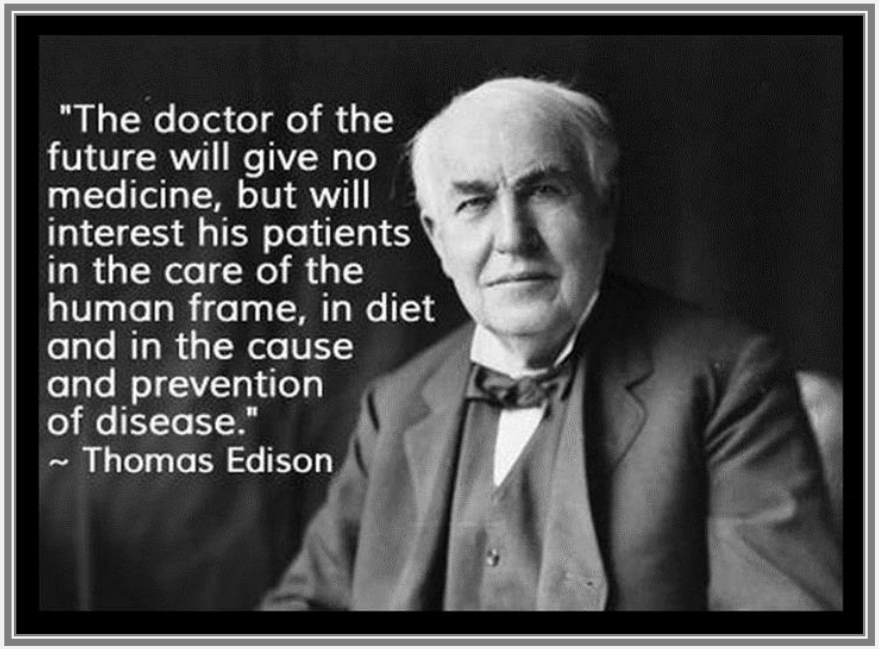
What do you value

In Healthcare?

What is needed?

- Time
- Trust
- Relationship
- Personalized approach
- Emphasis on wellbeing
- High quality care
- Open access
- Affordable



Current Healthcare

- the majority of our health care dollars are currently spent after a person is in crisis, when it costs the most to intervene and when the possibilities for full recovery are the slimmest

- “This disease-driven approach to care has resulted in spiraling costs as well as a fragmented health system that is reactive and episodic as well as inefficient and impersonal."

- the Institute of Medicine convened the “Summit on Integrative Medicine and the Health of the Public” (http://www.iom.edu/Reports/2009/ Integrative-Medicine-Health-Public.aspx),

What is your Ideal HealthCare Solution?

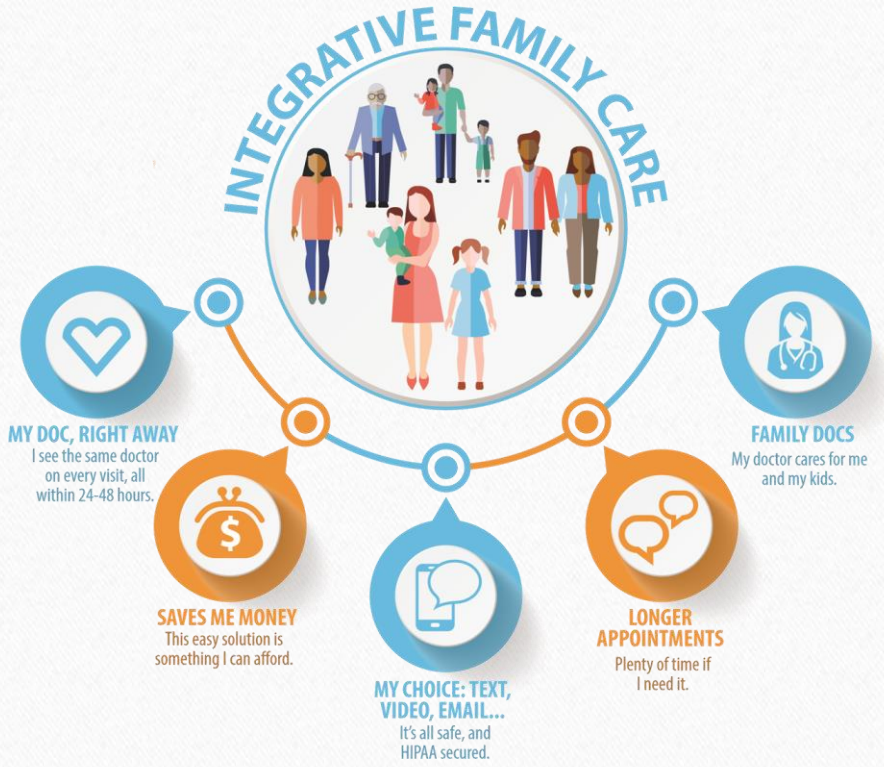
- Lower Spend Trend
- High Quality
- ACA Compliant
- Improve Health of Workforce/ Population
- Sustainable
- Accessible

