John Shufeldt:

So I went back to ASU Law School, finished in two and a half years, went both summers, had a great time and a wonderful education. I took the bar in Arizona, and shockingly, I passed it. And I've really been practicing kind of low-level law ever since. I always talk about I'm a fake attorney, but I will help physicians on contract disputes and reviewing their contracts.

John Marchica:

Have you made a business out of that? We didn't really talk about that in our initial conversation, but did you... Is it something where you just have the skill and when you're needed, you use it, or do you actually have a shingle?

Dr. John Shufeldt:

No, I actually set up Shufeldt Law Firm, and then I worked for another law firm here for a little bit as well. But I set up Shufeldt Law Firm, and if I'm looking at someone's contract, I'll do it under that entity. I have legal malpractice insurance. And it does not... And I don't do it a lot, but someday I'll get back into it where I'm really, again, going out and helping more physicians with their contracts.

John Marchica:

So like me, you're a serial entrepreneur. It's in your blood. I can see it.

Dr. John Shufeldt:

It is.

John Marchica:

So that leads me to, well, what's driving that? What is it about... I mean, starting and selling two successful businesses. You probably have others that we haven't even talked about yet. But what's driving you as a physician to do that?

Dr. John Shufeldt:

I'm one of those people that if I see something that I think is broken or could be done better and I think I may have a way to do something better, it drives me crazy until I do it. A long time ago, I was practicing, I'm still practicing, but I'd see patients in the emergency department who didn't need to be there. They weren't that sick. And I went into emergency medicine to take care of critically ill and injured patients. And then you see somebody with a sore throat, and I'm like, "Well, that's okay. They pay the bills, but it's kind of a waste of money." So I started this chain of urgent cares really before urgent cares were a thing.

Dr. John Shufeldt:

And then with virtual medicine, I had the same sort of perspective. There's a lot of patients that... I'd always say, "They don't have a friend that's a doctor," because I'd always get these calls, and they'd say, "Hey, John, what do you think about this? What should I do?" And I thought, "Well, what if you don't have a friend that's a doctor, what do you do?" And so that's really how virtual medicine started. That's how MeMD started. And I've had a teleradiology business. I had a private autopsy business. But all these were born out of seeing a need for something and saying, "Well, gosh, who's doing this and why isn't somebody doing this?" So I either think, "Well, I'm really smart and ahead of the curve, or I'm really dumb, and it's a stupid idea," which is about... I'm batting about 50-50.

John Marchica:

I get that. I get that sense. I think a lot of entrepreneurs out of either frustration or, as you say, seeing a niche, seeing something that needs to be fixed and that no one's addressing it. I don't know that that's how I necessarily got my start. I think at this point I'm probably unemployable. But no, it is the way that it is. So you've got this book coming out, and I'm really... I want you to walk me through your motivation for writing it as well as what people can expect to get out of it. I think it comes out next week.

Dr. John Shufeldt:

So thanks. I've written a number of books, none of which anybody's heard of or, for that matter, bought. But I started off, the first book was on outliers, and I basically copped the name from Malcolm Gladwell. But the book is about... I've been fortunate over the years to meet some really amazing people, and I started kind of cataloging their traits. Like, okay, what makes this person so unique, so cool, so just rock-star status? So I started cataloging their traits, and I found about 10 traits that were, that seemed to be in common. Now, not everybody had all 10, but a lot of them had three, four, five, six. So I started writing about those traits and telling stories about other people with those traits, for example, humility. So that book is these 10 traits are what I found in highly successful people who are just very engaged, very caring, and just real people that you want to emulate. So that was Outliers.

Dr. John Shufeldt:

And I wrote another book on entrepreneurship and another book on, I called it The You Economy, about kind of gig work. And then this book is really... It's called Entrepreneur Rx, and it's for physicians, but it's called The Physician's Guide to Starting a Business. And one of the things that I think the pandemic has woken up in a lot of physicians is I think most of us have thought our income stream, our profession was very secure. I used to say that I was fortunate to be in emergency medicine because we're kind of recession proof. At the end of the day, people need the emergency department. And usually in recessions, they need it more, because a lot of people lose their insurance, and we become the safety nets or backdrops for the entire healthcare system, which we all embrace.

