DIRECT PRIMARY CARE Summit 2018

Deliver Exceptional Care. On Your Terms.
Start Lean, Think Big
How to start your own DPC practice

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Submit your questions to: aafp3.cnf.io
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Learning Objectives

• Understand the steps needed to start a direct primary care (DPC) practice.
• Access the resources available to support starting a DPC practice.
• Gain the confidence
AES Question
aafp3.cnf.io
Confidence in my ability to start a DPC practice

• I could never do this
• Not sure if I could really do this
• Hmmm, maybe
• I think I can
• I got this
Current practice (or if already DPC, previous practice)

- Straight outta residency
- Employed-academics
- Employed-private practice
- Owner-private practice
- Other
Dates: Between 1920 and 1929

Dr. S. S. McGinnis sits in front of his office in Tribune, Greeley County, Kansas with Roy Martin and a dog.
Soul searching

What does your ideal practice look like?

■ Who? Age? Income level?
■ Small, large, solo, with partners? Employees?
■ What services? Home visits, procedures, hospital care, OB?
■ Any services you do NOT want to include?
■ Location? Schedule?
Let’s Get Started!
First Things First

- Choose a name (check name availability)
- Create a logo
- Plan a start date (keep in mind Medicare opt-out/contractual obligations)
- Plan initial hours
- Find a physical location (often takes the longest)
Office Space

- Decide where you want to be, and whether to buy or lease.
- Other options--sub-leasing a room in another practice to keep overhead very low, home visits only, work from space in your home.
- Find a location: search local listings, drive around the area
Outfitting your office

• Physical space
  • Exam tables/stools, comfortable chairs, art for walls, coffeemaker in reception area, books and toys for kids
  • Look for retiring docs/closing practices for great deals on large items
  • Signs outside and inside building

• Medical supplies
  • Keep track of what you’re using now. Order as needed
  • Don’t worry about being part of a Group Purchasing Organization (GPO)

• Office supplies
  • Business cards, letterhead, brochures, marketing flyers
  • Easy to use free graphic design software available
  • Print locally or online
Pricing Structure

- Basic equation: operating costs + desired take home pay = revenue required.
- Once annual revenue is determined, divide that out by number of expected members (best estimate) to get your average per member per month cost.
- Then you can determine how to break that down per individuals/ages(any family discount)
Pricing Considerations

Last updated June 10, 2018

- DPC mapper (845 DPC practices as of June 2018!)
- Billing in arrears
- One-time enrollment fee
- Re-enrollment fee
- Per charge visit?

https://www.dpcfrontier.com/mapper
Employees

- Decide if you want employees to start
- Many practices have one person (phlebotomist or nurse by training) who helps with front desk duties, triaging calls, rooming patients, and drawing blood
- Others find doing this themselves very manageable, especially when starting up or if they plan to keep the practice small
Labs and pathology

• Lab options: national or local labs
• Lab will provide centrifuge and all supplies at no additional charge to you
• Lab bills you, you bill patient. Check state recs. Client bill may be difficult or not possible in NY and NJ
• Can set up so patients can use insurance if they wish
• Decide what you will charge for labs, any markup
• For pathology services, some states have laws against price markup by physicians. Still more states require disclosure to patients of the actual cost and any markup charged
• You will likely want to disclose your pricing anyway for transparency and marketing!
In-house dispensing

- Great financial benefit to patients
- Some additional administrative overhead for you
- Check your state guidelines
- If you do in-office dispensing
  - Decide whether to mark up medications (many practices mark-up meds by 10% to cover costs)
  - Sign up with wholesale distributor
  - Have EMR/other system that can manage inventory
- If do not dispense, you can still help patients save $ on meds
Imaging

- Negotiate low prices with local centers if able. This may be more difficult in states with Certificate of Need legislation
- Independent imaging centers generally offer better pricing
- Practice can call imaging centers price lines to compare costs
Vaccines

- Give at your clinic
  - CDC guidelines, power outage plan,
  - Buy from medical supplier or local practice
  - Local health dept may provide some free for certain patients
  - Set pricing for patients for administration
- Or refer out
  - Adult patients with insurance: local pharmacies
  - Adults/children who are uninsured/healthshare plan: local health department
  - Children with insurance: local peds/family med practice
  - Local health department-in many states, will also give vaccines to patients with insurance and bill insurance
Specialists

- When specialist evaluation needed, can help patients use most appropriate and cost-effective specialist for their situation
- Organized electronic “curbside consults”
- Other local DPC practices can be a great source of information about cost effective regional specialists--DPC Alliance and regional DPC Alliances can help connect you
Website

• Select a domain name
• Find someone to help design your website, or build it yourself
• Consider building it yourself. $20-$30/month-website builder service with a drag and drop interface.
Website Options & Email