integrative
family care

Cincinnati's Direct Primary Care Solution

What Is Direct Primary Care?

- Comprehensive primary care and prevention services
- Direct agreement between doctor and patient
- Monthly fee or retainer: payer agnostic
- No fee for service billing
- Medical services: Not insurance or health plan
- Defined in ACA and state laws ACA §1301 (a) (3), WA 48.150 RCW)



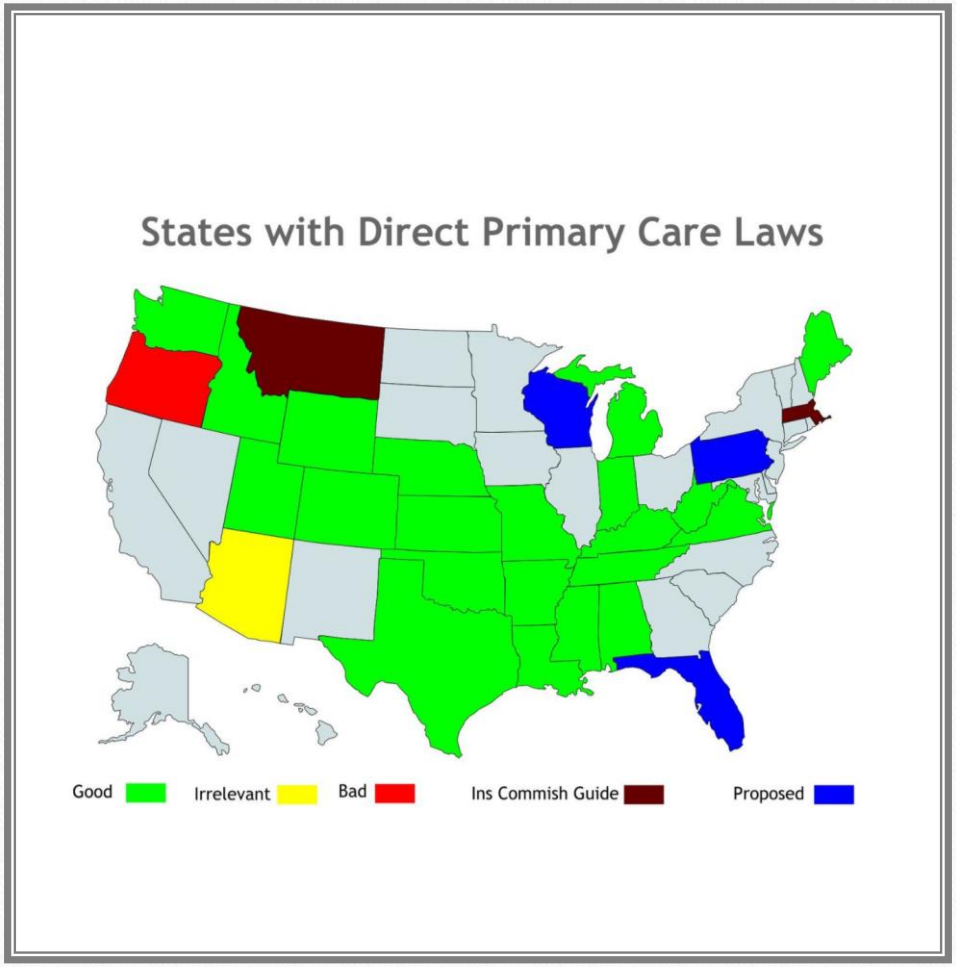
1) CHARGE A PERIODIC FEE
2) NOT BILL ANY THIRD PARTIES ON A FEE FOR SERVICE BASIS, AND
3) ANY PER VISIT CHARGE MUST BE LESS THAN THE MONTHLY EQUIVALENT OF THE PERIODIC FEE

