Pilot Project Tests Direct Primary Care

KATHY SARANTOS NIVER

When her daughter had an irritating rash, Wendy Reiss called her primary care doctor and was able to get the high schooler in to see him the same day. When her younger daughter had a stubborn virus, Wendy had immediate access to the doctor again. It was a best-case scenario for the mom. Even better, Wendy didn't have a copay. She didn't have to worry about meeting the family deductible for the year. The prescriptions her doctor wrote were free.

This is CHI Health's Direct Primary Care Select program, and patients like Wendy are taking advantage of it. Wendy works at CHI Health, headquartered in Omaha, Nebraska. In 2017 the health system rolled out a pilot membership-based primary care program — included with traditional wraparound insurance — for its Omaha employees. Those who were interested signed up during open enrollment; the program likely will be available to other CHI Health campuses in the future. The appeal to Wendy and to others: No copays, no deductible and office visits with the primary care team that last for as long as the patient needs.

This innovative alternative payment model could help shape the future of primary care.

"We believe we may be the only health system in the country — certainly the only one in the region — offering the program to employees," said CHI Health CEO Cliff Robertson, MD. CHI Health, which is part of the faith-based health system Catholic Health Initiatives in Englewood, Colorado, has more than 11,000 employees in Nebraska and Iowa.

Robertson first approached his team about a direct primary care program in 2016 after watching — and being impressed by — the model's success elsewhere. He also was impressed with how the new option helped to drive down costs. Not only can individuals save money and get better health care, direct primary care can save employers money too. Omaha was selected for the trial because it had the largest CHI Health employee population.

At the same time, Nebraska became the 16th state to sign direct primary care legislation into law. The law sets basic rules and makes it clear that DPC is not an insurance plan subject to state insurance regulation. Today 23 states have direct primary care laws on the books.

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"Direct primary care is in line with our move to cost-effective, value-based care," Robertson said. For 2018's first quarter, he said, the direct primary care clinic patients spent 20 percent less on specialists and 21 percent less on facility expenses compared with patients in CHI Health's PPO.

"Health care is too expensive in our country, and I believe that, as providers, we need to lead the way in actually lowering costs," he said. "We decided that we needed to do something that would assist our own employees with the cost of care and, more importantly, provide them with what has been shown to be a better experience."

EMPLOYEES SIGN UP

So far, hundreds of employees and their dependents are taking advantage of Direct Primary Care. It started as a pilot program in mid-2017 with about 150 patients (employees and dependents); in the open enrollment period for 2017-2018, more than a thousand CHI Health employees signed up.

Under the new plan, patients like Wendy pay $206 a month to cover an entire family. They get the DPC benefit, a traditional wraparound medical benefit plan and, as Wendy saw firsthand, more access to the doctor or nurse practitioner. CHI Health Family Medicine Physician William Lowndes, MD, and Mandy Carlson, APRN, previously managed about 3,600 patients between the two of them in the clinic located in midtown Omaha. The DPC model limits the practice to about 1,300.

"We continue to get new CHI employees and dependents, as well as former patients and some "word-of-mouth" referrals," Lowndes said. "We want patients to have access to us the same day or the next day."

"In the old fee-for-service world, the only way to survive was to see more and more people for shorter and shorter visits," he said. But the fee-for-service "treadmill" meant he wasn't able to spend the time he wanted with patients or to address health issues as thoroughly.

Direct primary care bypasses traditional insurance, which means no deductibles, no copays and no claims to file when the patient goes to a DPC provider. That translates into big savings.

"For every dollar generated in a general family practice office, 40 cents goes to dealing with insurance," Lowndes explained. Direct primary care eliminates those costs.

The provider's office has everything an average patient needs for basic checkups and same-day or next-day visits: X-rays and in-office labs such as urinalysis, blood count, strep, mononucleosis and influenza testing all are included.

