



The Doctor Will See You but Not Your Insurance

Direct primary care physicians expect to be paid by you — directly

by [Sid Kirchheimer](#), [AARP](#), August 6, 2013

[En español](#) | Fed up with waiting weeks for a medical appointment — and then getting only a few precious minutes with your doctor? The [unnecessary tests](#) and referrals to a specialist? Insurance hassles, red tape?

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So are doctors. And a small but growing number are refusing to accept their patients' medical insurance. Instead, doctors are running their practices on a "membership" model that they claim allows them to spend more time with their patients and to provide better care.

It's called direct primary care, a less expensive offshoot of [concierge medicine](#), which traditionally has been reserved for higher-income patients who pay thousands of dollars per year for longer appointments, better access and more personal care with their doctors. (But in addition to memberships, some concierge practitioners accept insurance; direct primary care doctors don't accept any insurance.)

So, is direct primary care right for you? Here are answers to some questions you may have:

How does direct primary care work?

Patients pay a monthly membership fee — typically \$50 to \$80. In exchange, they get a more generous allocation of appointments, sometimes for the same day or the day after they called. Appointments usually last longer than the average seven minutes per insurance-based visit. Doctors are often accessible via phone, email or Internet chat and some even make house calls.



Ryan Neuhofer operates a pay-as-you-go family practice in Lawrence, Kan., giving his patients, like Bryan Welch, more personalized care. — Earl R. Richardson

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At some practices, there are no additional copays. Routine tests and procedures are included. At others (usually charging a lower membership fee), certain services are provided at a significantly [discounted rate](#), or a small fee may be charged if patients request more time with the doctor. Privately insured patients may seek reimbursement for such costs on their own.

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Why is this happening?

Physicians and researchers cite three reasons — but all relate to one thing: insurance hassles.

Money: Under the traditional system, most medical practices need a large staff to ensure that they are reimbursed by health insurers. This results in higher overhead — which eats up to 60 percent of a typical practice's revenue — and forces doctors to see more patients in order to cover costs. At the same time, some insurance reimbursements to physicians have decreased in recent years. "Most estimates show that a medical practice spends 30 percent or more of its time and money just trying to collect payments from insurance companies," says Ryan Neuhofel, D.O. who operates a pay-as-you-go family medicine practice in Lawrence, Kan., consisting of himself and a nurse. (Both answer the phone.) "And when we're taking notes about patient visits or care, it's mostly about checking off boxes to satisfy insurance requirements."

Freedom: To get reimbursed, insurers may dictate how doctors must treat each patient based on their concern. "Sometimes, in order to get paid — and meet the insurance metrics model — all a doctor can do is order a test, refer the patient to a specialist or prescribe medication," says researcher Dave Chase. "Communication with patients is their most valuable tool, but they know that if they get into detailed discussions, it blows their productivity numbers."

Better care for patients: Without insurance mandates, doctors treat patients as they deem fit. The membership model provides a steady income, allowing doctors to see fewer patients each day — and therefore freeing the doctors to spend more time with each. Established direct primary care practices average 800 to 1,000 patients; a comparable insurance-dependent practice averages 2,500 to 4,000.

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Who's involved?

An estimated 5,000 doctors in half of the states have already adopted this model — and as the name implies, most are primary care physicians (sometimes known as general practitioners), the frontline caregivers who handle an estimated 85 percent of the most common conditions.

Chase, who runs a software company that makes electronic forms for doctors and patients, predicts that 16 percent of primary care physicians will adopt a no-insurance model in coming years, with expected growth among cardiologists, pediatricians and more outpatient surgery centers.

Can I see this type of physician if I'm on Medicare or Medicaid?

Usually, no. These doctors opt out of all insurance — including Medicare and Medicaid. However, [some practices](#) provide special rates for Medicare patients.

In 2011, U.S. Rep. Bill Cassidy (R-La.) introduced a bill to allow beneficiaries to use these physicians by paying their monthly fees (\$100 for Medicare recipients and \$125 for those on Medicaid). Despite garnering some bipartisan cosponsors, [H.R. 3315](#) has gone nowhere thus far.

What are the pros and cons for patients?

Pros: The most cited advantages: more and better quality time with doctors — and no insurance red tape, on either end.

"For years, my care was impersonal, inconvenient," says Bryan Welch, 54, who switched to Neuhofel on the advice of his daughter, a medical school student. "And now, I see my doctor when I want, for as long as I want, and we both can be as efficient as possible as we take care of my health."

Cons: Because participants are usually primary care physicians, patients are urged to get catastrophic or other medical insurance for severe health problems and hospitalizations. Also, although monthly memberships are comparable to some insurance co-pays, the bottom line cost may be higher for those who see a doctor only occasionally.

How do I find a physician who does direct primary care?

That's another con: Unless cash-only doctors get media attention — and most don't — it's largely through word-of-mouth. A small, incomplete listing of physician participants is at dpcare.org/practices, and some may be found through the [American Academy of Private Physicians](#), but most of its members are more expensive concierge doctors.

[Sid Kirchheimer](#) is the author of Scam-Proof Your Life, published by AARP Books/Sterling.

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