Local Direct Primary Care Practices

HEALTH CONNECTIONS DIRECT PRIMARY CARE

LISA LARKIN • MD
&
ASSOCIATES

integrative family care



Legislation

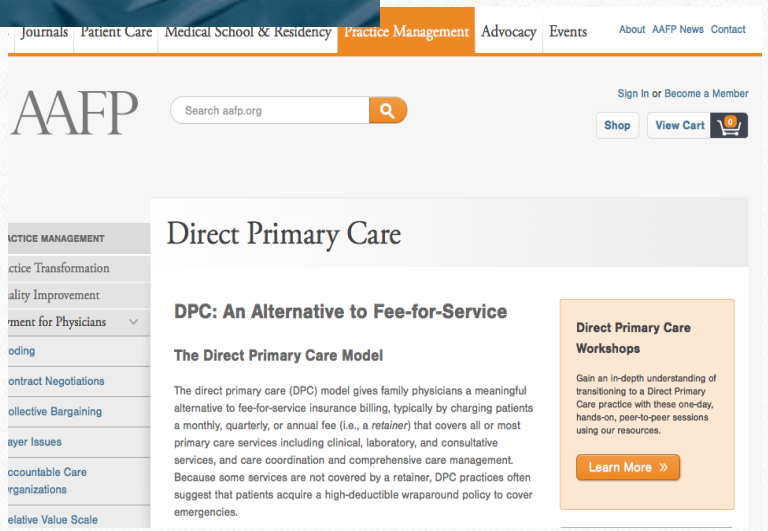
- Includes patient protection laws

- >750 DPC Practices in at least 48 States +DC
- Median fee about $80 per month
- Better Outcomes, Patient Satisfaction
- Savings of about 20% with employers, exchanges and Medicaid

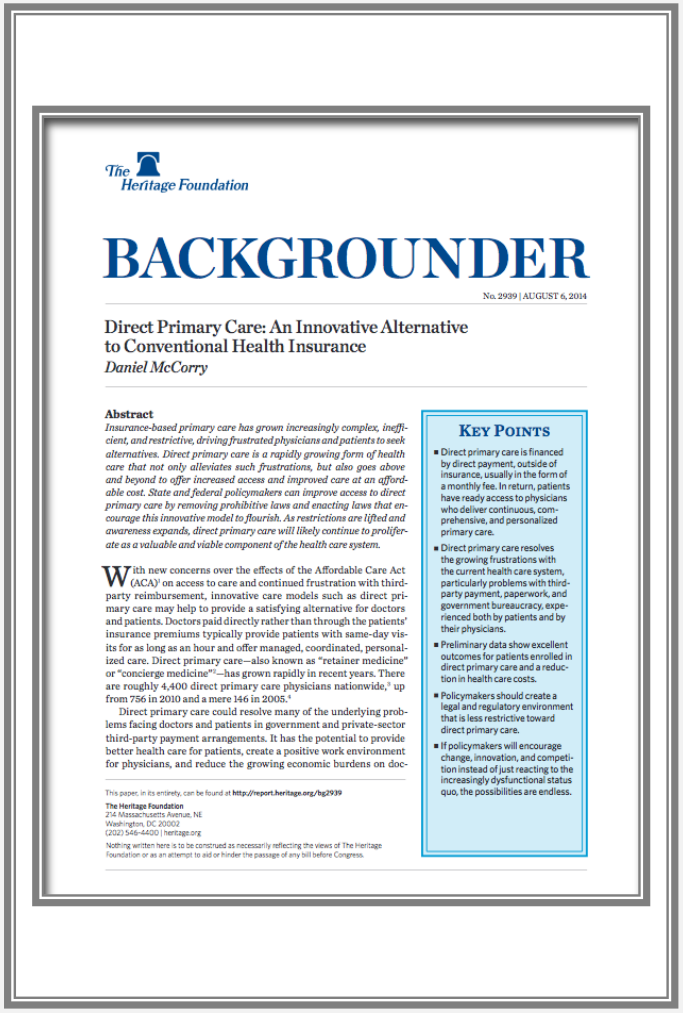
Who's talking about DPC?

