DIRECT PRIMARY CARE Summit 2017
THE HOSPITAL IS NOT THE ENEMY

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Spring Hill, TN
Learning Objectives

• Discuss how to develop a mutually beneficial relationship with your supporting hospital/institution

• Explore how to utilize the benefits of hospital/institution ties in the community to spread the word about and recruit businesses to your DPC practice

• Recognize the benefits of GPO pricing for supplies
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Perceptions
Perceptions
<table>
<thead>
<tr>
<th>Rank</th>
<th>Position</th>
<th>Work-Life Balance Rating</th>
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<tbody>
<tr>
<td>1.</td>
<td>Data Scientist</td>
<td>4.4</td>
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<tr>
<td>2.</td>
<td>SEO Specialist</td>
<td>4.3</td>
</tr>
<tr>
<td>3.</td>
<td>Tour Guide</td>
<td>4.3</td>
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<tr>
<td>4.</td>
<td>Lifeguard</td>
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<td>5.</td>
<td>Social Media Manager</td>
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<td>6.</td>
<td>Group Fitness Instructor</td>
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<td>7.</td>
<td>User Experience Designer</td>
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<td>8.</td>
<td>Corporate Communications</td>
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<td>9.</td>
<td>Firefighter</td>
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<td>10.</td>
<td>Equity Trader</td>
<td>4.1</td>
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<td>11.</td>
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<td>Investment Analyst</td>
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<td>13.</td>
<td>Administrative Assistant</td>
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<td>Office Assistant</td>
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<td>15.</td>
<td>Sales Representative</td>
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<td>Help Desk Technician</td>
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<td>Substitute Teacher</td>
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<td>18.</td>
<td>Carpenter</td>
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<td>Real Estate Broker</td>
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<td>20.</td>
<td>Game Designer</td>
<td>3.8</td>
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Source: Business Insider, Forbes
Perception ≠ Reality
Why Pursue Hospital Sponsorship?

Source: https://directprimarycarejournal.com/2016/11/21
Why Pursue Hospital Sponsorship?

Why Pursue Hospital Sponsorship?

- Financial Security
- No moonlighting needed
  - 2016 82% of DPC physicians were moonlighting to make ends meet (Source: 2016, The DPC Journal, 2015-2016)
- Paycheck from day # 1
Salary Survey

- Below $100,000: 17.58%
- Between $150,000 - $200,000: 13.19%
- My salary increased in 2016 compared to the past: 12.09%
- I am in my first year of practice, currently: 12.09%
- Last Year, I was a first-year startup: 10.99%
- My salary decreased in 2016 compared to the past: 9.89%
- Between $200,000 - $250,000: 7.69%
- Other: 5.49%

Source: DPC Journal
As of 5/14/17
Why Pursue Hospital Sponsorship?

- Start up costs covered
Why Pursue Hospital Sponsorship?

- Conversion assistance
  - Associated costs
  - Reaching existing patient panel permitted/promoted
    - No harsh feelings
    - No burned bridges
Why Pursue Hospital Sponsorship?

- Conversion assistance
  - Co-host for town hall meeting
  - Donations from local businesses
MRMG All Access Medicine
Why Pursue Hospital Sponsorship?

- Administrative assistance
  - Opting out of insurance panels
  - Taxes, benefits, accounting
  - Licensing, PECOS
  - Malpractice insurance
Why Pursue Hospital Sponsorship?

- Administrative assistance
  - Employee benefits
  - Float pool for illness coverage
- MD coverage for vacation
- Hospital director support
Why Pursue Hospital Sponsorship?

- Networking
  - Lab affiliates, corporate affiliates
  - Connections to local business owners
- Marketing
- Media coverage
Why Pursue Hospital Sponsorship?

- IT assistance
- Legal assistance
  - Employee contracts
  - Contract negotiations
- Referral team
# GPO Pricing Examples

- **Lab pricing**

<table>
<thead>
<tr>
<th>Test</th>
<th>Savings %</th>
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<tr>
<td>CMP</td>
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<tr>
<td>Lipid Panel</td>
<td>42%</td>
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<tr>
<td>PSA</td>
<td>36%</td>
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<tr>
<td>A1C</td>
<td>47%</td>
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GPO Pricing Examples

- Equipment suppliers
  - EKG machine 31% discount
  - Exam tables 37% discount
  - Exam gloves
Financial Support

- CME funds
- Licensing support
- Online subscriptions
  - Uptodate
  - Medical Journals
  - Epocrates
Why Pursue Hospital Sponsorship?

- Network of hospital physicians
  - Cost-sharing
  - Supply-sharing
    - Vaccines
  - HMO/Tricare referral help
  - Pre-referral assistance from specialists
Why would the hospital help you?
Benefits For The Hospital

- Alternative care model
  - High quality
  - High patient/physician satisfaction
  - Decreased overhead and FTE cost
    - Billing and collection, Clinic FTEs to administer

- DPC fits perfectly for the transition from Fee for Service to Quality
Benefits For The Hospital

- Regional presence as a low cost/high quality provider group

- Maintaining patient base while providing the “personal feel”
Benefits For The Hospital

- Quality Care

Source: COSEHC DATA 2014
www.cosehc.org
Benefits For The Hospital

- Pilot program in the CASH service line
- DPC is attractive to the medical cost-sharing communities
- High deductibles are the norm now
  - Deductibles have increased 67% since 2010

(Source: healthaffairs.org)
Benefits for the hospital

- Re-capturing the cash-pay patient
- Free market pricing
- Online comparison websites
  - MD Save
  - Healthcare Blue Book
  - Clear Health Costs
  - New Choice Health
Benefits For The Hospital

- Enhanced patient satisfaction ratings and patient experience
Benefits For The Hospital

- Patient Satisfaction

<table>
<thead>
<tr>
<th>Physician</th>
<th>Top Box Score % FY17</th>
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<tbody>
<tr>
<td>A</td>
<td>75.5%</td>
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<tr>
<td>B</td>
<td>82.7%</td>
</tr>
<tr>
<td>C</td>
<td>68.8%</td>
</tr>
<tr>
<td>D</td>
<td>76.3%</td>
</tr>
<tr>
<td>E</td>
<td>100%</td>
</tr>
</tbody>
</table>
Benefits For The Hospital

- Patient Satisfaction

Source: www.healthgrades.com
Benefits For The Hospital

- Alternative model to retain physicians
  - Physician satisfaction/burnout prevention
Benefits For The Hospital

- Alternative model to retain physicians
Benefits For The Hospital

- Alternative model to retain physicians
Let’s Be Real
Challenges of Hospital Affiliation

- Bureaucratic decision making is dependent on institutional intervention level
- EMR choices/cost
- Institutional policies
- Autonomy is hospital-dependent
- Marketing policies/limitations
Why DPC?
Quality of Life
Quality of Life
Quality of Life
Pursuing Your Medical Passions

DIRECT PRIMARY CARE Summit

June 15-17 / Washington, DC

Taking the middleman out of health care
Pursuing Your Non-Medical Passions
Questions?

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DPC Docs Group on Facebook

Submit your questions to: aafp.cnf.io