

Episode 20: Direct Primary Care Model – Is This The Model For You?



Note: This is a machine transcription. Please excuse any punctuation or other weirdness:)

Intro:

Susan S. shares her story:

I was tired of being rushed through a doctor's visit and having to repeat myself or gather additional paperwork when my specialist wasn't communicating with my primary care doctor. Healthcare is expensive enough without having to manage this too and even more concerning, what if something gets missed?

Trying the Direct Primary Care Model (DPC) was a win for me...I was impressed with my experience. I admire that physicians are changing the trajectory of healthcare going without contracts with healthcare insurance companies and putting their livelihoods on the line.

Why? because they want to care for patients...really care for patients. They understand the frustrations of their patients and are concerned that the current model with gaps and miscommunication could result in a negative outcome and we deserve better.

Get Savvy...Demystifying Healthcare – 30 second commercial

Are you tired of the high cost of healthcare? Are you overwhelmed trying to navigate a complicated healthcare system?

Welcome to Get Savvy...Demystifying Healthcare weekly podcast where we take complicated healthcare topics and make them simple.

Imagine if you could stop feeling paralyzed with fear and frustration and instead be empowered to make smart healthcare decisions for you and your family.

Get Savvy with your host, Sandy Kibling, a healthcare professional changing how healthcare knowledge is shared.

Podcast

Hello everyone and welcome to Episode 20: The Direct Primary Care Model – is This Model For You? The Direct Primary Care (DPC) model has grown as health insurance gets increasingly confusing, expensive, and frustrating, allowing for new models of care to rise.

Patients without health insurance, are fed up with paying skyrocketing monthly premiums, and are turning to direct primary care as an option to afford basic medical care.

What we will discuss:

- 1) What is the Direct Primary Care Model?
- 2) Pros and Cons of a Direct Primary Care Model?
- 3) Is Direct Primary Care the Right Model For YOU?

Let's get started.

What is Direct Primary Care?

Direct primary care is a financial arrangement made directly between a patient and a healthcare provider. It takes the healthcare insurance companies out of the process, eliminating the need for patients and providers to file health insurance claims.

Patients who use direct primary care don't pay monthly health insurance premiums or copays. Instead, they pay their healthcare provider a monthly fee. Memberships typically includes primary care services, including clinic visits, virtual consultations, direct access to your PCP, longer and more thorough visits...a true partnership in care.

Direct Primary Care providers don't bill insurance companies, as they don't accept any form of insurance as they typically don't have contracts with them.

That said, many patients who use DPC may also enroll in a high deductible health plan (HDHP) to cover any medical services they may need that are not covered by DPC.

On average costs may range from \$30 - \$300 a monthly fee depending on whether it is individual or a family membership. Groups may offer discounts if payment is made quarterly or annually.

The membership fee eliminates patients feeling like they are just another number in the queue or being rushed through robotic appointments.

It allows for individualized care as patients typically have direct, 24/7 access to their PCP via a personal line and allows for collaboration and having a true doctor-patient relationship.

You may be asking what services are covered, now this may vary so always do your research but typically:

- Common medical issues such as colds, flu, rashes, joint injuries, annual exams, or just common concerns and you want to meet with your doctor to address, define next steps or put your mind at ease.
- Keeping on top of preventive screenings such as mammograms, colonoscopies, pap smears and EKGs etc.
- Defining a customized long-term plan for managing chronic conditions.
- Address minor procedures such as mole removal, joint injections for knee or back pain and minor stitches...or wound care.
- Additional services may include migraine issues, sleep disorder, diabetes care or weight loss goals and smoking cessation.
- Coordination of any specialized care needed outside of primary care.
- There may also be care provided at more affordable costs... A Complete Blood Count (CBC) test will cost you \$50-\$60 in a corporate hospital, whereas a DPC clinic offers the same test for only \$1-\$3.
- Prescription drugs may be offered at wholesale cost...antihistamine medicine that may cost you up to \$14.43 for a 10-mg dosage per tablet in most primary care clinics, while DPC clinics can dispense it for only \$1.08.

So, this sounds great, but is this model too good to be true?

Pros and Cons of The Direct Primary Care Model

There are some pros and cons to consider before considering a DPC model. There are definitely financial risks and potential rewards, and there are several aspects of direct primary care to consider before considering this model for your healthcare needs.

Pro: More time with your Healthcare Provider

Direct primary care physicians can avoid the time normally spent preparing and filing insurance paperwork which is typically a 45% administrative burden for most practices per payer. Without this hassle, this allows more in-depth visits and consultations with their patients.

Direct primary care practices also typically have fewer patients than those accepting insurance. Providers can get to know their patients' health history and healthcare concerns, creating opportunities for more personalized care.

Con: You'll Still Need an Insurance Plan

The monthly fee covers the primary care consultations. But if you need any additional testing, procedures, or medication, you'll likely be on the hook for the cost. That's why you'll probably need to pair your direct primary care membership with some sort of insurance plan. Many direct primary care patients also have a high deductible health plan.

You may be asking but I thought the whole purpose was to not have to pay the monthly health insurance premiums?

Something to consider: Let's say Mary is opting for the DPC model. If Mary is in a car accident and is rushed to the ER, she would be responsible for those costs. Now she can certainly follow up with her direct primary care provider, but if she needs specialty care, follow up surgery this can add up and this is where the HDHP comes in to offer a safe harbor.

Now the monthly fee to the DPC and monthly fee for the HDHP may still be less than buying a full health insurance plan...so something to keep in mind.

