

How to curate local direct pay specialty & ancillary resources

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Participate in polling questions and submit your questions to <https://aafp4.cnf.io/>



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Learning objectives

At the end of this educational activity, participants should be better able to:

- Learn how to identify specialty practices & services who might offer direct-pay options to your patients
- Learn how to engage traditional providers and encourage them to create direct-pay pricing.
- Learn how to explain direct-pay options to patients.



Primary care TO THE MAX!

- First, maximize primary care & your value!
- Expand personal knowledge and skills
- Do as much (in-house) as you can
- Utilize online resources--crowdsourcing decision-making tools, e-consultants platforms, etc.



When your care & services end...



Referrals: What matters?

- Quality care
- Timely access
- PCP communication
- **Fair price**, known upfront (estimate) where possible
- **Take an advocacy role...do no harm!**



We (DPC) are not entirely alone

- Increasing common for labs, radiology, specialists, dentists, therapists, & more to offer “self-pay” option
- Not many fully direct-pay clinics/services outside of DPC, but...
- *Some* will provide big discounts when paying “cash” upfront



Find existing resources

- Very dependent on the community (huge variability!)
- **Local DPC doctors & regional DPC groups**—shared resources
- Charitable medical clinics/organizations
- County medical society

Price transparency & direct-pay websites

- Directory of practices offering (?) direct-pay options
- *Pricing?* Patient reports vs. bidding vs. actual offers
- *Near you?* None have nationwide density—huge variation in density based on area
- Spectrum of medical services varies greatly



Price transparency & direct-pay websites

- <https://selfpaypatient.com/selfpayhealthcaremarket/>
- <https://clearhealthcosts.com/>
- <https://jointhewedge.com/find-a-practice/>
- <https://www.mdsave.com/>
- <https://www.medibid.com/>
- <https://fmma.org/shophealth/>
- <https://sesamecare.com/>

Identifying new direct-pay options

- Areas of need (radiology, consults, procedures, therapies, etc.)
- Use **existing relationships**
- Likelihood: Small practice > large group > hospitals
- Physician-ownership
- Established vs. new—looking to grow volume or practice?

Introducing the (new) direct-pay concept

- Most will NOT be gung-ho like you!
- May/may not have even heard of DPC or direct-pay
- Their main focus on existing practice & business (billing insurance!)
- Traditional billing hassles = opportunities & barriers



“Direct” language & branding

- What’s in a phrase?
- Cash-pay, self-pay, private-pay (*I hate these!*)
- **Direct** moniker....direct-pay, direct-care, direct-to-consumer (D2C)
- Doctors vs. public reactions

Making an introduction

- Best = referring a (real) patient with a specific need!
- Asking about pricing/money can be awkward
- “My patient is concerned about cost; prefers to pre-pay 100% & not bill insurance”
- Who’s the business decision-maker? Start with the doctor?
- Email vs. phone vs. in-person meetings

Upsides of direct-pay option

- No billing or collection hassles!
- Avoid bad patient debt
- Fully in charge of pricing—change as needed
- Not worried about silly documentation requirements
- That's great, but...



Stigma of uninsured/self-pay

- May think = low income = “charity”... may help, or not!
- Practice fears patient will not pay, need something else, etc.
- Fair & transparent price = right thing to do
- Changing nature of uninsured: more middle-income, lots of self-employed, not much different than high-deductibles!

Overcoming the stigma

- Patients pre-pay 100% (*no billing, no bad debt!*)
- DPC patients already paying “cash” & happy to!
- Reminder: lots patients *with* insurance have bad debt!

Traditional practice: usual billing

- All services/charges based on **CPT codes** (e.g. 99328)
- Each CPT has a “*chargemaster*” = 3-10x Medicare rate!
- Private plans pay 130-200% of Medicare rates.
- Charges vs. **payments/reimbursements** (actual money!)
- “We offer 20% discount for self-pay” 😬

Traditional practice: Concerns & hurdles

- Direct-pay pricing/payment is a **violation of insurance or Medicare?**
- Must always bill at “chargemaster rate”?
- Fear “discounts” might undermine insurance negotiations
- Don’t know how to price services!

Violating private insurance contracts?

- Insurance contracts are messy...can not dissect each one
- Provider obligation to file a claim?
- When/if patient does NOT disclose insurance!!!!
- [Privacy rights](#) to *not* submit claim under HIPAA. (HITECH/HIPAA Omnibus Act of 2013 made this more clear & provider must comply! [More info here.](#))

What about Medicare?

- If Medicare patient & provider not opted-out, usual rules apply
- For *uninsured* patients, [CMS says "discounts" are fine!](#)
- Keep “usual/customary” charges as part of billing record?

Defining services

- If possible, **avoid CPT codes** (may lessen fears about violating contracts/laws)
- Simplify: plain English & fewer prices
- Bundling for one fee? (Office consult + diagnostic test)
- Start with 5-10 most common services

How to price

- Might seem easy....it's not for most!
- Payment references (CPT-based!)
 - Medicare fee-schedule
 - Average private plan reimbursements
 - Can translate CPTs to English!
- Cost-based pricing (time, staff, supplies, etc + profit)



Sharing service/price lists

- Some will want to keep pricing “private”
- Okay to share with other DPC practices/org.
 - Resource folders or database (shared Google Drive)
- Sharing = potential referrals form other DPCs

Client-billing

- Business bills your practice (monthly), not the patient directly
- You are responsible for collecting money from patient
 - Patient pay upfront?
 - 100% passthrough vs. up-charge?
- Common/easier with labs & radiology—others trickier
- *Some state laws may prohibit/restrict on some services*

Discussing direct-pay options with patients

- For uninsured = no brainer!
- If use private insurance plan...800 complex disclaimers!
 - Deductible consideration
- Direct-pay *may* be *WAY* cheaper than insurance out-of-pocket
- Always up to patient

Promote direct-pay community

- Shows you care about patient total costs
 - “But what if I need”
- Brings value & attention to your DPC practice
 - Make announcement about new partners or deals
- Attract other specialists & ancillary providers



Questions?

Submit your questions to:
aafp4.cnf.io

Don't forget to evaluate
this session!

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