"Most doctors' offices already have in place what they need for direct primary care," said Matt Hazen, CHI Health division director for service excellence, corporate and retail. "There's no billing. You just track patients and the care they receive." This simplicity makes direct primary care easy to replicate, he explained.

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— CLIFF ROBERTSON, MD

He cautioned that the model works best with established practices: "It'd be hard for a new doctor who has just a few patients. You need an established patient base."

Under direct primary care, appointments last longer. A first visit with Lowndes takes up to an hour, and "other visits start off at half an hour," he explained. According to *Business Insider*, the typical family practice doctor spends 13 to 16 minutes with a patient, while the direct primary care provider spends 30 to 60 minutes.

AFTER-HOURS ACCESS

The number of visits is unlimited, and the patient can access the provider through a call, office visit or confidential email via MyChart, the CHI Health patient portal. Under certain circumstances — after clinic hours, for example — direct primary care patients also have access to CHI Health's 24-hour Virtual Care telephone or computer consultations with a provider, as well as visits to a Quick Care walk-in clinic.

If a direct primary care patient needs to see a specialist or be hospitalized, he or she would turn to the wraparound insurance plan. Lowndes has taken care of patients who are out of town by phone, advising them and/or calling in prescriptions for them.

"Patients report loving the ability to call and talk with the physician without always having to go into the clinic," Robertson explained. "They love having access to their physician in ways — secure email or telemedicine, for example — that aren't supported in the fee-for-service world."

Prescriptions can be a big bargain for Direct Primary Care Select patients. The top 75 generic medications are free if patients fill them at a CHI Health pharmacy. The next 125 top generic meds are on a "low cost" list. Any prescriptions that don't appear on either list can be submitted through regular insurance.

Patients who need to be seen by a provider will no longer procrastinate or wait by toughing it out, Lowndes said. "Research has shown that people involved in a membership-based program don't put off their health care. They're also more compliant with their medications."

He said high-deductible insurance plans are commonplace today and often discourage visits to the doctor because patients know they'll end up paying hundreds of dollars out of their own pockets. Direct primary care means no deductibles, and a visit to the primary care provider can head off costlier health problems later.

One female patient in her 20s had a list of significant health problems, according to Lowndes. "She wasn't coming in because of a high deductible and the copay," he said. "With direct primary care, she started coming in." He and the patient spent 45 minutes reviewing her health care goals for the year.

"She wanted to work on sleep patterns," he said. "So we came up with a strategy, and now she's doing great. Working on her sleep meant her aches and pains improved, she had energy to exercise and more. It had a huge trickle-down effect."

Better access builds a bond between patient and provider, a familiarity that helps the provider spot when something's wrong, Lowndes said. Because primary care physicians are trained to deal with a huge variety of health issues, 80 percent to 90 percent of patients' care can be handled at the primary-care level, he said.

Primary care providers are so key to a patient's care that, according to one estimate, adding an additional primary care doctor per 10,000 people in a U.S. standard metropolitan statistical area could decrease hospital admissions by 5.5 percent, surgeries by 7 percent and emergency room visits by 11 percent.[1]

Employers also see the value of the program. "They like direct primary care because it helps their people get healthier," Lowndes said. "They miss less work, and it costs employers less."

PHYSICIANS SHOWING INTEREST

Providers like it, too. According to the national Direct Primary Care Coalition, the number of providers grew from a few in the late 1990s to about 790 in early 2018. The Affordable Care Act recognizes direct primary care and allows DPC medical homes to offer coverage in exchanges with a wraparound qualified health plan that would cover specialty care, hospitalization and other more expensive services.

"As a former family medicine physician, I can tell you firsthand that the fastest way for me to deal with a patient's multiple problems would be for me to refer them to a handful of specialists," Robertson said. "That wouldn't be the best care for the patient and wasn't the type of medicine that I wanted to practice." The direct primary care model allows doctors to "care for the entire patient and ensure that the patient's care is coordinated and effective," he explained.

