How to curate local direct pay specialty & ancillary resources

W. Ryan Neuhoefel, DO, MPH, NeuCare

Participate in polling questions and submit your questions to https://aafp4.cnf.io/
Activity Disclaimer

The material presented here is being made available by the DPC Summit Co-organizers for educational purposes only. This material is not intended to represent the only, nor necessarily best, methods or processes appropriate for the practice models discussed. Rather, it is intended to present statements and opinions of the faculty that may be helpful to others in similar situations.

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.

The DPC Summit Co-Organizers DISCLAIM LIABILITY for damages or claims that might arise out of the use of the materials presented herein, whether asserted by a physician or any other person. While the DPC Summit Co-Organizers have attempted to ensure the accuracy of the data presented here, these materials may contain information and/or opinions developed by others, and their inclusion here does not necessarily imply endorsement by any of the DPC Summit Co-Organizers.

The DPC Summit Co-Organizers are not making any recommendation of how you should conduct your practice or any guarantee regarding the financial viability of DPC conversion or practice.
Faculty Disclosure

It is the policy of the DPC Summit Co-Organizers that all individuals in a position to control content disclose any relationships with commercial interests upon nomination/invitation of participation. Disclosure documents are reviewed for potential conflict of interest (COI), and if identified, conflicts are resolved prior to confirmation of participation. Only those participants who had no conflict of interest or who agreed to an identified resolution process prior to their participation were involved in this CME activity.

Owner, NeuCare
President, Direct Primary Care Alliance (non-profit organization)
Chief Medical Advisor, Sesame

The content of this material/presentation in this CME activity will not include discussion of unapproved or investigational uses of products or devices.
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 from 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](http://aafp4.cnf.io)

Don’t forget to evaluate this session!

Contact Information
W. Ryan Neuhofel, DO, MPH  
dr.neu@neucare.net  
@neucare