



DELAWARE ACADEMY OF  
FAMILY PHYSICIANS


**RICHARD HAUG, MD**  
Family Physician  
Partner, Core Family Practice, Kennett Square & Glen Mills, PA

## Direct Primary Care – A Refreshingly Different Model of Primary Care

1

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Ricky Haug, MD  
Core Family Practice



2

## Disclosure

Dr. Richard Haug has no financial conflicts of interest relevant to this activity.



3

## Learning Objectives

- Learn about the Direct Primary Care (DPC) Model
- Learn how DPC can reduce downstream costs
- Understand how the DPC model pairs with other health plans
- Discuss misconceptions of Direct Primary Care
- Understand how DPC provides a benefit to employers/businesses
- Discuss resources available to help set up a DPC practice
- Answer questions related to DPC



4

## Is our current healthcare system working?

Nearly half of Americans say the healthcare system is failing them. Six in ten report having had a bad healthcare experience. About half of patients say they have trouble affording health care—even those who are insured. All told, Americans' satisfaction with their healthcare system hit a new low in 2022.

<https://www.forbes.com/sites/sallypipes/2023/03/27/the-future-of-health-care-is-here-if-you-know-where-to-look>

5

## Physician Burnout??

- ❑ Physician burnout was present and impacting physicians prior to the COVID-19 pandemic; however, the pandemic and subsequent experiences dropped the percentage of physicians reporting being very or somewhat happy with their jobs from 75% to 48%.
- ❑ Family physicians suffer from significantly higher rates of burnout than physicians in many other specialties with 51% of family physicians reporting being burned out in 2022.
- ❑ Burnout negatively affects quality of patient care including a two-fold increase in odds for unsafe care, unprofessional behaviors and low patient satisfaction.
- ❑ Burnout is driving physicians to reduce or leave clinical practice, thus contributing to the primary care workforce shortage.

<https://www.aafp.org/about/policies/all/family-physician-burnout.html>

6

## Direct Primary Care



Cuts out the middle-man - insurance companies



Has grown substantially over the last 3-4 years but has been around for 20 years



Newer model but similar to town doctor of early 1900's



Value based vs. Volume based

Incentives aligned (Doctor -> Patient)

7

## DPC Growth

- ❑ 2009 practices according to DPC Frontier Mapper in 48 states and Washington, DC: <https://mapper.dpcfrontier.com/>
- ❑ From 2017-2021 DPC Membership has increased 241% <sup>1</sup>
- ❑ The number of active DPC physicians per 100K people has increased 159% compared to only 6% increase in primary care providers per 100K people. <sup>1</sup>
- ❑ 48 DPC members per 100K Americans in 2017 to 163 in 2021, translating into a 36% average annual increase or a 241% total increase over four years
- ❑ Despite the growth - 68% of consumers surveyed in the 2021 Hint Health DPC Consumer Insight Survey had not heard of DPC

1. Trends in Direct Primary Care 2022 – Hint Health

8

## What Sets Us Apart?

- **Personalized**
  - Lower patient panel size ~ 600
  - Always see the same physician
- **Accessible**
  - Texting
  - Same day or next day appointments
  - Portal/Email/phone/video visits
  - Someone answers the phone
- **Longer visits**
  - 60min new patient visit
  - 30-45min for follow ups/procedures
  - Less wait time for patients
- **In house lab/pharmacy**
  - discounted rates
- **Ability to Innovate**
  - Customize your practice

9

## Included In Office Procedures

- Skin biopsies
- Laceration repairs
- Skin abscess drainage
- Precancerous skin treatments (freeze therapy)
- Wart removal
- Ingrown toenail removal
- Joint injections
- Earwax cleaning
- EKGs
- Strep Tests
- Pregnancy Tests
- Hearing Examinations
- GYN exams

10

## No Middle- Man = Affordable Pricing

### Example Lab Pricing

- Lipid Panel (cholesterol): \$9
- CBC (blood count): \$5.76
- CMP (liver/kidney/sugar): \$6.79
- TSH (Thyroid): \$11.68
- Lyme Ab: \$18.43

### Example Pharmacy Pricing

- Amoxicillin Course: \$2.40
- Atorvastatin: \$3.30
- Escitalopram (Lexapro): \$3.60
- Lisinopril/HCTC: \$3.00
- Nexium 20mg: \$10.20