Pro: Upfront Pricing

With a traditional health insurance plan, a patient typically leaves the doctor's office without knowledge of exactly what — and how much — their insurance will be billed. After deductibles or copays are applied and discounts are negotiated between the provider and insurance company, you receives an explanation of benefits of what your expected to pay for the visit.

Direct primary care eliminates that confusion. Patients know the exact monthly cost of membership as well as the flat fee (if any) for visits or additional services like that blood test we mentioned earlier. This fee does not vary based on the services provided.

Con: Membership Doesn't Count Toward a Deductible

The IRS currently categorizes direct primary care and its monthly membership fee as a "health plan." So the monthly cost is not eligible to go toward a deductible if you also carry high deductible health insurance coverage.

Pro: Accessibility and Convenience

Direct primary care patients usually have access to same-day and next-day visits, 30- to 60-minute appointments, and the option to call, email, text, or video chat with a provider 24/7.

In traditional health insurance plans, many doctors don't provide this much accessibility because it's difficult to bill for phone or video visits. Now during COVID the Public Health Emergency allowed for many exceptions but with it ending May 11, 2023 these exceptions may be eliminated in a traditional setting.

Cons:

In a traditional environment you may have to wait 3 weeks to get into an appointment and that can be a long time if there is an issue you are concerned about.

Pro: Addressing Financial Concerns:

Pros: If you can't afford a monthly payment of \$800 dollars a month with a \$8000 deductible than paying a monthly fee may seem more reasonable and offer peace of mind if you want to make sure you have access to a PCP.

Cons: If you need care beyond what a PCP offers say you need to see a cardiologist than you will likely have to pay out of pocket.

Direct Primary Care Model – Is It Right For You?

Because patients using direct primary care can typically text or call their provider at any time, this option may be appealing to a range of people. For example, families with small children, patients who travel frequently, or elderly patients who can't travel to the doctor.

However, because direct primary care memberships are usually paired with HDHPs, they might not be the best choice for people who need specialized care or who have complex medical issues. Direct primary care may be best for patients who are generally healthy, and need to see a primary care physician for routine visits or short-term health issues.

So if you already have — or are considering — an HDHP, adding a direct primary care membership may be a good option to limit costs of physicals and other routine visits to the doctor.

Let's look at a few scenarios where DPC works and where it may be a risk:

Scenario 1:

Lucy is 34 years old and left her corporate job and is opting out of COBRA and choosing to purchase a plan on the exchange. As she looks at options, she is blown away at the cost of a very basic plan of \$645.00 a month with a \$7000 deductible.

Thankfully she does not have any health issues and is prompt about following up with preventative care with her annual visit and preventative tests. She hears about the DPC model and likes the cost of the monthly membership and building that relationship with her provider to continue to be proactive in her health.

Thankfully she does not need to see a specialist but know this is a risk should she develop some issue, but she is willing to take that chance as she believes by being proactive and making sure she stays on top of preventative tests she is managing her health.

In this scenario Lucy is going with the DPC plan only and understands the risk if something outside what a DPC would cover would be her financial responsibility.

Scenario 2:

John manages his own construction business, and he has received 8 new projects and things are very promising from a financial perspective. As a business owner, John does not provide healthcare insurance for his employees but does give a bonus so his employees can choose the best plan. John is an avid road cyclist and believes that he is at the top of his game Healthwise.

That said, he is 53 and road cycling while good for his heart has been a challenge for his knee and his left knee is bone on bone and he knows that a knee replacement is likely in his future. He has opted for the DPC model knowing that a specialist care with an Orthopedic surgeon and the surgery will go above and beyond his membership, but he has had a good year and is willing to pay the out of pocket cost of \$12K for the surgery.

The way John looks at it is for a high deductible plan he would pay $\$645 \times 12 = \$7,740$ in monthly payments for the year with an \$8000 deductible. $\$7,740 + \$9000 = \$16,740$ which is more than his surgery and visits with his orthopedic surgeon. He also knows that anything can happen but financially is in a good place and wants to focus on the physician and patient relationship.

Scenario 3:

Shirley is a single mom with two teenage daughters. She has launched her own Craft blogging website and membership and is bringing in a nice monthly salary. She loves the idea of DPC as she has had several issues with insurance companies and dealing with disputes on claims and prior authorization issues that have been a hassle so getting out of the health insurance politics sounds like a great option.

The longer visits and access to PCP is appealing but as Shirley does the math on the monthly dues AND a HDHP it doesn't work for her. With two teenage daughters and looking back at the prior year with 3 ER trips due to accidents as both girls play soccer this doesn't seem like the smartest option.

The risk is too high and she feels more comfortable with a full insurance plan but will keep the DPC plan in mind as a potential supplement to her existing plan in the future and she really likes the kind of service she can receive from her provider

I hope these scenarios help make you aware of alternative options that are out there.

Currently, there are over 1,000 practices participating in direct primary care in 48 states. American Medical Association states this number will continue to increase.

If you're interested in this type of program you go to, The Direct Primary Care Coalition and DPC Frontier Mapper are two resources to help you locate a direct primary care practice in your area.

In our future episodes I am finalizing some interviews with some awesome guests to share their knowledge with you and add to this podcast to make sure you are continuing to get the knowledge you need to make smart healthcare choices.

For the next episode we are going to talk about mental health options and how to get care if you have limited funds or no health insurance.

Until next time Get Savvy