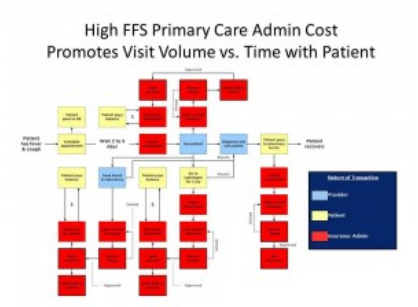
Direct primary care and the Marcus Welby vision of primary care

DAVE CHASE | POLICY | MAY 18, 2011

The insurance middleman has taken a toll on the family doctor. New practice models plan to change that. Physicians in Seattle, Silicon Valley and Boston are proving what the rest of the world already knows. When you have a high function primary care system, there's less money spent and better health outcomes.

Before House, M.D., there was Marcus Welby, M.D. who epitomized the glory days of healthcare. Dr. Welby knew every one of his patients. If you got sick, he took care of you right away, always spending whatever time necessary.

Unfortunately, there's a radically differently model today that can only be described as a Gordian Knot designed by Rube Goldberg.



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Consider the following scenario:

It can take a patient days to get in for an appointment, they arrive for an appointment, wait 45 minutes in the crowded waiting room, wait again in the exam room, and then get 10 minutes with their doctor, 15 if they're lucky. Of course, it's difficult for him to remember much except for those few notes he scribbled last time. How much can anyone remember about 2,000-4,000 people? If a doctor doesn't see 30 patients over the course of the day, he's likely going to be penalized by not hitting his insurance-driven productivity goals. In a typical 10 minute appointment, there's often no time to go beyond the presenting symptoms and then give the patient a prescription as a way of closing the appointment. Does this sound familiar?

What happened to the old family doctor so wonderfully represented by Marcus Welby? Insurance killed him.

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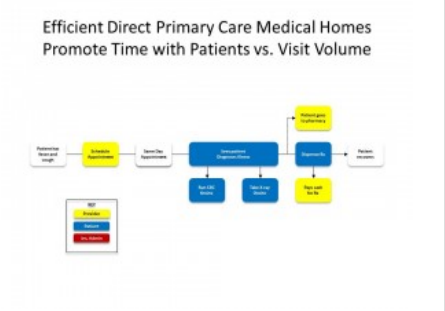
Today's insurance reimbursement process severely impedes the delivery of affordable, patient-centered primary care. Whether a doctor is using a paper-based or electronic medical record, much of their time is spent ensuring they properly code billing forms. In many cases, those claims will be denied and the process starts all over again. That doesn't address a patient needing tests or prescriptions. Is it any wonder that more than 50% of primary care physicians say they would leave practice if they could.

Having spent years in Patient Accounting departments as a consultant, it was easy to see why there's a 40% "insurance bureaucracy tax." That is money not being spent on care itself. It also doesn't take into account time and frustration by the patient who is ultimately responsible for care as they have to wade through Explanation of Benefits and other forms mere mortals have difficulty interpreting (perhaps by design).



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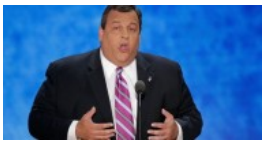
Does one really need insurance for routine primary and preventive care? No. But somehow health *care* has become synonymous with health *insurance*. "Insuring primary care is like insuring lunch," says Nick Hanauer of Second Avenue Partners, a Seattle venture-capital fund that backs one of the new "Direct Primary Care" models. "You know you're going to need it. You know you can afford it. Why on earth would you pay a third party to pay the restaurant on your behalf, adding overhead and taking a big chunk out of the money you pay—and because of the process, have to wait a week to get a table and then have only 10 minutes to eat?"

Organizations such as MedLion, Qliance and Iora Health are demonstrating that they can cut out the fat that insurance reimbursement adds at the same time primary-care doctors can spend more time with fewer patients and still charge low fees. Doctors operating in these models universally proclaim that they are back to practicing medicine the way they were trained. It's not hard to imagine that more medical students would choose to enter primary care, reversing a disturbing 10-year decline. They have moved beyond the theoretical by setting up these models. Qliance, for example, has shown they are dramatically reducing the most expensive facets of healthcare (Emergency Department, Specialist & Surgical visits) by 40-80% with a panel that mirrors the population as a whole.

Benjamin Franklin was right. An ounce of prevention is worth a pound of cure. The savings demonstrated in direct primary models extend to the public sector. By having a proactive primary care physician relationship coupled with a pharmacist, a group of Medicaid patients in Ohio with diabetes met monthly with their doctor monthly to monitor blood pressure, cholesterol and blood-sugar levels. They have found that having a proactive relationship with their primary care physician is resulting in an average savings of $5,500 per year. If this is extrapolated to Ohio's entire Medicaid population that has Diabetes, that would account for $500MM in savings. In these budget constrained times, there's not a state out there that wouldn't benefit from these kinds of savings.

