

DIRECT PRIMARY CARE Summit



2018

Deliver Exceptional Care. On Your Terms.



AMERICAN ACADEMY OF
FAMILY PHYSICIANS



FAMILY MEDICINE
EDUCATION CONSORTIUM, INC.



American College of
Osteopathic
Family Physicians

DPC Advocacy Briefing

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Any performance data from any direct primary care practices cited herein is intended for purposes of illustration only and should not be viewed as a recommendation of how to conduct your practice.

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Learning Objectives

- Review recent federal and statewide direct primary care (DPC) legislative trends.
- Evaluate the major regulatory hurdles facing DPC practices.
- Develop a plan based on best practices for how to engage local policymakers.
- Evaluate the existing resources and infrastructure available to support physicians interested in becoming engaged with DPC advocacy efforts.

Direct Primary Care

- High-functioning, relationship-centered primary care
- Personal doctor and/or care team
- Extensive use of health IT - telehealth/patient portals/secure text
- Direct agreement between outlines medical services provided, rights and responsibilities of both doctor and patient
- Simple payment model: Monthly retainer by individual, employer, or other payer– *significantly reduced admin expenses*
- Deeply discounted non-insurance rates negotiated for labs, imaging, most drugs, and other ancillary services paid for directly with tax preferred HSA/HRA accounts
- 90% of all care costs completely outside of third party, fee for service billing – significantly reduced claims and administrative expenses
- Emphasis on the patient– primary care, behavioral health and prevention– not managing diseases or cost
- Patients, doctors, employers love it.

Direct Primary Care: Creating an Open, Transparent Health Marketplace

Negotiated cash rates for medical services outside insurance significantly reduced out of pocket costs

	Insurance Cost	DPC Cost
Membership Fee	N/A	\$490
Wellness Exam	\$252	Included
Annual Labs:	\$456	\$23.75
Quarterly DM visits:	\$560/year	Included
Quarterly DM labs:	\$515/year	\$34.06/year
Venipuncture:	\$23 x 5 = \$115	Included
Lisinopril:	\$115.80/Year	\$2.88/year
Metformin XR:	\$48/year	\$8.70/year
Crestor (rosuvastatin):	\$206.40/year	\$5.40/year
Flu Shot:	\$55	\$9.99
Pneumonia visit	\$140	Included
Chest Xray:	\$315	\$40
Z-Pak:	\$33.94	\$1.27
follow-up visit:	\$80	Included
Chest Pain/Heart visit	\$140	Included
EKG/Labs:	\$50/\$119	EKG Included/\$9.01
Holter Monitor:	\$350	Included
Stress Echo:	\$1,868	\$207
Follow-up visit:	\$80	Included




Bob: 58 years old, Lansing MI. Type 2 Diabetes, Hypertension, Lipids, Pneumonia, Chest Pain episodes in 2017

DPC Reduces Overall Cost of Care

Employer claims data shows overall reductions in cost of care up **20% ***
25.4 % reduction in claims costs + reduction in risk scores **
 Inpatient hospital admissions down **37% *****

DPC Reduces Health Spending *v. employees with FFS*

	Boeing Commercial Aircraft	Unite Here Local 52	Culinary Trust Fund	Dartmouth College
Location	Seattle WA	Atlantic City NJ	Las Vegas NV	Hanover NH
Lead Evaluator Institution	Univ of Oregon	Harvard Medical School	Culinary Fund	The Dartmouth Institute
Dates examined	2007-8	2009-10	2012-13	2014-6
n for eval	276	477	264	1168
Hospital admits	-28%	-41%	-37%	-33%
ER Visits	-14%	-48%	-12%	-24%
Total spending	-20%	-12%	-16%	-5%

Why?

