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## Direct primary care and a do it yourself health plan

DAVE CHASE | POLICY | MAY 4, 2011

Now that I'm well out of my reckless youth phase of my life, I try to preserve the efficacy of my brain. With my lifestyle, there's three actions I take to ensure the integrity of my brain.

1. Always wear a bike helmet when I bike
2. Avoid over-consumption of alcohol
3. Avoid looking at [doctor bills](#) and insurance "statement of benefits"

The first two are self-explanatory. Let me comment on the third. Despite being a finance major with a math minor and having an extensive background consulting with patient accounting departments in health systems, I found our doctor bills and insurance statements would sit unopened for unacceptably long time periods. It wasn't that we didn't value our doctors services or that we wouldn't pay. Rather, every time I finally got around to opening those envelopes, it literally felt like my head was going to explode. I'm sure if I had a blood pressure monitor, it would have gone off the charts while reviewing these statements which are mind-bogglingly confusing.

I will preface this with my belief that one of the best ways to slay the healthcare cost beast and bring sanity back to many physicians, particularly primary care MDs, is to remove the "insurance bureaucracy tax" on day to day health needs. If we similarly burdened getting our cars tuned-up with the insurance bureaucracy, that too would cost 40% more than it needs to.

I've listed below components of our "Do it Yourself Health Plan." With the makeup of *KevinMD.com's* readership, I hope there's suggestions on what we could do that would be better/smarter as someone that doesn't have the luxury of an employer provided insurance plan.

- **High deductible catastrophic insurance plan:** We use health insurance as we do for other forms of insurance. We hope our house never burns down, we get in a major car accident or a family member gets a major illness. However, if we these unfortunate events happen, we have insurance for that. Isn't that the purpose of insurance?
- **Health Savings Accounts (HSA):** These allow pre-tax dollars to be put into an account that rolls over if they aren't used. By using pre-tax dollars, we stretch our healthcare dollars by 25% or more. We use this to pay for most of what our family needs in terms of healthcare.
- **Health discount card:** Think of this as a Costco Card for health & wellness services. It's not insurance. Your Costco Card doesn't allow you to take Cheerios off their shelf and not pay for them. Rather, they have aggregated the buying power of individuals and small business to save their members money when they purchase something. This gives us discounts on things typically not in many health plans - Dental, Vision, Alternative Care, Prescriptions at a significant pre-negotiated discount.

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### FROM MEDPAGE TODAY

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The next thing on our list is signing up for a Direct Primary Care provider such as Qliance. These aren't broadly available yet. As far as I'm concerned, the expansion of these models can't happen fast enough. I had the privilege of visiting Qliance's clinic in Seattle recently. In short, it was a friendly environment for the patient and clinician and it's very cost effective. A recent study I read on the implications of the new health law states that 16% of primary care physicians are going to move to a retainer-based practice. I strongly suspect that most physicians aren't aware that the new health law allows flat-fee direct primary care practices ("medical homes" that are coupled with a high deductible wrap around insurance policy) into the insurance exchanges that begin in 2014 or I think a far higher percentage would be plan on shifting to such a model.

The little-reported facet of the new law will have the effect of creating a big market allowing more MDs to move to this model. The docs I've spoken with operating in these models have a universal response when I ask them about how they like it. They all say "I am finally back to practicing medicine the way I was trained." They go on to say they are happy to be off of the hamster-wheel of 8 minute appointments driving their "productivity" incentives. It is apparent that their enjoyment is far more important than the fact that they are also compensated better not working for an insurance company which is what a typical doctor is doing operating under the insurance model.

For those not familiar with Direct Primary Care (DPC), it is a relatively new concept that is a derivation of Concierge Medicine but targeted at the mass market. I have looked into these models and have found them very compelling. They typically cover everything from day to day items (physicals, flu, etc.) to urgent care. Because it's completely outside of the insurance model (you pay a monthly retainer not unlike a health club that you can use as much or as little as you'd like), doctors are happy to be available by email and phone. In a typical insurance model, they wouldn't get compensated so it's understandable why they are reluctant to be available for their patients in this manner. One of the impressive things about Qliance has been how they have demonstrated with their significant panel to have reduced surgical, ER and specialist visits by 40-70% as outlined in this recent analysis. They've also shown a significant drop in hospital days.

For those paying the premiums, it almost sounds too good to be true but customers of Qliance, such as Tri-Tec Manufacturing, are able to provide their employees a better benefits plan yet are saving 20% over what they paid before. In a time when employers are becoming accustomed to premium increases of 20% or more, this is a stunning reversal.

So what's the downside? Other than the insurance company being disintermediated (not unlike travel agents before them), there's one key impact. There's a shortage of primary care physicians already. One byproduct of DPC practices of longer appointments is a smaller patient panel. Practices such as Qliance address this by having a blend of MDs and Nurse Practitioners or Physician Assistants. The other indirect way DPC practices address this is the nature of a primary care practice. It is well documented that primary care physicians (PCP) aren't paid as well as specialists but the most frustrating aspect to many is the insurance-related hassles that impair the way they practice. Physicians in DPC practices report not only the same or higher compensation but more importantly, they say their stress level has diminished dramatically and they don't feel "spent" at the end of every day. These factors are bound to begin to address the PCP shortage.

As an interested, but outside, observer to tension within the physician community let me also speak to the elephant in the room. I regularly hear of the unspoken compensation-related tension where specialists and PCPs are at odds as well-paid specialists see it as a zero sum game if the PCPs are better compensated. I think physicians' energies would be better spent getting the insurance fat out of their system rather than fighting within their profession. Physicians have ceded far too much control to insurance companies as compared to the norm 30+ years ago. As a former management consultant, I don't believe that the relationship of value-add to compensation has been in alignment. In other words, insurance companies don't add enough value in day to day medicine to warrant the big chunk that gets taken out of the PCPs' and patients' hide.

*Dave Chase is a health care consultant who previously worked at Microsoft as*



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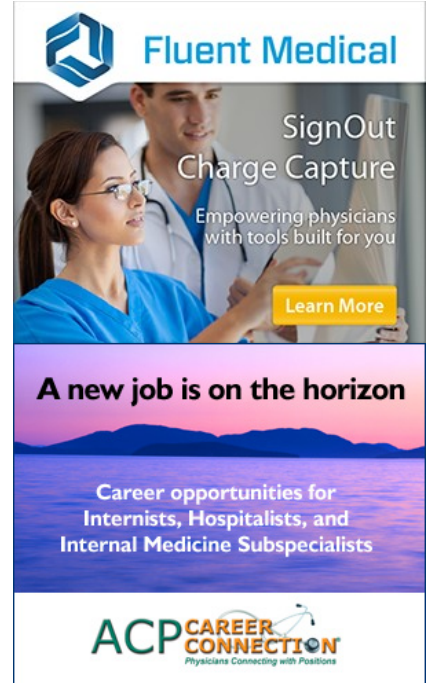
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I can see how a plan like this works for relatively healthy people; this is essentially how my health care worked at a large public university. But how does this work when individuals rather than employers are shopping for health care providers? What keeps physicians from trying to shed high needs patients when they don't come bundled with more profitable ones?

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Finn · 2 years ago

It would be impossible for me, a self-employed middle-aged cancer survivor who has to buy individual insurance, to even get such a plan, much less find a doctor under one. I live in Massachusetts, where I am only able to buy health insurance because of state law, which also prohibits me from buying catastrophic-only coverage and setting up an HSA.

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