Dr. John Shufeldt:

But as it turns out, emergency medicine was not COVID proof. There was a number of colleagues of mine around the country who were laid off or had their shifts cut down dramatically. And all of a sudden,

they took a big hit in their income. And I saw this groundswell of physicians say, "I better be thinking ahead and covering my downside." And I'm one of those people who always says, "Okay. I have a plan A, but I also have a plan B, C and D." And I fly helicopters. In fact, when we're done here, I'm going to go jump in a helicopter and fly up north, and I'll be over the mountains. And when I'm flying, one needs... When you fly a helicopter, you always are looking for a place to land if the engine quits. You do what's called an autorotation.

Dr. John Shufeldt:

And I tend to apply that principle across everything I do. Like, if emergency medicine doesn't pan out, all right, well, I've got a law degree to fall back on or I have a business to fall back on. What I've found is a lot of physicians, very rightly so, don't think that way because they spent all this time going to medical school, residency, and they've dedicated their life. It's a calling for them, like it is for me. And if they don't do that, they're like going, "Crap, what am I going to do?" And I think that COVID has really woken a lot of them up, who think, "I need something else. I need to have another potential income stream." That's who I wrote the book for.

John Marchica:

So is it that you're giving people ideas on potential next steps? If you're a physician, you can do this? Or is it more of a tutorial on this is marketing, this is finance, this is... kind of like a quick MBA for doctors?

Dr. John Shufeldt:

So it's, "Listen, if I can do it, anybody can," and I firmly and wholeheartedly believe that. So it's a slap on the side of the head, a wake-up call to say, "Look, I can do it. You can too. And here's a book of 30 years of my mistakes, so you don't have to make the same mistakes I did." So it's basically kind of business 101 or a super-condensed MBA. So there are chapters on basically the rudimentary ways to start a business and things you need to think about. It's really business basics 101. But what I want people to get out of the book is, "Well, if that guy can do it, anybody can, and here are some tips, the things that caught him that hopefully won't catch me," because I've made every mistake in the book.

John Marchica:

I resemble that remark. Just a quick diversion. I may have already told this story at one Health Care Rounds, but I had a company called FaxWatch, and the concept was... and this is going back to 1994 when I started it... was you could get all the news that you needed to know on a one-page fax.

Dr. John Shufeldt:

Wow!

John Marchica:

So we had a healthcare business daily. But then we kind of twisted the business model, and we would get educational grants from pharma companies to do a GI update, a rheumatology update. We started covering conferences in real time, did CME. So that company, FaxWatch, by 1996, we were providing content to physicians online, which is kind of like AOL. If you remember back in the day, it's kind of the same model.

John Marchica:

Yeah. So we provided content. We were doing intranet and extranet content by 1998. By 2000 pretty much, all of our business readers were getting the information by email and about half of our docs. We

had about 200,000 docs that were reading our stuff. So one day, some consultant comes to me and says, "Your name is... It's keeping you in the past, FaxWatch." And then, "What do you mean?" "Well, a fax. Faxes are obsolete." So I thought about it and went out to a few people and said, okay, well, I hired a company. Let's do an analysis of this. And then ultimately, we ended up rebranding as FWI or FaxWatch, Inc. So we went by those three letters.

John Marchica:

Now, the first problem is FaxWatch is so easy to say, and FWI, I mean, that's like five, six syllables, something like that. So it's clunky. We had been around for eight years, nine years by the time that we decided to rebrand. And then as I started going out and meeting with people, they're like, "What is this FWI crap?" I'm like, "What do you mean?" And then they would like... Literally, they didn't have a fax, but they'd hold up like their PalmPilot. Do you remember those?

Dr. John Shufeldt:

Oh, yeah.

John Marchica:

They'd say, "I get my FaxWatch. I read my FaxWatch every day." And so we had unwittingly sort of Kleenexed the brand, that it was this kind of essential information you needed to know every day. And in my mind, it's 100, 200 grand that we probably spent on that rebrand, and it was a huge mistake, a huge mistake. We just weren't listening or listening hard enough to our customers because they had come to know us as a source of information. It had nothing to do with the name.

Dr. John Shufeldt:

Yeah. You could have named it F-A-C-T-S Watch.

John Marchica:

That came up.

Dr. John Shufeldt:

And kind of do a rebrand.

John Marchica:

That came up as a possibility, F-A-C-T-S. And it's funny. I'm actually kind of looking at that business model and thinking of potentially resurrecting it, but...