- National Association of Manufacturers
  - Employers facing ACA compliance challenges need solutions to cut costs and improve care.
- NFIB
  - An innovative delivery model that should not be subject to state insurance regulation.
  - Small business owners are very eagerly awaiting the arrival of DPC. *
- American Academy of Family Physicians
  - DPC provides patients substantial savings, better access and more time with providers.
  - Gives family physicians a meaningful alternative to fee-for-service insurance billing.

* Testimony of NFIB to FL House 2/17



Self-Insured Employers
Medicare Advantage
Medicaid MCOs



The Heritage Foundation

BACKGROUNDER

No. 2939 | AUGUST 6, 2014

Direct Primary Care: An Innovative Alternative to Conventional Health Insurance

Daniel McCorry

Abstract

Insurance-based primary care has grown increasingly complex, inefficient, and restrictive, driving frustrated physicians and patients to seek alternatives. Direct primary care is a rapidly growing form of health care that not only alleviates such frustrations, but also goes above and beyond to offer increased access and improved care at an affordable cost. State and federal policymakers can improve access to direct primary care by removing prohibitive laws and enacting laws that encourage this innovative model to flourish. As restrictions are lifted and awareness expands, direct primary care will likely continue to proliferate as a valuable and viable component of the health care system.

With new concerns over the effects of the Affordable Care Act (ACA)[1] on access to care and continued frustration with third-party reimbursement, innovative care models such as direct primary care may help to provide a satisfying alternative for doctors and patients. Doctors paid directly rather than through the patients' insurance premiums typically provide patients with same-day visits for as long as an hour and offer managed, coordinated, personalized care. Direct primary care—also known as "retainer medicine" or "concierge medicine"[2]—has grown rapidly in recent years. There are roughly 4,400 direct primary care physicians nationwide,[3] up from 756 in 2010 and a mere 146 in 2005.[4]

Direct primary care could resolve many of the underlying problems facing doctors and patients in government and private-sector third-party payment arrangements. It has the potential to provide better health care for patients, create a positive work environment for physicians, and reduce the growing economic burdens on doc-

This paper, in its entirety, can be found at http://report.heritage.org/bg2939

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Nothing written here is to be construed as necessarily reflecting the views of The Heritage Foundation or as an attempt to aid or hinder the passage of any bill before Congress.

KEY POINTS

- Direct primary care is financed by direct payment, outside of insurance, usually in the form of a monthly fee. In return, patients have ready access to physicians who deliver continuous, comprehensive, and personalized primary care.
- Direct primary care resolves the growing frustrations with the current health care system, particularly problems with third-party payment, paperwork, and government bureaucracy, experienced both by patients and by their physicians.
- Preliminary data show excellent outcomes for patients enrolled in direct primary care and a reduction in health care costs.
- Policymakers should create a legal and regulatory environment that is less restrictive toward direct primary care.
- If policymakers will encourage change, innovation, and competition instead of just reacting to the increasingly dysfunctional status quo, the possibilities are endless.

Heritage Foundation Study on DPC

- DPC fixes problems with third-party payment, paperwork, and government bureaucracy.
- Data shows excellent outcomes, reduced costs.
- Policymakers should create less restrictive regulations for DPC:
  - ***… Reform the tax code to allow DPC payments through HSAs***
- DPC encourages innovation and competition unlike the dysfunctional status quo
- Growing Model: *Roughly 4,400 DPC physicians in 2012 up from 756 in 2010 and a mere 146 in 2005*