- Significantly reduced administrative expenses – *no claims*
- Better primary care utilization
- Reduced overall health costs
- Reduced out of pocket costs for consumers
- Predictable fixed costs for employers/payers

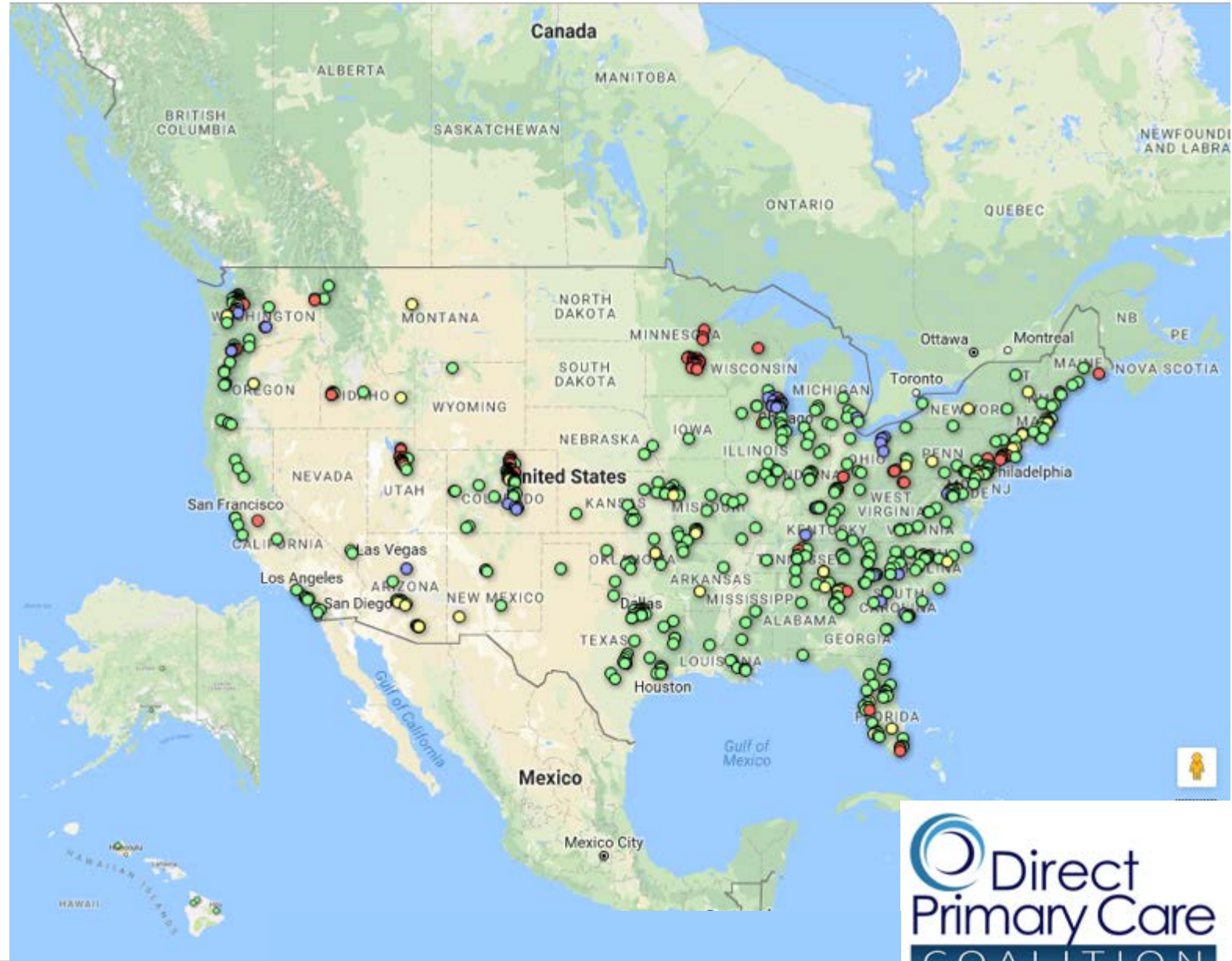
Data Sources:

- * Journal American Board of Family Medicine , Nov. 2015
- ** Nextera/Digital Globe Case Study June 1 – Dec. 31, 2015
- *** Iora Claims Database 2009-2016



Coverage Map: DPC in 2018

- Network of almost 800 DPC practices
- 48 States and DC
- Larger practices in 6+ major markets
- Virtual network of smaller practices in other areas
- Median fee about \$70 per person per month* or \$165 family of 4
- Better outcomes, patient satisfaction
- Offered through employers, Medicare Advantage, Medicaid MCOs, state employees plans
- Employer claims show savings of up to 20% of total cost of care



Already working with...