How it works

By forming a direct financial and professional relationship with each patient—as in the days before insurance—direct primary care models takes the 40 cents of each dollar that would have otherwise gone into insurance reimbursement processes and puts it into more medical providers, longer office hours, the latest diagnostic equipment, and lower fees. No insurance is required or accepted. No complicated billing forms for the



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typical day-to-day stuff that comes up for your health or even for managing a chronic condition.The practice offers members same – or next – day appointments seven days a week, plus 24/7 phone access to a physician. Visits are typically scheduled for an unhurried 30 minutes so that health-care providers can spend the necessary time and conduct the necessary tests to accurately diagnose an illness or provide appropriate wellness counseling. Comprehensive physical exams, included in the monthly fee, typically last an hour or more. When I visited Qliance's clinic, the waiting room was an oxymoron — no one was *waiting* most of the time. The only person waiting during the 90 minutes I was there was a person waiting while their family member was having an appointment.

Qliance members choose a personal care team of both a physician and a nurse practitioner who get to know each patient very well, since they see only one-fourth the patients that a typical insurance-based physician does. Members pay only $49 to $89 per month for as much primary and preventive care as they need. On-site digital X-rays, first fill pharmacy and many common lab tests are included in the monthly care fee. MedLion has a roughly similar model charging $49 per month regardless of age and just $10 per visit. It's so affordable it's being extended to a farming community with many migrant workers who have difficulty obtaining insurance.

The goal of direct primary care practices is to make the highest quality primary and preventive care affordable and accessible to all, rich or poor, insured or uninsured. Unlike insurance, they do not prescreen members on the basis of health.

Direct Primary Care practices do recommend health insurance to its patients—but not traditional low-deductible insurance. "Insurance should be used for catastrophic illnesses, not routine care," explains internist Dr. Garrison Bliss, a national pioneer in direct primary-care practices and Qliance's cofounder. "A high-deductible health-insurance plan combined with Qliance can save 30 percent to 50 percent off the total cost of comprehensive care. It provides better access and service at the primary-care level while maintaining financial protection for serious illnesses."

At Qliance's launch event, Washington State Governor Christine Gregoire told an audience of patients and others: "I see someone like Dr. Bliss and I say many of our physicians in this country and in this state went to school because they wanted to practice medicine, not because they wanted to deal with insurance. Not because they wanted to deal with bureaucracy. In fact, they don't want to deal with any of that; they want to deal with their patients and that's what they are really good at. And what Qliance has as a vision and a model is to allow doctors to do what they love and what they feel passionate about, to give patients… what they so richly deserve at an affordable cost and with high quality. It is patient safety. It is driving down costs… This is exactly what we and the patients in the state of Washington need."

Marcus Welby had it right. Primary care physicians are at their best when their primary focus is their patient. Unfortunately, immense amounts of time dealing with insurance burdens have essentially eliminated the Marcus Welby model but modern day Marcus Welbys are fighting back and having great success. It's exciting to see the spark return to the primary care physicians I've met who've removed the insurance yoke and are practicing the way they know is best for their patients (and themselves). You might call it "Do it Yourself Health Reform" driven not by politicos but by physicians.

Dave Chase is CEO of Avado.com and previously founded Microsoft's Health business and was a senior consultant with Accenture's Healthcare Practice. He can be found on Twitter @chasedave.

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Steven Reznick MD • 2 years ago

Garrison Bliss MD is a pioneer and a true advocate for quality preventive and general medicine. The direct pay model makes sense with individuals carrying insurance to cover hospitalizations, major procedures and diagnostic tests. High deductible HSA programs work. In certain states the direct model that Dr Bliss uses in the state of Washington is considered an insurance plan and is considered illegal unless you can demonstrate the financial reserves that big insurance companies are required to have
The patient care is superb with patients taken on time, having sufficient time with their physician for prevention and for visits when ill. The retention rates are high as are the patient satisfaction scores on polls. The direct pay models are growing across the USA because they offer quality general medical care at a fair rate. If they didnt they would disappear like the Model T. Kudos to Dr Bliss

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Dave Chase → Steven Reznick MD • 2 years ago

Dr. Reznick - Your point regarding some states considering these models illegal is critical. As an interested, but outside, observer it is the classic strategy of an entrenched industry to using political clout (i.e., lobbying dollars) doing what it can to thwart new/better models that threaten their business. They align with political "preservatives" (my terms for politicians who are neither conservative or progressive as they self-identify...rather they are there to preserve status quo) to put obstacles in their way. Qliance experienced this in Washington state and eventually overcame it. I have heard Vic Wood in West Virginia did a similar thing. The "preservatives" are denying consumers choice.

Physicians have found ways to work within the current constraints of insurance regulation to offer direct primary care. It's not as optimal as Qliance but it is doable.

What I think is needed is for physicians and individuals (aka voters) to collectively sign a Declaration of Insurance Independence that lays out a better model for primary care payment. If enough voters sign it, politicians will pay attention and the insurance regulation tweaks that have happened in some states will follow. If you are interested in organizing the

Declaration effort, drop me a line - just click on my name above which will take you to our contact page.

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StayingFit • 2 years ago

What isn't clear to me is why this model, over time, will not adopt the same tactics that insurance companies use, in order to maximize profits. Afterall, they have simply combined a medical practice with an insurance company.