- Freelance programmer $500-$1000
- Solicit a web design studio. Well-designed and polished product. Typically >$1000
- Ideally, site will be able to integrate with EMR scheduler/billing, load fast, look good on mobile phones
- Set up email associated with your domain name
Tech: EMR, billing, phone, fax, dispensing

- EMR
- Billing
- Internet
- Phone system *(good to figure out early for your phone number)*
- Fax service *(good to figure out early for your fax number)*
- In-office dispensing inventory management
Other potentially useful tech

- Patient communication
- Cloud file storage system
- Cloud to-do list/notes organizer
- Dictation Software
Making it official

• Decide on a business structure: LLC, PLLC, S-Corp, C-Corp
• Register your business through your state--you will file Articles of Organization (for LLC/PLLC) or Articles of Incorporation (for Corp)
• Register Doing Business As (DBA)
• Apply for your Employer Identification number (will need for paying taxes)
• Draft an operating agreement/bylaws (esp if you have partners)
• Registered agent
• Update your info with state medical license and DEA
Running a business

- Business plan
- If you need a loan, do your research and read all the fine print
- Accounting
  - Quickbooks is popular-connect checking and credit cards, can handle payroll
  - Accountant for taxes and questions
- Checking account
  - Likely need your business’s EIN and Articles of Incorporation/Organization
- Credit card for business
Insurance-for you

• Business insurance
• Malpractice insurance
  • If you will have average of less than 20 hours of patient care per week, you may qualify for part-time with reduced rates
• Disability insurance
• Life insurance
• Medical insurance or healthshare plan for yourself/family
Medicare opt-out

• Possible to open practice while remaining opted-in, but won’t be able to see Medicare patients

• Moonlighting considerations

• Mail affidavit at right time (made active Jan 1, Apr 1, July 1, Oct 1), must be received 30 days prior


• Mail to proper address (listed by state here: [https://www.cms.gov/Medicare/ProviderEnrollment-andCertification/MedicareProviderSupEnroll/downloads/contact_list.pdf](https://www.cms.gov/Medicare/ProviderEnrollment-andCertification/MedicareProviderSupEnroll/downloads/contact_list.pdf))
Medicaid

- No formal “opt out” process, some states may ask you to sign up as an ordering and referring only provider
- Check with your state
Ending insurance company contract

- Check state specific patient abandonment laws and your existing employment contract for requirement
- Often this must be done 90 days out
- If you are employed, your employer may do these above steps for you, ask to have this confirmed in writing
- Most state abandonment laws ask that you provide patients with a list of nearby clinics. There is variance from one state to the next
Forms and Forms and Forms

- Patient Enrollment Form
- Patient Agreement
- Private Contract for Medicare Patients
- HIPAA Notice of Privacy Policies (NPP)
- HIPAA Acknowledgement of Receipt of NPP
- Release of Medical Information
- If hiring employees: Employee Contract
- DPC Frontier recommends consulting an attorney to draft/review the above items
- Patient History Form— if you wish
Clinical Laboratory Improvement Amendments (AKA CLIA)

- You need a CLIA waiver for in-office testing
- Consider also doing physician performed microscopy (PPM) services (filled out on CLIA waiver)
- Check to see if any additional state requirements surrounding physician-office lab tests
- You will then receive coupon to pay fee, will receive certificate
- Renew waiver every two years--set reminder for yourself
- Don’t forget proficiency testing!
Health Insurance Portability and Accountability Act (AKA HIPAA)

• Complete a security risk assessment (free tool available online)
• Have Notice of Privacy Practices available for patients
• Release of information form on file, be able to account for all disclosures you’ve made if you get audited
• Business Associate Agreements with companies that handle your patient’s health information
• Gather and maintain proof of HIPAA compliance
Occupational Safety and Health Administration (OSHA)

- If you have zero employees, you're done already! 🎉
- Find biohazard disposal service, buy fire extinguisher, train employees annually, print OSHA poster, know how to report incidents
Marketing

• Elevator pitch
• Google maps
• Facebook
• Letter to old patients
• Townhall meeting
• Speak to community groups
• Newspaper/radio
• Your happy patients!
Learn more

- Community of other DPC docs
  - Direct Primary Care Alliance and regional groups, DPC docs
    facebook, AAFP Member Interest Group
- Attend conferences
- Community college classes--business, phlebotomy
- DPC websites, blogs ([https://docsteppingout.wordpress.com/](https://docsteppingout.wordpress.com/)),
  book (The Official Guide to Starting Your Own Direct Primary Care
  Practice by Doug Farrago, MD), policy manual
  ([https://dpcmanual.com/](https://dpcmanual.com/))
- Remember, if you are smart enough to make it through medical
  school and residency, you are smart enough to start a practice!
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Don’t forget to evaluate this session!

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