

[www.dpcare.org](http://www.dpcare.org)

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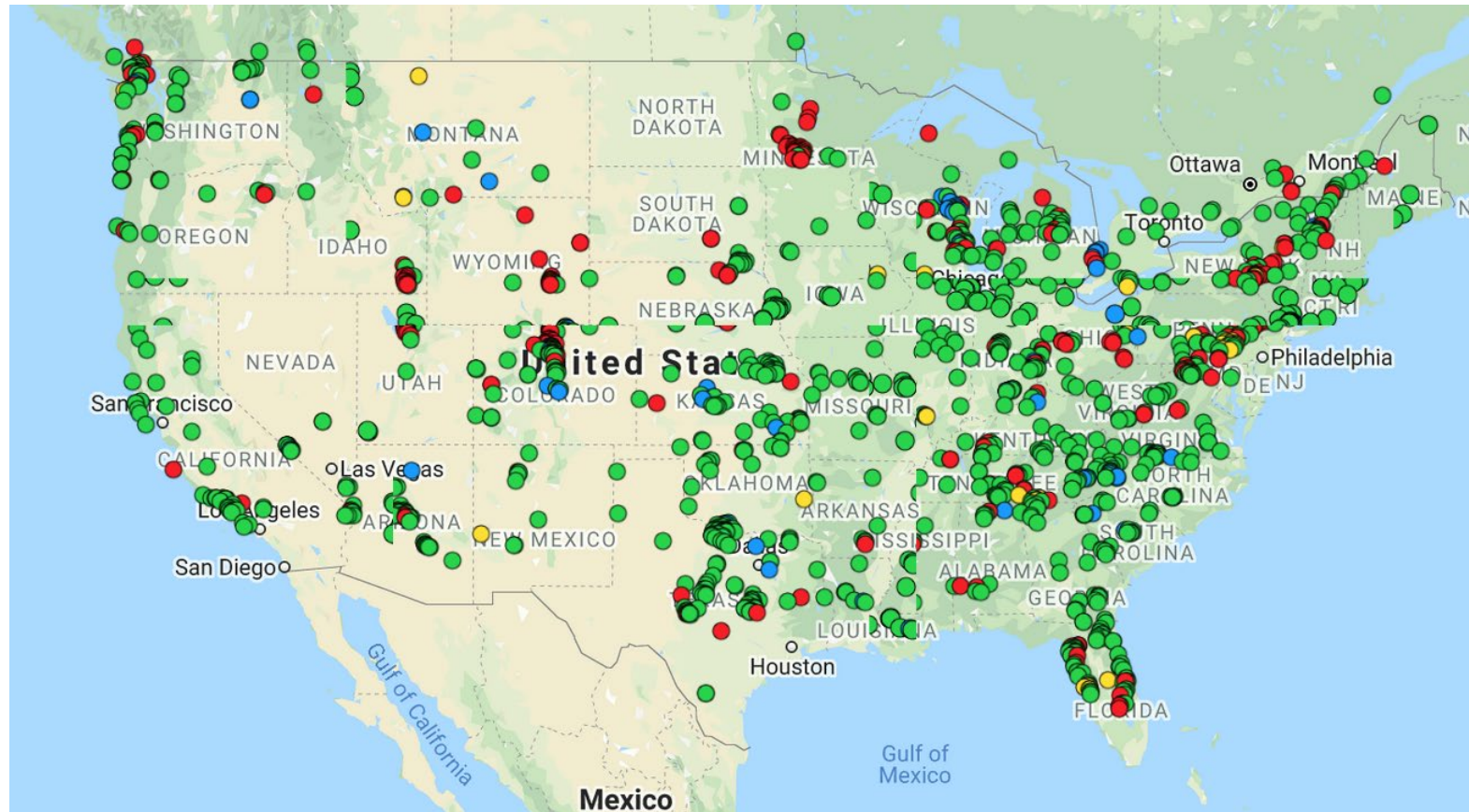
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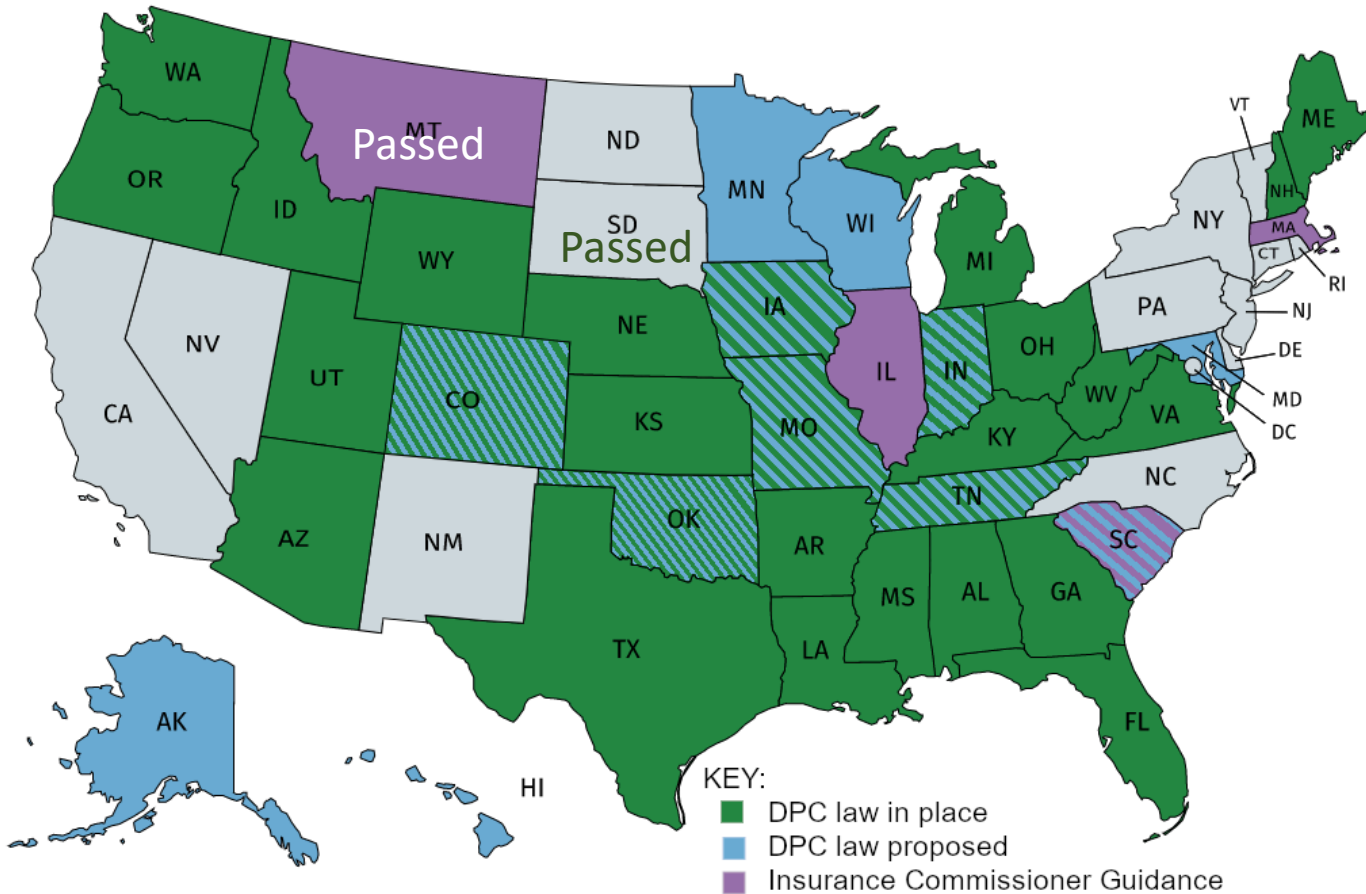