11

## We Think About Costs

We are healthcare consultants – help navigate costs for patients

- ECHO \$ 300
- MRI \$ 450-550

We help reduce downstream costs and testing

- Able to handle 80-90% of patient care needs – more time
- Less specialist visits
- Less ER/Urgent care visits

12

## How does this work for patients

### PPO/POS plans

- Makes the most sense with high deductible plans
- HSA legislation in the House and the Senate – bipartisan bill just reintroduced March 3rd 2023
- The Primary Care Enhancement Act

### HMO Plans

- Can work but because we are out of network they need another primary

### Medicare

- Providers usually opt out of Medicare
- Our patients sign a Medicare Opt Out and Waiver agreement

### Health Shares

- Christian Health Share
- Zion Health Share

### Indemnity Plans

13

## Why should a DPC physician opt out of Medicare?

### The Only Reason To Opt out of Medicare is if you want to:

1. See a Medicare patient
  2. Under private contract
  3. For covered services
- ❖ Without opting out the provider must ensure all membership charges are levied for "non-covered services"
  - ❖ Most DPC doctors will opt out of medicare
    - ❖ Often providers will build a waiting list of medicare patients their first year in practice prior to opting out

14

## How does DPC Benefit Employers

### Works best with:

- ❖ Self-funded plans
- ❖ High deductible plans with HRA
- ❖ Employers that are not able to offer traditional employer sponsored plans

### Benefits:

- ❖ Lowers cost (10-20% reported)
- ❖ Improves accessibility
- ❖ Lower absenteeism
- ❖ Reduced patient cost sharing

15

## DPC: A unique healthcare solution for employers – White Paper

### Compared utilization and downstream costs

- ❖ 900 members enrolled in DPC
- ❖ 1100 members not enrolled in DPC
- ❖ 2 year period

### Findings:

- ❖ Total Healthcare Utilization: -12.6% in DPC group
- ❖ ER Visits - 40.5% in DPC group
- ❖ Hospital Admissions - 19.9% in DPC group

### Costs:

- ❖ Similar between both groups (1% greater in DPC arm) because of DPC fee and **waiving the medical deductible for all services**
- ❖ Huge savings for employees

Millman White Paper: <https://us.milliman.com/-/media/milliman/pdfs/2021-articles/4-5-21-direct-primary-care-a-unique-healthcare-solution-for-employers.ashx>

16



## Patient Example

- 20 year old male works in automotive
- Acute onset of left eye pain, redness, sensitivity to light and tearing
- Showed up in our office on a Friday afternoon without an appointment
- Exam done and small speck of metal visualized
- Set up with same day urgent visit at ophthalmologist: \$145
- Saved workers comp claim
- Saved patient (or employer) \$400-\$1000
- Avoided lengthy ER visit
- Patient was evaluated without being sent to urgent care
- Care coordinated by our office - called two ophthalmology offices

17

## DPC Misconceptions

- ❖ DPC increases the doctor shortage
  - DPC is keeping doctors in practice longer
  - Drawing new doctors into family medicine
  - 51% of family physicians reported burnout in 2022<sup>1</sup>
- ❖ DPC is only accessible for the wealthy (DPC=Concierge)
  - \$78 per month = \$2.60 per day,
    - We care for uninsured
    - illegal immigrants
    - Middle class that makes just too much for subsidies
      - In 2023, you'll typically be eligible for ACA subsidies if you earn **between \$13,590 and \$54,360 as an individual, or between \$27,750 and \$111,000 for a family of four**
  - Is the High deductible plan accessible?
    - Patients often avoid care

1. <https://www.aafp.org/about/policies/all/family-physician-burnout.html>

18

## DPC Misconceptions – Part 2

- ❖ Patients who have insurance will not be able to use it
- ❖ DPC can't eliminate burnout if I'm on call all the time
- ❖ It's too risky

19

## How can I make this work?

### DPC Alliance

- <https://www.dpcalliance.org/>

### Opting out of Medicare

- <https://aapsonline.org/optiming-out-of-medicare-a-guide-for-physicians/>

### Go to a conference: AAFP + DPC Alliance 2023 DPC Summit

- <https://www.dpcsummit.org/home.html>

### AAFP DPC Toolkit

- <https://www.aafp.org/family-physician/practice-and-career/delivery-payment-models/direct-primary-care/toolkit.html>

### Books

### Podcasts

- My DPC Story

20

Questions?

*Thankyou!*