Dr. John Shufeldt:

That'd be genius. It might be impossible, but it's genius. I had a business in the late '90s called Slide Smart before Google. And we had about 6,000 medical images, everything from autopsy images to pathology images to histology images. And we thought, "Okay, well, where does a medical student go or a pre-med student go if they need a slide of X, if they need a showing of a histo slide? They could go online, download it from us, or we can send them an old 35 millimeter slide." And it actually worked really well. I ended up selling it way back when, probably too early. And now everything's basically free, you can find. But at the time, we probably had the biggest repository of medical images ever, and I really undervalued it. I was definitely new to the internet. But it was a cool business, and I wish I would have kept it and really tried to market it. But it was, at that point, over my skillset.

John Marchica:

Yeah. And when I think about what we were doing before, I mean, the information overload problem still exists. I mean, I've got a book on my shelf back here called *The Attention Economy* that was written in 2001. So this issue of not having enough time to stay on top of what you need to stay on top of, it's been around since I was at Abbott years and years ago. So it's all about getting the content right. And people think with content marketing, they think, "Okay, well, you're supposed to send your messages or embed certain things in your articles so that it appears on your website and it draws traffic and all this nonsense." No. Good content marketing is you figure out what people need to know, what do they need to know, and you provide objective, unbiased information, and you get out of the way. You make smart editorial decisions, and that's how you build value. But I totally went off on a tangent. I didn't mean to. We were talking about mistakes in business. I always go back to that rebranding project, and I just want to kick myself.

Dr. John Shufeldt:

Yeah, but you live to fight another day. That's the important thing.

John Marchica:

Yeah. So I'm going to get a little bit off topic here. I just want to get your sense of something. I've always believed kind of historically that doctors are kind of entrepreneurs in the sense that you come out of med school, maybe you join a practice, and you grow practice, and kind of along the lines of what you've done with one of your companies. But the sense that I get these days is that people are coming out of medical school, and they just want a 9:00 to 5:00. They want a predictable schedule. Now, this is anecdotal, but I've talked to enough people about this issue to know that it's very real. Do you see that issue, number one? Are physicians becoming less entrepreneurial? And if so, what's the root cause behind all of this?

Dr. John Shufeldt:

I think so the... And I'm sure every generation says this, but the rub on people coming out of residency today are, and I've seen this statistic, it's going to take 1.8 physicians now to replace one physician who's retiring. And what it's related to is the number of hours working. The old-school physicians are used to working 60, 70, 80 hours a week. In residency, we're doing 100, 120 hours a week. And they've put limits in residency for the amount of hours you can work, which was smart. And a lot of this generation wants work-life balance, which a lot of my generation didn't have. They didn't even know they should have it.

Dr. John Shufeldt:

So I think in many respects, there are a lot more wise than we were coming out. They're now saying, "Look, medicine is a great career. I'm going to dedicate my life to it, but that doesn't mean I'm going to place it above my family or everything else that I do," which is what a lot of folks who are kind of in my generation did. So in many respects, I think they're much wiser.

Dr. John Shufeldt:

And as far as the entrepreneurship goes, it seems to me that a lot of them coming out of school now actually have an entrepreneurial twist to them because they've done research as undergrads, and they've seen the proliferation of the research and how it's translated into a business model. So I get a lot of medical students calling me now and saying, "Okay, I've got this great idea. What should I do?" In fact, I had one who dropped out of Mayo Medical School to pursue his idea, and I kept saying, "Oh, God, don't drop out. Just finish and then do your thing." And I don't think he listened.

Dr. John Shufeldt:

But I see a lot of them with really brilliant ideas, and I always think they approach with this fresh set of glasses, and I always equate this to education. Like, when I went back to law school, I looked at old problems in new ways. And I'd say, "God, I can't believe I did not see the opportunity here." I've got a ton of examples. It was right in front of my face, but it took me putting on a new set of glasses to really see that. And I think a lot of these medical students coming out now and residents have this fresh set of eyes, where they see things that were sitting right in front of me and I missed.

John Marchica:

You mentioned the effects of COVID on emergency room use. I'm assuming that's because people are afraid to... Just like they're afraid to go for diagnostic tests, right? Do you see that coming back? I know you gave a little panic there that you said, "Maybe I'm not so bulletproof in a recession." But do you see that coming back, or what is the role of the ED in the future?

