Direct Primary Care

Direct Primary Care CME Conference

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Dallas, TX

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Direct Primary Care Coalition
www.dpcare.org
What Is Direct Primary Care?

- High-functioning primary care and prevention services: A Medical Home
- Direct agreement between doctor and patient
- Monthly retainer paid by individual, employer, health plan, or other payer
- No third party, fee for service billing
  
  *Significantly reduced administrative costs*
- Medical services: Not insurance or health plan

Defined in ACA §1301 (A) (3), 16 State Laws (e.g. WA 48.150 RCW)

- DPC Practices in 47 States + DC *
- Median fee about $70 per month *
- Better outcomes, patient satisfaction
- Savings of +/- 20%; employers, exchanges and Medicaid

* Journal American Board of Family Medicine, Nov. 2015
DPC v. “Concierge” Medicine

- **Concierge**: Provider access fees paid for “non-covered” services
  - *Patient bills insurance for services – still in a fee for service (FFS) environment*

- **DPC**: Completely outside insurance. Fees cover high access level *plus* all costs of primary care
  - *Avoids misaligned FFS incentives, minimal administrative costs for great primary care*

- **DPC**: More affordable than concierge, usually lower than $100 per month.
  - *Even offered in Medicaid some states*

- **DPC**: Recognized health reform policy driving improved health outcomes and lower costs.
DPC Can Reduce Health Costs by 20%
2013 data: DPC with employers

<table>
<thead>
<tr>
<th></th>
<th>Per 1,000 Qliance patients</th>
<th>Per 1,000 Non-Qliance patients</th>
<th>Difference (Qliance vs. Other)</th>
<th>Savings per patient per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospital Inpatient days</td>
<td>100</td>
<td>250</td>
<td>-60%</td>
<td>$417</td>
</tr>
<tr>
<td>Specialist Visits</td>
<td>7,497</td>
<td>8,674</td>
<td>-14%</td>
<td>$436</td>
</tr>
<tr>
<td>Advanced Radiology</td>
<td>310</td>
<td>434</td>
<td>-29%</td>
<td>$82</td>
</tr>
<tr>
<td>Primary Care Visits</td>
<td>3,109</td>
<td>1,965</td>
<td>+58%</td>
<td>($251)</td>
</tr>
<tr>
<td>Savings Per Patient</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>$674</td>
</tr>
<tr>
<td>Total Savings per 1000 (after Qliance fees)</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>$684,000</td>
</tr>
<tr>
<td>% Saved Per Patient</td>
<td></td>
<td></td>
<td></td>
<td>20%</td>
</tr>
</tbody>
</table>

**Data Sources:** All claims data (except prescription claims) from carriers for selected large employers; Qliance EMR data; Employer eligibility data.

**Claims Attribution:** All claims incurred by Qliance patients prior to first Qliance visit were excluded; All employees with any interaction with Qliance included as our patients, even if the employee used another primary care provider (which is possible in some of the plan designs among clients); All claims incurred after any interaction with Qliance included, regardless of employee’s intent to use Qliance as their primary care provider; All non-primary care provider visits included under “specialist” category (such as physical therapy, acupuncture, etc.)

**Population:** Eligible members in employer-sponsored health plan; Employees only, to remove confounding factors from differences in dependent benefits structures and participation variances among clients.
Rigorous analysis shows large economic value creation even after just 1 year, especially with sicker populations

Inpatients admissions down 37% and total spend down 12% relative to matched controls after 1 year.
DPC works with...
Self-Insured Employers
Medicare Advantage
Medicaid MCOs
Health Plans
Integrated Health Systems
NJ State Employees

- Direct Primary Care Medical Home Pilot Program
- Introduced by Sen. Majority Leader Stephen Sweeney (D-NJ); Supported by Gov. Chris Christie (R-NJ)
- Backed by 9 public employee unions
- Voluntary program
- Up to 800,000 police officers, firefighters, and state, county and municipal employees and family members
- Aetna, Horizon Blue Cross TPAs
DPC Policy Issues:

• State Legislation
  • Insurance definitions passed in 16 states: More needed to prevent future regulation
  • Legislation may be needed to bring DPC to Medicaid
  • State Legislatures must weigh in with Congress on HSA issues

• Fix DPC issues in the Tax Code: Health Savings Accounts
  • DPC not a qualified medical expense {IRC 213 (d)}
  • IRS considers DPC a “health plan” {IRC 223 (c)}: DPC disqualifies HSAs
  • Primary Care Enhancement Act S. 1989; H.R. 6015 clarifies tax code on both points

• Bring DPC to Medicare/Medicaid
  – the nation’s highest utilizers of care
DPC Legislation in 16 States

- Washington – 48-150 RCW
- Utah – UT 31A-4-106.5
- Oregon – ORS 735.500
- West Virginia – WV-16-2J-1
- Arizona – AZ 20-123
- Louisiana – LA Act 867
- Michigan – PA-0522-14
- Mississippi – SB 2687
- Idaho – SB 1062
- Oklahoma – SB 560
- Missouri – HB 769
- Kansas – HB 2225
- Texas – HB 1945
- Nebraska – Legislative Bill 817
- Tennessee – SB 2443
- Wyoming – SF0049

- Defines DPC as a medical service outside the scope of state insurance regulation
- Virginia HB 685 Vetoed by Governor
- Arkansas “concierge” law would make 17
State Legislation for 2017

8+ states considering legislation:

- Colorado
- Florida
- Georgia
- Kentucky
- Massachusetts
- Michigan
- Pennsylvania
- Virginia
- West Virginia
Massachusetts Regulatory Guidance

DPC is *not* a health benefit plan

DPC falls within the scope of the medical license

Practice is responsible for establishing appropriate consumer protections, including signed disclosures that DPC:

- **Is not a health plan**
- **Does not** satisfy state or federal minimum coverage standards
- **Services are not** covered by insurance
- **Services are specifically identified**; and that certain services may already be covered by insurance.
The Primary Care Enhancement Act

- H.R. 6015 *Reps Erik Paulsen (R-MN) and Earl Blumenauer (D-OR)*
  - Bipartisan Bill - clarifies HSA Provisions in the Tax Code
    - DPC *is not* a health plan under IRC §223 (c)
    - DPC *is* a qualified health expense under the IRC §213 (d)
    - Allows individuals with HSAs to pay for DPC services with HSAs.

- S. 1989 *Sens. Bill Cassidy, MD (R-LA) and Maria Cantwell (D-WA)*
  - Companion bill - Identical IRS language
  - Includes a CMS pilot with a payment pathway for DPC as an Alternative Payment Model (APM)

- Please contact Senators and Representatives today and ask them to Co-Sponsor the Primary Care Enhancement Act
Direct Primary Care Coalition

www.dpcare.org

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