Self-Insured Employers

Medicare Advantage

State and local employee funds

Union trust funds



New Jersey State Health Benefits Program



Horizon Blue Cross Blue Shield of New Jersey

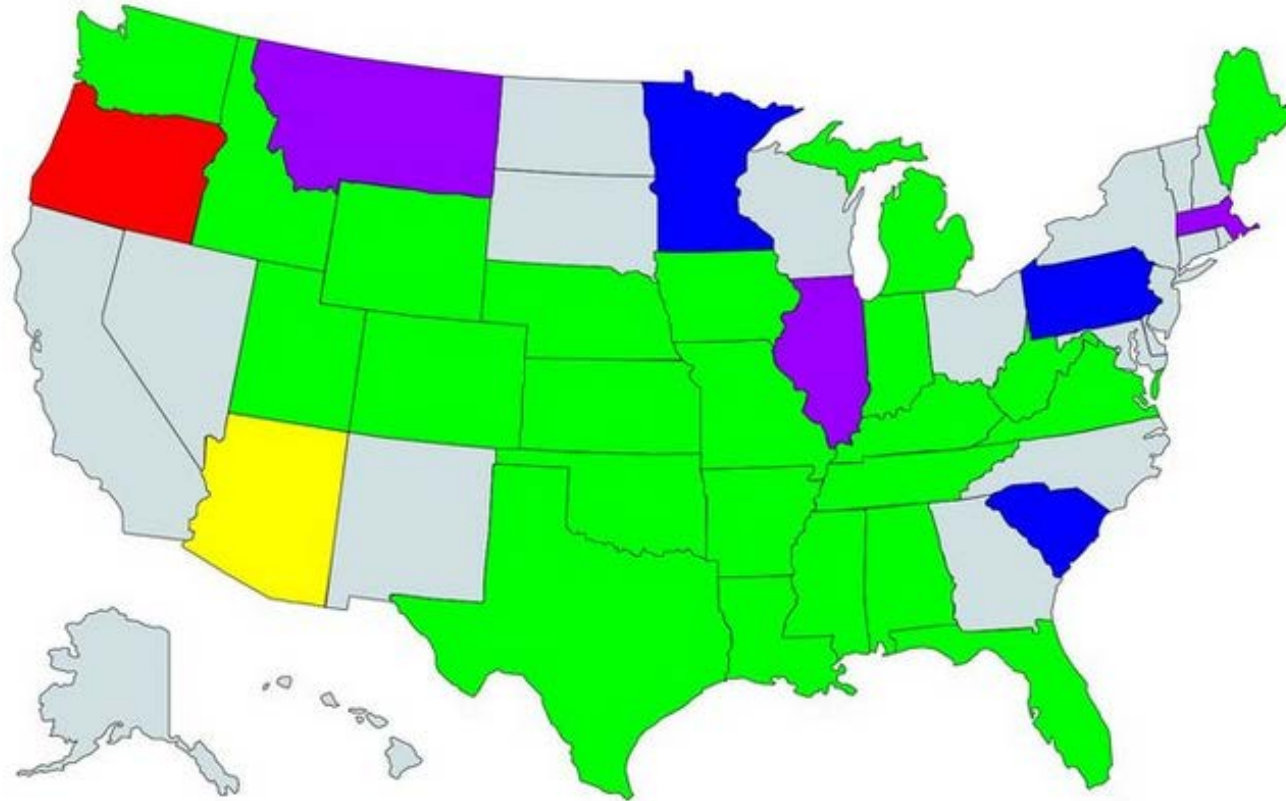


NJ State Employees Health Benefits Plan

- Direct Primary Care Medical Home Pilot Program Stared in 2017
- Backed by 9 public employee unions
- Voluntary program
- Up to 800,000 police officers, firefighters, and state, county and municipal employees and family members
- **R-Health** in Burlington, Camden, and Mercer counties, Trenton Area
- by Sen. Majority Leader Stephen Sweeney (D-NJ); Supported by Gov. Chris Christie (R-NJ)
- Aetna, Horizon Blue Cross TPAs