Dr. John Shufeldt:

Well, I mean, our volume is now about 80% of what it was. And one of the fears was that people would say, "Well, gosh, I didn't go to an ED for a year and a half, and look, I'm still alive. Maybe I don't need to go as much as I used to." And there may be some of that going on. I think the volume will probably come back. And again, we're the backstop in the healthcare system. So if you don't have insurance, you end up in the emergency department. Or if you're sick in the middle of the night and you don't have a primary care doctor and the urgent care is closed, you end up in the emergency department. So I think our volume will come back. But I do think people kind of woke up to the fact that they may not need to go there for every cold and scrape and flu that they have. Some of them, it's just tincture of time, and they'll get better no matter what they do.

John Marchica:

I mean, isn't what you want, I would think... We were talking about this earlier. Isn't what you want appropriate ED use, right? I mean, you want to be dealing with trauma. You want to be dealing with things that are urgent and that need that kind of care.

Dr. John Shufeldt:

Well, actually, I want to be doing things that are emergent, but and some of the things you have to start with the urgent because it'll become emergent if you don't deal with it. So yeah, many of us went into this because we want to deal with sick patients. I mean, that's what I love doing, is taking care of critically ill patients. But you've got to wade through a lot of them to get to one nowadays, which is kind of why I started urgent cares. And one of the concerns was from my fellow EM docs was like, "Oh, my God, you're starting this business that's competing against us."

John Marchica:

Right.

Dr. John Shufeldt:

I learned early that the ED volumes will not go down. Like, I opened one right across the street from Chandler Hospital years and years ago, and their CEO was mad at me for about a month. And then their ED volumes were busier than ever, and I think it was just pent-up demand. And now people have this alternative to go to, that they could walk in any time, 12 hours a day, get great care with good customer service, and walk out with their med... We had medication on site. They'd walk out with their bottle of penicillin or whatever they had quickly. But the ED vibe didn't slow down. So we didn't cannibalize emergency departments, which honestly was what I hoped to do, so people would start going to the urgent

care and not to the ED if they weren't really sick. And the same with telemedicine. They'd use telemedicine instead of going to the urgent care if they had a complaint that was sufficient for telemedicine.

John Marchica:

It really speaks to the rise of consumerism, right, in healthcare and being... For years, people used the term patient-centric care, right? Or when I went back to school to work on a PhD, it was patient-centered decision-making, right, or patient-driven decision-making. But now it's very real. You have a lot of choices, whether it's the urgent care or your family doc or a telemedicine visit. I find the televisits that I've had to be wonderful. I'm not waiting in the waiting room. I'm waiting for maybe two minutes for the doc. We're done in 10, and it's not rushed. It's just we get through what we need to get through. And I think it's wonderful that we have the ability to do that.

Dr. John Shufeldt:

Yeah. Quite a number of years ago, a woman named Regina Herzlinger, who was a... She was a PhD at Harvard in the business school, who I had the opportunity to meet and was wonderful. Wrote a book called Consumer-Driven Health Care. And I remember it really perked my ears up because I thought, "This is definitely the future, and we have to cater." Physicians don't want to talk about consumers. They want to talk about patients. But at the end of the day, patients are all consumers. And if we don't treat them like consumers and cater to the demands they have, whether real or imagined, you're going to lose them. And I think we've seen that. I think the days of not treating patients like gold hopefully are over. I mean, hopefully patients are welcomed in, treated warmly, cared for deeply, and followed up with after they leave. I don't think it's happening all over, but I think that's certainly where the market needs to go.

John Marchica:

Yeah. I remember, was it two or three years ago that Geisinger introduced a money-back guarantee?

Dr. John Shufeldt:

Yeah, it was. Out of their emergency departments, I believe.

John Marchica:

Yeah. Can you imagine leaving, and you're getting a text that says, "How satisfied were you with your visit?" But it's that... Why can't healthcare have the same kind of consumer-driven focus like an Apple, or you think of some of these luxury car brands that take care of you from start to finish?

Dr. John Shufeldt:

It's funny. I mean, that was what I aspired to do at NextCare, is just treat people... We had a program called the WAHOO, which was Wait at Home or Office, and we'd call people when their room was open, and they'd come right into the examining room. The physician would have all their data prospectively, and it was just supposed to be very ultra-convenient, very patient-centric care. And it actually worked well. I'm going to try to take the same thing to the virtual medicine space. And I'd always laugh. You can save a patient's life in the emergency department. Then they'd say, "Well, yeah, that's what you're here for, Slick" But you can treat a woman in the middle of the night with a urinary tract infection, and you're like Moses, because it's like, "Holy cow, I called up, and you appeared on my screen, and you helped me. And two hours later, I have a medication, and I feel better by the time I'm going to work." And it was all for \$49 at the time, and it was such a dichotomy from what I'd gone through the previous 20 years.