- Capitated Monthly Fee Payment model
- Personal relationship with primary care physician
- Care delivered in any setting – virtual, telehealth, at home, in-person
- Innovative, affordable, value-based monthly payment model
- Over 1,400 practices nationwide
- **Bipartisan Legislative History:**
  - *Defined in ACA Section 1301 (a) (3)*
  - *30 + Bipartisan State Laws and Regulations*
  - *CMS Innovation Center to demo Direct Contracting in Medicare*
  - *Presidential Executive Order 13877*
  - *IRS Proposed Rule 2020 – 12213*
  - *Primary Care Enhancement Act: S. 2999 Cassidy HR 3707 Blumenauer passed House in 2018, Included in original CARES Act*

# Status of Direct Primary Care in 2021



## DPC Laws/Regs Passed in 34 States



1. Washington – [48-150 RCW](#)
2. Utah – [UT 31A-4-106.5](#)
3. Oregon – [ORS 735.500](#)
4. West Virginia – [WV-16-2J-1](#)
5. Arizona – [AZ 20-123](#)
6. Louisiana – [LA Act 867](#)
7. Michigan – [PA-0522-14](#)
8. Mississippi – [SB 2687](#)
9. Idaho – [SB 1062](#)
10. Oklahoma – [SB 560](#)
11. Missouri – [HB 769](#)
12. Kansas – [HB 2225](#)
13. Texas – [HB 1945](#)
14. Nebraska – [Legislative Bill 817](#)
15. Tennessee – [SB 2443](#)
16. Wyoming – [SF0049](#)
17. Arkansas – [HB 1161](#)
18. Kentucky – [SB 79](#)
19. Colorado – [HB 17-1115](#)
20. Indiana – [SB 303](#)
21. Virginia - [HB 2053](#)
22. Alabama - [SB 94](#)
23. Maine - [S.P. 472](#)
24. Florida – [HB 37](#)
25. Iowa – [HF 2356](#)
26. Georgia – [SB-18](#)
27. New Hampshire [HB508](#)
28. Ohio – [HB166](#)

- Laws generally define DPC as a medical service outside of state insurance regulation, offer consumer protections **Key:**
  - **DPC Laws passed – signed by governor.**
  - **Solid regulatory guidance.**
  - **12 DPC bills introduced or pending Feb. 2020.**
  - **6 to expand to state employees (IN,TN) or Medicaid (CO, MO, OK, IA)**

# DPC Reduces Overall Cost of Care



+



**25.4 %** reduction in total claims costs\*\*  
**4.7%** reduction in risk scores



ER Visits down **53%\*\*\***  
Advanced Radiology down **66%**  
Surgeries down **77%**



Hospital admission down **33% \***  
Specialist visits down **43%**  
Non-MD Specialists down **39%**  
Primary care visits up **133%**



**12%** reduction from baseline HBA1C  
**Up to 41%** reduction in cost of care for chronically ill patients  
Increased compliance for preventive screenings



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## Why?

- More primary care utilization
- Reduction in specialty care /hospitalization
- Reduced overall health costs
- Reduced out of pocket costs for consumers
- Predictable fixed costs for employers/payers
- Significantly reduced administrative costs  
– *no claims, no disputes, no appeals*

*Data Sources:*

\* Iora Dartmouth Health Connect Study June 2016

\*\* Nextera/Digital Globe Case Study June 1 – Dec. 31, 2015

\*\*\* Journal American Board of Family Medicine , Nov. 2015  
– Qliance employer claims data set 2011-13





**DPC is associated with a reduction in overall member demand for health care services outside primary care:**

- 19.90% lower claim costs for employers 40% fewer ER visits that those in traditional plans. 53.6% reduction in ER claims cost.
- 25.54% lower hospital admissions on an unadjusted basis.

**Virtual Care and Telehealth are at the core of DPC service offerings:**

- 99% of all DPC practices surveyed were doing virtual consults via text/phone as a part of the membership fee (two years prior to COVID-19).
- 88% said they provided “telemedicine” benefits (meaning expanded video or additional digital communications assets).

**DPC is Affordable Primary Care**

- The average adult monthly DPC Fee is \$73.92.
- Median age for DPC patient was 31.8 years old
- Concierge patients in MDVIP membership \$1,650 - \$2,200 annual membership fee MDVIP also bills third-party payers for all services provided to members.



Health Care Cost Trends

## Direct Primary Care: Evaluating a New Model of Delivery and Financing

A green hexagonal pattern background with white lines connecting the vertices of the hexagons.

AMERICAN ACADEMY OF FAMILY PHYSICIANS  
STRONG MEDICINE FOR AMERICA

Direct Primary Care COALITION

Milliman

May 2020

# DPC Reduces Patient Out of Pocket Costs: Prescription Drugs, Labs, Procedures



Lab Test	Retail Cost	Core FP
Basic Metabolic Panel	\$ 44.00	\$ 5.43
CBC W/Diff and Plt	\$ 40.56	\$ 5.53
Comprehensive Metabolic Panel	\$ 51.00	\$ 6.79
Ferritin	\$ 73.00	\$ 11.95
hemoglobin A1c	\$ 48.00	\$ 9.63
Hepatic Function Panel	\$ 42.00	\$ 5.20
Iron, Total	\$ 35.00	\$ 3.22
Lipid Panel	\$ 70.00	\$ 9.00
microalbuminuria/cre ratio	\$ 166.00	\$ 29.91
PSA, Total	\$ 92.00	\$ 14.13
PT/INR	\$ 22.00	\$ 8.95
TSH	\$ 85.00	\$ 10.27
Urine Culture	\$ 42.00	\$ 15.86