DPC Laws Passed in 25 States – 10 New Laws since 2017



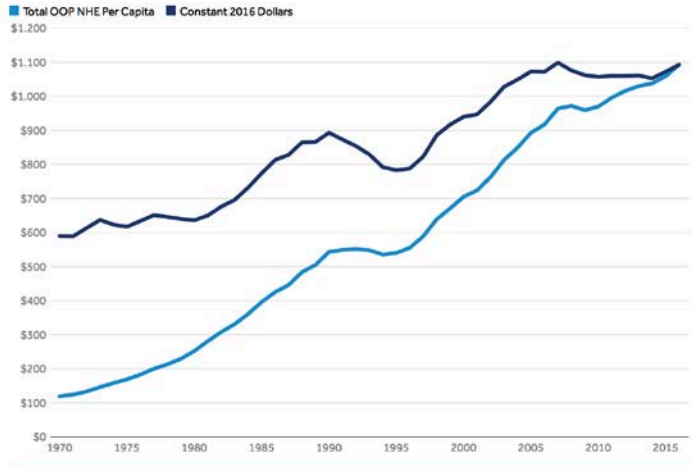
- Laws generally define DPC as a medical service outside of state insurance regulation, offer consumer protections Key:
- **DPC Laws passed – signed by governor.**
- **Legislation pending.**
- **OR and AZ laws need updates**
- **Solid regulatory guidance**

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](#)

High Deductible Plans – The New Normal

*Individuals with HDHPs have fewer doctor visits, are less likely to seek preventive care and use appropriate healthcare services. ***

Per capita out-of-pocket expenditures, 1970-2016



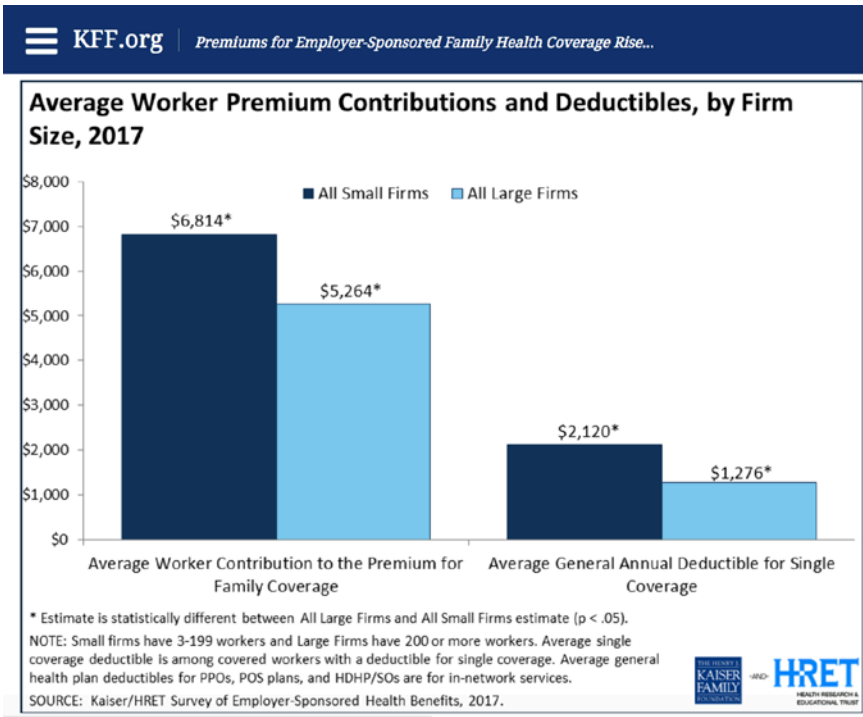
Source: Kaiser Family Foundation analysis of National Health Expenditure (NHE) data from Centers for Medicare and Medicaid Services, Office of the Actuary, National Health Statistics Group • [Get the data](#) • [PNG](#)

Peterson-Kaiser Health System Tracker

Out-of-pocket spending

Out-of-pocket expenditures have grown steadily since 1970, averaging \$1,054 per capita in 2015, up from \$119 per capita in 1970 (\$583 in 2015 dollars).

- More than ¼ of employer health plans are now HDHPs paired with HSAs
- 18% of adults are in a plan with Out of Pocket max of \$6,000 or more
- 40% of adults under 65 had HDHPs in 2016 **an increase of almost 50% since 2011 ***
- Age distribution is fairly even under 65.