EMPLOYERS DRIVE THE CHANGE

STAKEHOLDERS POSITIONS

PATIENTS

As consumers

PROVIDERS

INSURERS

VESTED INTEREST IN STATUS QUO

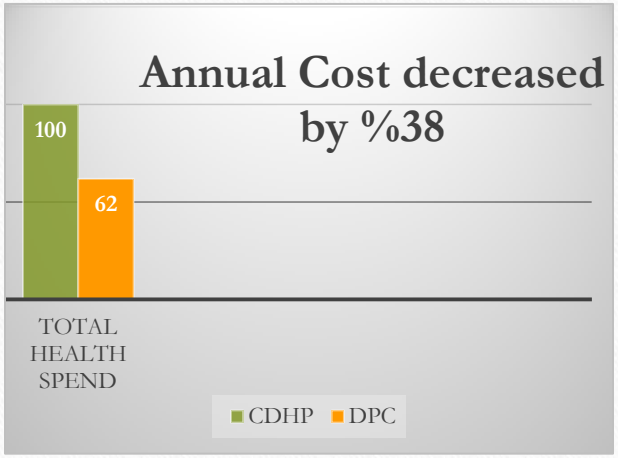
EMPLOYERS

BURNING PLATFORM

DPC Qliance Saved 20% Per Patient in Direct Catastrophic Costs	Per 1,000 Qliance patients	Per 1,000 NON-Qliance patients	% difference	Savings per year
ER Visits	81	94	-14%	(5)
Inpatient Days	100	250	-60%	$417
Specialist Visits	7,497	8,674	-14%	$436
Advanced Radiology	310	434	-29%	$82
Primary care Visits	3,109	1,965	+58%	($251)
Savings Per Patient	-----	-----	------	$679
Total Savings /1000 (after fees removed)				$679,100

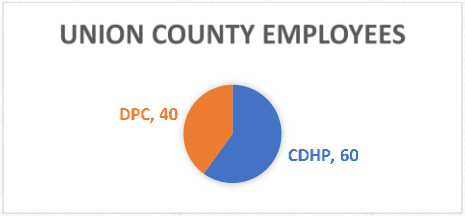
- **DPC *2013 -2014 data: DPC with employers* ,4000 patients over 24 months**

Direct Primary Care saves Union County government $1.28 million in first year



Union County North Carolina started DPC as a benefit offering in April 2015

for June 2015 thru July 2016 :



- Of Union County's 2,000 covered lives, 40% are DPC participants, while the remaining 60% are signed up with the CDHP. (Consumer Driven Health Plan, high deductible HSA)

DPC participants incur 38% less in medical expenses than CDHP participants, yielding **annual savings of $1,408,089.**
A SAVINGS OF $313.28 PEPM

https://www.johnlocke.org/press-release/direct-primary-care-saves-union-county-government-1-28-million-in-first-year/

Direct Primary Care Model of Practice

- practitioners will contract directly with the patients and or their employers.
  - AFFORDABLE: membership fee: all basic primary care in place of standard FFS as opposed to *in addition* to FFS insurance coverage. (Not concierge).
  - ACCESS: Patients will have better access to their providers, pay for what they value, and providers will have the patient as their priority focus.
  - LEAN: By eliminating all third party payers, administrative burden and cost will be significantly reduced, thus allowing for a better experience that is more cost effective.
  - THRIVE: Providers will thrive in this environment of greater autonomy to provide *healthcare*, patients will be engaged in their health by structure of environment and contract

Compare

Traditional Primary Care

- Visits:
  - In person $ copay
  - Virtual $ upcharge, NP
  - Email limited with $

*cannot do preventative and disease care on same visit

Direct Primary Care

- Visits
  - In person open access
  - Virtual doctor, no upcharge
  - Email/TXT unrestricted

    NO additional charge

*Complete care

Compare

Traditional Primary Care

- Patient Panel
- 2,000-6,000 and growing

Direct Primary Care

- Patient Panel
- 600-800

Compare

Traditional Primary Care

- Time
  - 7-10 minutes

- Revenue
  - Bill for every encounter, action
  - using insurance for prevention???

Direct Primary Care

- Time
  - 30-90 minutes

- Revenue
  - All inclusive or transparent cash based
  - insurance for catastrophic

What is the value proposition

Primary Care Carve Out …

to bundle with a high deductible plan and smart stop loss.