Generic Drug Name	Brand Name	Pill #	Prescription Cost (Based on local GoodRX cash pricing)	Core FP Cost
AMLODIPINE BESYLATE 5MG	Norvasc	30	\$ 20.00	\$ 4.80
AMLODIPINE/BENAZEPRIL 5-10MG	Lotrel	30	\$ 40.00	\$ 12.00
AMOXICILL CLAV ACID 875/125MG	Augmentin	20	\$ 45.00	\$ 10.00
AMOXICILLIN 500MG		20	\$ 10.00	\$ 4.80
ATORVASTATIN CALCIUM 20MG	Lipitor	30	\$ 24.00	\$ 4.80
AZITHROMYCIN 250MG	Z-Pack	6	\$ 17.00	\$ 5.00
BUPROPION HCL SR 150MG	Wellbutrin	60	\$ 42.00	\$ 10.20
CEPHALEXIN 500MG	Keflex	30	\$ 21.00	\$ 4.80
CETIRIZINE 10MG	Zyrtec	30	\$ 13.00	\$ 4.80
CIPROFLOXACIN HCL 250MG	Cipro	14	\$ 34.00	\$ 4.90
CITALOPRAM HYDROBROMIDE 20MG	Celexa	30	\$ 20.00	\$ 4.80
CLOPIDOGREL BISULFATE 75MG	Plavix	30	\$ 25.00	\$ 5.10
DULOXETINE HCL DR 60MG	Cymbalta	30	\$ 20.00	\$ 10.00
ESCITALOPRAM 10MG	Lexapro	30	\$ 113.00	\$ 4.80
FUROSEMIDE 20 MG	Lasix	30	\$ 12.00	\$ 2.40
GABAPENTIN 300MG	Neurontin	90	\$ 83.00	\$ 7.20
GLIMEPIRIDE 1MG	Amaryl	30	\$ 12.00	\$ 4.80
GLIPIZIDE 10MG	Glucotrol XL	30	\$ 26.00	\$ 4.80
HYDROCHLOROTHIAZIDE 25MG	Microzide	30	\$ 12.00	\$ 2.40
IBUPROFEN 800MG	Motrin	30	\$ 12.00	\$ 3.60
LEVOFLOXACIN 500MG	Levaquin	10	\$ 18.00	\$ 4.80
LISINOPRIL 10MG	Zestril	30	\$ 13.00	\$ 2.40
LISINOPRIL HCTZ 20/12.5MG	Zestoretic/Prinzide	30	\$ 22.00	\$ 4.80
LOSARTAN POTASSIUM 50MG	Cozaar	30	\$ 15.00	\$ 4.80
MELOXICAM 15MG	Mobic	30	\$ 10.00	\$ 6.00
METOPROLOL TARTRATE 50MG RNDPK	Toprol	60	\$ 20.00	\$ 4.80
MONTELUKAST SODIUM 10MG	Singulair	30	\$ 24.00	\$ 6.90
NAPROXEN 500MG	Naprosyn	20	\$ 12.00	\$ 4.00
OMEPRazole DR 20MG	Prilosec	30	\$ 24.00	\$ 4.80
ONDANSETRON 4MG	Zofran	10	\$ 15.00	\$ 3.00
PREDNISONE 20MG	Prednisone	10	\$ 12.00	\$ 4.80



Procedures	Retail Cost	Core FP Cost
EKG	\$ 60.00	Included
Lesion Removal: Skin tags, moles, etc.	\$ 160.00	Included
Incision & Drainage	\$ 195.00	Included
Pulse Ox	\$ 10.00	Included
Breathing Treatment	\$ 40.00	Included
Laceration Repair	\$ 250.00	Included
Cryotherapy	\$ 180.00	Included
Ear Wash	\$ 110.00	Included
Suture Removal	\$ 85.00	Included
Vision & Hearing screens	\$ 30.00	Included
Blood sugar testing	\$ 10.00	Included
Rapid Strep	\$ 33.00	Included
Urinalysis	\$ 28.00	Included



**DPC practices offer significantly reduced costs on prescriptions, labs and other services**

# Is it DPC or Concierge Medicine?

- **DPC:** Completely outside 3<sup>rd</sup> party insurance reimbursement.
  - Flat Monthly Fee – *minimal administrative costs for great primary care*
  - Fees cover increased access to primary care *and* all primary care services
  - *No misaligned FFS payment or referral incentives*
- **Concierge:** Provider access fees paid for “non-covered” services
  - *Expanded access to care bundled with executive physical or other non-covered service*
  - *Patient bills insurance for medical services – still in fee for service (FFS) model*
- **DPC:** More affordable than concierge, usually lower than \$100 per month.
  - *Even offered in Medicaid some states*
- **DPC:** Alternative Payment Model driving improved outcomes at lower costs.
  - *Concierge may well improve care for some...*
  - *but only for those who can afford it*