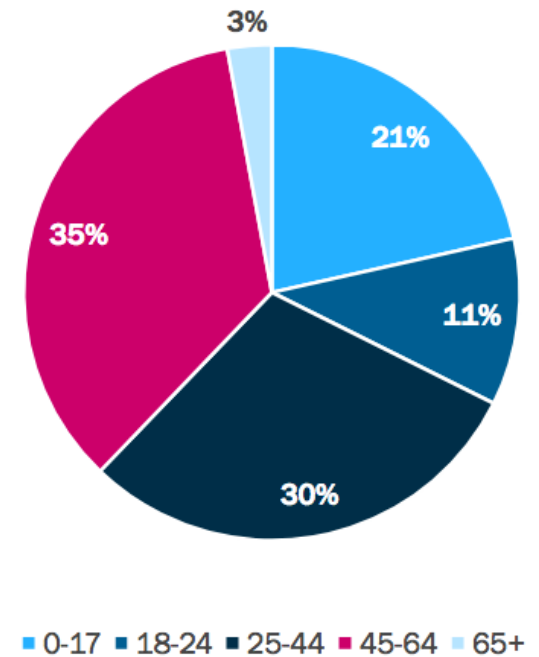
* Estimate is statistically different between All Large Firms and All Small Firms estimate ($p < .05$).

NOTE: Small firms have 3-199 workers and Large Firms have 200 or more workers. Average single coverage deductible is among covered workers with a deductible for single coverage. Average general health plan deductibles for PPOs, POS plans, and HDHP/SOs are for in-network services.

SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2017.