Why would the length of time that doctors spend with patients not be reduced? Can we believe that there would be no pressure on the physicians to schedule fewer follow-up appointments, and otherwise use fewer resources per patient?

There will still be a third party between the patient and the doctor. In the traditional model, this third person is the insurance company. In this model, it is the internal cost accountant. The effect, though, will be the same.

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Dave Chase → StayingFit • 2 years ago

I'll confess I'm an Internet triumphalist which leads me to say that it's hard to hide from bad practices these days (compared to the past) whether you are a restaurant, car maker or healthcare entity. If you are paying directly in this way to your doctor and there's a choice of others doing something similar and your doctor pull those old HMO tricks, it's going to be impossible to hide that fact and you can readily choose another doctor. Yelp is a 5 second Google search away. Naturally this does assume the person is paying attention.

I think this guy said it best - we are playing by "Small Town Rules" where you can't hide bad behavior - this 2 minute video explains it http://garyvaynerchuk.com/post....

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soloFP • 2 years ago

Health savings accounts were supposed to be the great savior of medicine. In reality, the doc still has to put the claim through the insurance and then either send a bill for the discounted amount or get a check for the discounted visit. The average 15 min visit in my area of primary care is $56 through insurance, while the average patient has a total premium cost of at least $2,000 per person. A family of four's full premium cost is $8,000 for this privilige.
With deductibles and health savings accounts, the patient does think twice about coming in for a visit or doing a CT/MRI. If a patient can get something done for $20, then they are more likely to do it. As a side note, once a patient's deductible has been met, they want every study imaginable done and come in as often as you want them to for office visits, as they consider this "free."
The best way to control costs is to have insurance cover catastrophic care. Office visits would all be self pay. Insurance would cover hospitalization care and large study costs. Insurance has tried to do this by adding the deductibles and raising copays to $200-$500 for ER and inpatients, but the premiums stil stay expensive. Until patients have more direct responsibility, patients will continue to pay high premiums.

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Dave Chase → soloFP • 2 years ago

Your last sentence is a critical point that I believe will accelerate the change. There are two big drivers at an individual level. First, if you haven't noticed, there's a structural change in the workforce. As this article http://www.msnbc.msn.com/id/36... lays out "as high as 35 percent of the work force will be made up

lays out "as high as 35 percent of the work force will be made up of temporary workers, contractors or other project-based labor." Those people (I'm one of them) have ZERO expectation of employer provided insurance and will get educated on more economical choices. The second factor is that employees are picking up a bigger chunk of the healthcare tab every year. Not long ago, an employer picked up 95% of the tab. Today it is 70% on average and continuing to decline as health insurance continues to have hyperinflation. This will force individuals to become more literate on health bills whether they want to or not -- it's simply too big a price tag to ignore.

The fact is, if you are a smart health consumer buying something like Qliance or MedLion coupled with a HDHP, you do save 30-

see more

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Margalit Gur-Arie · 2 years ago

Sounds a bit too idyllic for my taste. Let's take Qliance for example. For about $1200 a year, one gets a mini-insurance plan that includes primary care office visits only. If this is like restaurants, than people usually pay per meal, not per year. You can call it membership, or you can call it insurance. I don't see the difference.
Americans on average have about 4 visits per year and that includes specialists, so let's conservatively say 3 visits per year to your facility, which I noticed includes NPs (at what ration with MDs?). This translates to about $800 per hour, assuming 30 minutes per visit. Let's be generous and pay the doc $200 per hour (average including NPs will be much less) and splurge on $200 per hour administrative and facility overhead. You are left with 50% net margin. Just out of curiosity, since this corporation is funded by venture money, what are the expected returns in, say, 5 years?

As to those migrant workers customers and their catastrophic insurance, where do they get the $10,000 deductible when catastrophe strikes? And where do they get the out of pocket ongoing expenditures on drugs, tests and specialists if they have a chronic condition?

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Disillusioned Citizen · 2 years ago

THEY DO EXIST.... As a medical student, I thought these things didn't exist and that nobody had thought about this simple answer. You never buy insurance for anything else if it's just "maintenance work" so why do that with the body? Insurance, I was always taught, was for catastrophes, not the day-to-day grind.

Of course, now the whole mandated insurance bit with APA makes a little more sense. If you do get cancer and it isn't discovered early, you have an insurance that can take care of it.

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Anonymous · 9 years ago

LOL!!

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Anonymous · 9 years ago

Well, if the tie has to go, what about the fancy Armani pinstriped business suit? Make the doctor take that off, too - germs, you know... And those polished wingtips? They carry germs from the street. Security will meet every well-dressed doctor and take care of the process. Step out of those, too, doc, and the Brooks Brothers socks and shirt while you're at it. And put on this hospital gown. Now you'll fit right in

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Anonymous • 9 years ago

Maybe all physicians should just stop wearing ties. The only place, in business, that a tie is of real value is in a court room...Do the National Bar Assosciation a favor and donate all physician worn ties to their members.

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Anonymous • 9 years ago

They should add that to physical diagnosis books:
"Wash your hands and ties before and after seeing each patient."

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