

Dr. O'Mara to Dr. Reed

Down in the swampy, piney regions of southern Georgia, people who could never before afford a doctor's care are being treated by a network of practitioners who have decided that helping people is more important than making \$250,000/yr.

Ten years ago, one young doctor, James O'Mara, agreed to spend two-year residency in Atlanta, Georgia, before going off to earn his fortune in New York or Los Angeles. While en route to Atlanta from his home in Tampa, Florida, O'Mara's car and all his and his wife's belongings were stolen at a gas stop, and he and his wife were stranded. An old man in a pick up truck offered to give them a lift, but before doing so made a phone call, and then drove them 100 miles east to rural Blakely in southwest Georgia. They were shocked when they arrived to find that the entire community turned out to greet them with a home-cooked chicken dinner, and to make Dr. O'Mara understand how desperate it was for a doctor. He understood, he stayed, and the rest is history.

Like many small towns in the area, Blakely hadn't had an established doctor for over a decade before his arrival ten years ago. Three doctors tried to establish practices during that time, but all failed within six months. O'Mara realized that he would fail just as the three doctors did who tried to establish practices in the decade before he arrived. He understood that doctors couldn't survive in the area charging normal fees because too many people in the community were uninsured and could not afford to pay out of pocket. But he also understood that if doctors reduced fees to a level the community could afford, they couldn't cover their overhead costs.

Eventually, O'Mara brought in eight other doctors and set up a revolutionary system for providing low-cost (sometimes free) health care for patients who couldn't otherwise afford it. Doctors in his network agreed to keep their fees on average 25 percent lower than standard fees charged elsewhere, and to treat patients whether they can pay or not.

But in order to provide this kind of low-cost medicine and remain solvent, O'Mara had to bring in money from outside the area to help doctors reduce their overhead expenses. The CEO of Flexcorp, who owns a nearby plantation, built a medical clinic for O'Mara and the other doctors O'Mara recruited. This gave doctors in the network a rent-free, up-to-date facility to use if they agreed to perform for free such costly procedures as bypass surgery or cancer therapy for patients who cannot afford them.

To help defray the cost of lowered and free services, O'Mara applies for federal and foundation grants. He also gets \$300,000 worth of free drugs through special programs set up by pharmaceutical companies. Most important to area residents, however, is the fact that doctors are actually available—for everyone, the rich, the poor, and the uninsured.

You met Dr. O'Mara recently while visiting relatives in the area. He's a genius at marshaling support for his style of people-friendly medicine, and when he heard you were a business student, he put you right to work.

It seems a new orthopedic surgeon has moved into the area and is charging fees better suited to big-city practices. The newcomer, Dr. Albert Reed, came to the area with good intentions, but appears to have made naïve assumptions about how to practice in a place where so many people are uninsured. He wasn't aware of O'Mara's network or that the doctors in it won't refer patients to him, or that the only hospital in the area in Albany fifty miles away won't let him work there unless he joins the network

Your task: Ghostwrite for Dr. O'Mara (you write it, but it will go out under O'Mara's signature) a letter to Dr. Reed in which you develop a strategy to persuade him to lower his fees. His address is 25 Franklin Rd., Blakely, GA 31770. The community needs a doctor with his orthopedic skills. There were no orthopedic surgeons in the area (or in the network) until he arrived about two weeks ago.