Figure 4: Age Distribution of HSA/HDHP Enrollees, January 2016 ***



* CDC National Center for Health Statistics

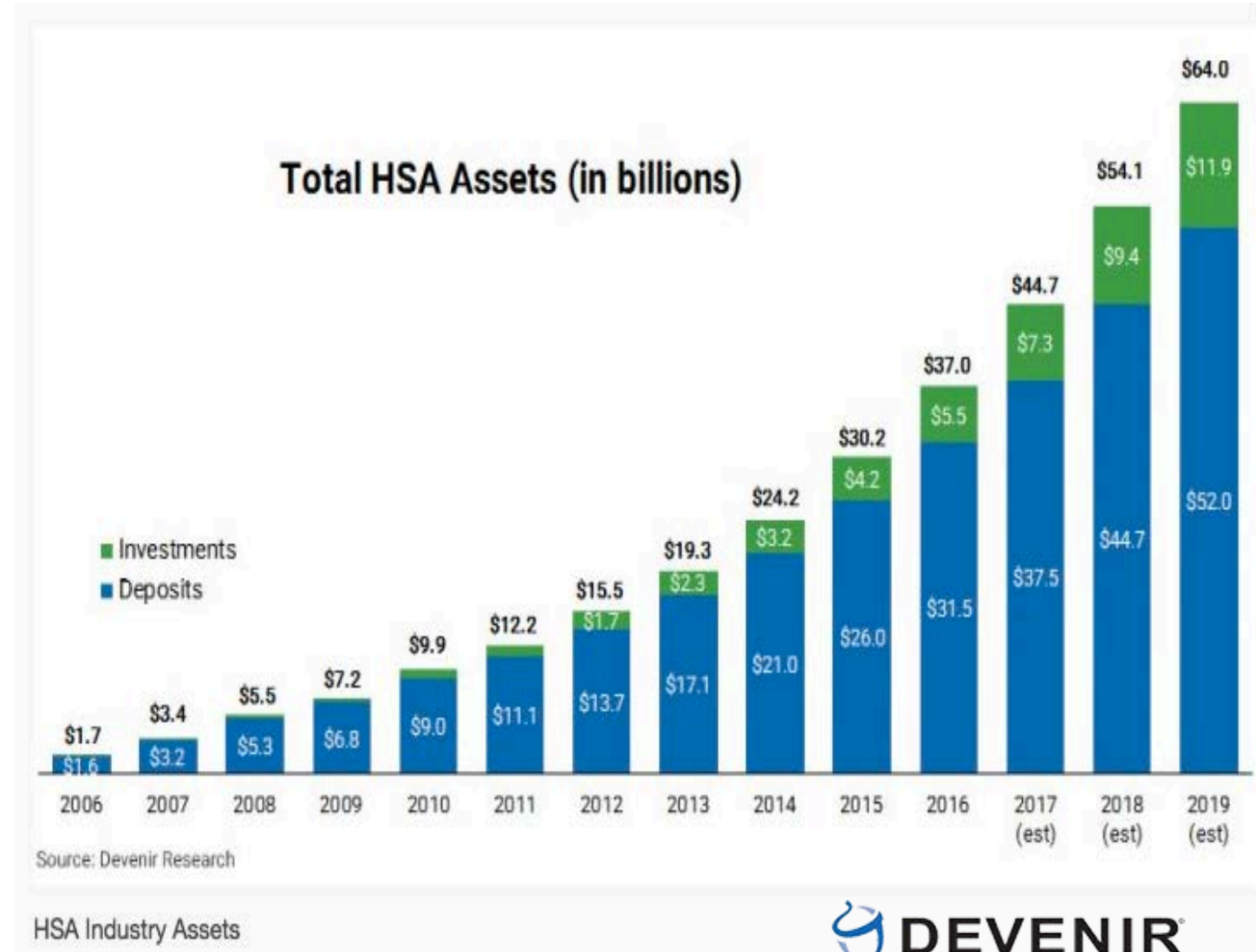
** Health Affairs, October 2017

*** AHIP HSA Survey 2016

HSAs grew by 23% in a single year

In Response to Rising Premiums and Out of Pocket Costs

- 21 million Americans hold accounts
- \$42.7 billion in HSA assets: **up 23% in one year**
- **Growth driven by employers seeking relief from rising premiums and out of pocket costs**
- Employers using HSAs with HDHPs save 12 - 16% off total benefit cost
- Health plans are driving HSA growth, accounting for 36% of new accounts opened in 2017
- Direct Primary Care can improve HDHP plans by providing virtually unlimited access to affordable primary care for people with HDHPs.



The Primary Care Enhancement Act

115TH CONGRESS
1ST SESSION

H. R. 365

To amend the Internal Revenue Code of 1986 to provide for the treatment of certain direct primary care service arrangements and periodic provider fees.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 6, 2017

Mr. PAULSEN (for himself, Mr. BLUMENAUER, and Mr. DENT) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to provide for the treatment of certain direct primary care service arrangements and periodic provider fees.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 **SECTION 1. SHORT TITLE.**

This Act may be cited as the "Primary Care Enhancement Act of 2017".

- Bipartisan Bill – **H.R. 365** Reps Erik Paulsen (R-MN) and Earl Blumenauer (D-OR) **S. 1358** Sens. Bill Cassidy, MD (R-LA) and Maria Cantwell (D-WA)
 - Clarifies HSA Provisions regarding DPC in the Tax Code
 - DPC is not a health plan under IRC §223 (c)
 - DPC is a qualified health expense under the IRC §213 (d)
 - Allows individuals with HSAs to pay for DPC services with HSAs.
 - *Provisions also found in Health Savings Act S. 403/H.R. 1175*

Why is Advocacy Important?

From Grassroots to White House Meetings



Who are your legislators?

- Federal
 - <https://grassroots.aafp.org/aafp/findelectedofficials?0>
- State
 - <https://grassroots.aafp.org/aafp/findelectedofficials?0>
- County
- City
- ISDs/School Boards
- Hospital boards and admin
- Medical organizations
- Many more! It's anyone who represents us!



Topics that affect DPC and our patients

- HSAs
- DPC shouldn't fall under state insurance board
- In-house dispensing
- Business taxes (specifically on professionals)
- Threat of liability lawsuits
- Scope of practice expansions
- Mandates for EMRs
- Mandates for accepting insurances
- Regulations (or lack thereof) on pharma and pharma pricing
- Different types of health insurance allowed

How do you influence legislators?

- Volunteer on their campaigns
- Donate money
- Donate your time to their campaign
- Put their sign in your yard
- Throw or attend campaign events
- Bring guests to campaign events
- Offer yourself as a resource on health industry issues
- Stay in contact with their staffers or them

Know yourself and/or your organization

- Be aware of organization's platforms
- Know your biases

Know your Issue

- You likely know more than anyone else in the room
- Don't be afraid if you don't know an answer: "I'll get back to you on that"

Know your Legislator

- Know their stances and if you have time, how they've voted on things
- Know how this stance will affect them, their family, their community their constituents
- Remind them of all of the above

Know your Opposition

- Be ready with a response to the opposition
- Address them positively



AUGUST 30, 2017

Hurricane Resources

READ MORE >

- IN THE SENATE
- LEGISLATION
- COMMITTEES
- CONSTITUTION AND BILL OF RIGHTS
- ECONOMY
- EDUCATION
- ENERGY, WATER, ENVIRONMENT
- HEALTHCARE
- HURRICANE HARVEY RELIEF
- IMMIGRATION
- NATIONAL SECURITY
- OP-EDS
- STATEMENTS
- TROOPS AND VETERANS

HOME / ISSUES & LEGISLATION

Healthcare

Since Sen. Cruz took office, he has been a leading voice for repealing Obamacare. In fact, the first piece of legislation he filed, co-sponsored by 32 Republicans, was to fully repeal Obamacare.