Under the direct primary care model, doctors and nurse practitioners see fewer patients during longer visits, thus they are able to better focus on personalized patient care.

Under the direct primary care model, doctors and nurse practitioners see fewer patients during longer visits, thus they are able to better focus on personalized patient care. They have time to create the right treatment plan. They are able to go back to the world of medicine they trained for and don't have to rush from room to room. Physician burnout is less of a problem.

"The movement within primary care physician circles is gaining steam," Robertson said. "Physicians love the model change because it allows them to get off the every-15-minute treadmill and realigns their focus on the total well-being of their patients. And removing some of the insurance paperwork bureaucracy allows them to focus on what excites them — taking care of patients."

But it also takes some getting used to, especially in the back office.

"It's certainly a different model of delivery than we're accustomed to," Hazen said. "And since it's membership-based, we've had to rethink our billing processes, and we had to change our [electronic medical records] to support this model."

Questions about what's covered and what's not, including labs and diagnostic testing, had to be worked out, he said. "Those were the biggest lessons we had to learn."

Hazen compared direct primary care to a gym membership: "You are paying a monthly membership fee. You are paying it whether you use it or not." Those who go to the gym regularly are getting their money's worth; those who don't go are getting no value for their bucks.

Lowndes said other big obstacles CHI Health had to overcome were misinformation and confusion because DPC is not a traditional plan. Communicating the cost savings — as well as the new model's limitations — was a challenge.

Lowndes concedes that he had a few moments of self-doubt before he switched from a successful 30-year practice to direct primary care. He compared the move to jumping off a waterfall five years ago when he and his wife were in Hawaii. "I was saying, 'Yes, I'm going.' Then, 'No, I'm not.'"

He finally jumped.

"Direct primary care really intrigued me," he said. "It was the ultimate way of doing the patient-centered family home in the best possible way."

Patients have embraced the new model. They spend less time in the waiting room and more time in the examination room.

"They're not used to us talking with them as long as we can now," Lowndes said. He has had patients check their watches during a lengthy visit. "They look at me and say, 'Oh, wow!'"

CHI Health direct primary care patients received a five-question survey at the beginning of the program, and they will get a follow-up survey after a year, Lowndes said. He expects patients to say good things about the new model.

Along with the patient feedback, CHI Health will look closely at quality measures, including cost savings for the patient and the clinic and an expected drop in emergency department visits.

"One of the keystones of any cost-effective system is comprehensive primary care, and we are committed to bolstering and strengthening the relationship between an individual and his or her primary care physician," Robertson said. Fee-for-service payments to primary care physicians will go away in the next five years, he predicted, "and direct primary care will hasten this change."

Lowndes said the direct primary care model is "absolutely" the primary care of the future, and his patient list is growing. He said he already is seeing more new CHI Health employees and their dependents, as well as former patients and word-of-mouth referrals. Patient satisfaction scores are higher than they've ever been, he said, and twice as many patients as the CHI Health Clinic average say they are likely to recommend DPC. He anticipates even more enrollments next year. "We're already working on getting another team, maybe two, for another location," he said.

For Wendy, who had the two sick daughters, direct primary care is just what the doctor ordered. Her family is enjoying better health and saving money. "When more people start hearing about it and getting a better understanding, it'll absolutely take off," she said. "It's a no-brainer!"

KATHY SARANTOS NIVER is a communications-PR strategist for CHI Health and spent 35 years as a television reporter. She works at the CHI Health headquarters in Omaha, Nebraska.

NOTE

1. Michael Rabovsky, "The Value of Having a Primary Care Doctor," *U.S. News and World Report*, May 29, 2015. www.vhcpcp.com/uploads/3/4/7/6/34762771/the_value_of_having_a_primary_care_doctor.pdf.

JOURNAL OF THE CATHOLIC HEALTH ASSOCIATION OF THE UNITED STATES www.chausa.org

HEALTH PROGRESS®

Reprinted from *Health Progress*, September - October 2018
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