John Marchica:

So before we wrap things up, John, the name of your book and where... I've got one more final question, but the name of your book and where they can find it.

Dr. John Shufeldt:

Well, the Entrepreneur's Rx: The Physician's Guide to Starting a Business. You can find it on my website, johnshufeldtmd.com, or on Amazon.

John Marchica:

Terrific. So a legacy question that I've been asking most doctors that I have on. I haven't remembered to do it every time, but since we started the podcast. If you were giving somebody coming out of medical school today, if you wanted to give them some advice, what would you tell them?

Dr. John Shufeldt:

Well, I think the advice before medical school would be, and I said this to my son when he was interested in it. I said, "Medicine is one of those things that you'd cut off your arm to do it." That's, I believe, what it takes to go through it, because if you don't have that sort of drive, passion, desire, it's going to be rough. I had a lot of friends in medical school whose parents pushed them there, was expected to be there. They thought that's what you should do. And they just generally hated it, and it didn't work for them. So the first thing I'd say is, "You've got to want to do this full bore from your heart and soul."

Dr. John Shufeldt:

Coming out of medical school, my advice would be think ahead as far as what's coming down the pike. So what's coming down the pike for healthcare? Certainly, AI is. Blockchain is too, but that'll be a little different story. But think of things. Okay, if they ask me down the pike, what can AI do? It can read digitized images. All right, that'll be tough on radiologists and tough on pathologists, maybe on dermatologists too, the ones who are not doing procedures. So I'd try to think ahead like that, is where is the world going to be in 30 years from now, because I want to be in a place that I'm still going to be relevant in 30 years.

Dr. John Shufeldt:

The next thing I'd say is have backup plans, because for me, it wasn't just about keeping my mind busy and making money. It was about not burning out in medicine. At the time, I spent a lot of, a lot of hours. I'd do 22 to 25 12-hour shifts a month in the ED while starting NextCare and such. But it gave me an outlet. And I think that outlet prevented me from having burnout. So when I go into the emergency department and I'm working this Sunday, I'm kind of excited to go in. And I worked last weekend. I was excited to be there because it was like, "Oh, my God, I get to go take care of patients again and not sit at my desk." So it remains exciting for me after 32 years, and I think that's a little unusual, but I only think it's because I have multiple outlets outside of medicine where I can put my creative juices towards.

John Marchica:

Yeah, yeah.

Dr. John Shufeldt:

A long answer to a question.

John Marchica:

No, no, it's great advice. And it's funny, I have the same kind of... The companies that I've been in, it's not the same thing as medicine, but I've had that same burning desire. And when you start to lose that... Like back in 2002, I think it was, I wrote a book and was coaching other companies and doing other things, and it wasn't healthy, not in the way that I think that I'm tracking your trajectory. It was that I was burned out. I was bored, and that's not a great place to be when you're... regardless of whatever you're doing. But when you're an entrepreneur, certainly, you've got to have the fire in the belly. And to your point, when you're a physician, you're not going to get through medical school and be happy if it's not... if you're fulfilling somebody else's dream, right?

Dr. John Shufeldt:

Yeah, it's so true. I mean, I tell kids all the time, "If you don't want to cut off your arm to be here, really rethink it because it's so all encompassing and so ups and downs with losing a patient and the struggles. You've got to literally... You've got to believe this is the only thing that you're meant to do," which is what I still believe that about myself. I think I was born to be a physician.

John Marchica:

Yeah. Yeah. Well, Dr. John Shufeldt, it's been a pleasure. Thanks for spending some time. I'm going to separately follow up with you since you're about 10 minutes away from me, and maybe we'll share a beer sometime after work.

Dr. John Shufeldt:

Sounds good, John. Thank you. You're always welcome. Thanks for having me on the show.

John Marchica:

So thanks again.

Kim Ascutto:

From all of us at Darwin Research Group, thanks for listening. Health Care Rounds is produced and engineered by me, Kim Ascutto, theme music by John Marchica. Darwin Research Group provides advanced market intelligence and in-depth customer insights to healthcare executives. Our strategic focus is on healthcare delivery systems and the global shift toward value-based care. Find us at darwinresearch.com. See you Next Round.