Before the law went into effect in January 2014, Sen. Cruz led the effort to halt its implementation and defund Obamacare, filibustering it on the floor for an historic 21 hours.

Obamacare is causing millions to lose their jobs, be forced into part-time work, lose their doctors and health insurance, and pay skyrocketing premiums. This law isn't working.

Instead, Congress should repeal Obamacare and make meaningful reforms to expand Health Savings Accounts, allow individuals to purchase insurance across state lines, and make health care more personal, portable, and affordable.

Since Obamacare's implementation, Sen. Cruz has opposed the law's unconstitutional mandates. He authored an amicus brief supporting Hobby Lobby and Conestoga Wood Specialties against the contraception mandate that forced individuals to either violate their conscience or pay crippling fines. In the summer of 2014, the Supreme Court ruled in favor of religious liberty and upheld the right of small business owners to operate in accordance with

★ SERVICES FOR TEXANS



AGENCY ASSISTANCE



FLAG REQUESTS



STUDENT RESOURCES



MEETING REQUESTS



TOUR REQUESTS



VOICE YOUR OPINION



JUDICIAL COMMITTEE

Contacting a Legislator

- Personal Visit
 - Set this up in advance
 - You may meet with an aide
- Telephone Call
- A Letter
 - Email
 - Physical Letter
- Any opportunity that pops up!



Timing is Everything!



Hi Dr. Benson,

The American Osteopathic Association (AOA) is an advocate for Direct Primary Care (DPC) which is an innovative alternative payment model designed to improve access to high functioning health care. The defining element of DPC is an enduring and trusting relationship between a patient and his or her primary care provider. Patients have extraordinary access to a physician of their choice, and physicians are accountable first and foremost for their patients.

Recently, there has been momentum in Congress to support DPC; however, Congress needs to hear from you.

Take Action Today!

Tell your Member of Congress to cosponsor the *Primary Care Enhancement Act of 2017* (S.1358). This legislation will expand patient access by:

During The Visit

- Address the legislator professionally
- Establish your own credentials
- Do NOT apologize for taking their time – just be brief, this is their job
- Refer to the bill by number
- Use your own words
- Share a story
- Don't take notes while talking
- Treat every staff member courteously
- Always keep “off-the-record” comments confidential

After leaving the meeting...

- Quickly make notes of any questions they had, etc

Get contact information

- Send a thank you letter/email
- Reference your agenda
- Answer any questions you may have had

Thank them for their support

- Public thanks are nice too

Follow-up frequently

- Make your name one that is recognizable
- Offer your knowledge/services

But I'm too
busy to do
advocacy
work...

- Let your organization lead the way
 - Email blasts re letter campaigns
 - Follow them on twitter
 - Forward the above to your colleagues
 - Groups list candidates they support

TALK TO DR. BURGESS ABOUT HEALTH CARE

October 28, 2014

U.S. Rep. Michael C. Burgess, MD
Invites You to a Free Reception

Honoring our Dallas Physicians, Nurses, and Health Care Community

Due to recent events in Dallas, Congressman Burgess decided to turn his previously scheduled fundraising reception into a reception for the Dallas health care community.

Come voice your concerns, offer ideas, and ask questions.

Wednesday, Oct. 29, 2014
5:30-7 pm

The Crescent Club
200 Crescent Court, 17th Floor
Dallas 75201

Host Committee
David Bryant, MD
Jim Gill, MD
Tillmann Hein, MD
Scott Holliday, DO
John Scott, DO
Calvin Turner, MD

RSVP to Kim Garza Turner at

But I'm too busy to do advocacy work...

- Let your organization lead the way
 - Email blasts re letter campaigns
 - Follow them on twitter
 - Forward the above to your colleagues
 - Groups list candidates they support
- Pick one issue that matters most to you and your patients
- Are you REALLY too busy?



Search



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FIGHTING FOR FAMILY MEDICINE

Find out how the AAFP is currently working on the Hill to protect and promote the specialty of family medicine.



On June 21, the AAFP called for the swift and humane **reunification of migrant families separated at the southern U.S. border**. In its statement, the Academy also said that families in U.S. custody must have access to qualified medical professionals, and the emotional well-being of detained children must be ensured.

[View the Statement](#)

As Congress prepares to address **the opioid crisis**, AAFP President Michael Munger, MD, is meeting with officials in Washington this week, alongside leaders from five peer medical organizations. The groups' agenda follows up on their recently issued ["Addressing the Opioid Epidemic: Joint Principles,"](#) which offers strong policy guidance.

[Read the Joint Principles](#)

Meet with Legislators

Your Officials Want to Hear From You

Of the 535 lawmakers in Congress, a little more than a dozen are physicians. Your member of Congress is more likely to be a former mayor, attorney, business owner, educator, or even a farmer than a healthcare professional.

As a subject matter expert and a valued constituent, elected officials need— and, in fact, count on— expert opinions like yours in order to make effective legislative decisions.

While -mails, social media outreach, and phone calls are valued ways of communicating, nothing compares to in-person visits with your legislators. It can be very difficult to find time to meet personally with your legislators while Congress is in session.

Reaching out to your legislator is easier than you might think, and can increase the visibility and importance of family medicine to those in Congress.

Lobbying Tips

Prepare for a productive meeting with your legislators anytime, anywhere— even when time is brief and the location is less than optimal. Learn the do's and don'ts of meeting with your elected officials, quickly and easily.

- [Congress 101](#)
- [Lobbying 101](#)
- [Meeting Feedback Form](#)

Talking Points

The AAFP has created several resources to help make your meetings easier and more comfortable with our issues from a legislative context. Feel free to take any of these leave-behinds with you on your visit to the Hill.

- [Economic Impact of Family Physicians](#) (2 page PDF)
- [Investment in Primary Care](#) (2 page PDF)

Questions?

Contact:

Robert Hall
Director, Division of Government
Relations
rhall@aafp.org

AAFP's Congressional Bill Tracker

While there are many bills introduced in Congress every session, there are only a handful that directly impact family medicine. See which bills have the potential to impact you and where your legislators stand on the issues. If your Representative or Senators have yet to co-sponsor a piece of legislation, speak out and advocate on behalf of family medicine today!

Current Legislation

Federal - HR 3394

A bill to reauthorize section 340H of the Public Health Service Act to continue to encourage the expansion, maintenance, and establishment of approved graduate medical residency programs at qualified teaching health centers, and for other purposes.

Support

Federal - HR 365

A bill to amend the Internal Revenue Code of 1986 to provide for the treatment of certain direct primary care service arrangements and periodic provider fees.

Support

Federal - HR 309

A bill to amend the Public Health Service Act to foster more effective implementation and coordination of clinical care for people with a complex metabolic or autoimmune disease, a disease resulting from insulin deficiency or insulin resistance, or complications caused by such a disease, and for other purposes.

Support

Federal - HR 302

A bill to provide protections for certain sports medicine professionals who provide certain medical services in a secondary State.

Find your elected officials

Enter a name, address or zip code to find your officials or candidates.

Go

Federal - HR 365

A bill to amend the Internal Revenue Code of 1986 to provide for the treatment of certain direct primary care service arrangements and periodic provider fees.

Introduced

January 6, 2017

Description

A bill to amend the Internal Revenue Code of 1986 to provide for the treatment of certain direct primary care service arrangements and periodic provider fees.

[Our Position](#)



[Support](#)

Original Sponsor 1



Rep. Erik Paulsen (R-MN)

Co-Sponsors 34

Rep. Donald Bacon (R-NE), Rep. Jim Banks (R-IN), Rep. Ami Bera (D-CA),

Rep. Mike Bishop (R-MI), Rep. Earl Blumenauer (D-OR), Rep. Ken Buck (R-CO),

Rep. Yvette Clarke (D-NY), Rep. Charlie Dent (R-PA), Rep. Jeff Fortenberry (R-NE),

Be an advocate for those who need a voice.



We are Leaders as Physicians. It's Time to Lead.

Questions?

Contact Information

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drbenson@paradigmfamilyhealth.com