



Texas Public Policy Foundation
**LEGISLATOR'S GUIDE
TO THE ISSUES
2021-2022**

Direct Primary Care

The Issue

Direct Primary Care (DPC) is a growing model of medicine which bypasses health insurance, instead charging patients small periodic fees. In return, patients are not charged out of pocket for individual appointments or for many procedures. Patients are usually allowed to see their provider as often as they like for preventative, wellness, and chronic care, and certain medical tests are included in the membership fee, depending on the membership agreement. There are approximately 1,200 DPC practices in 48 states.

Memberships are usually bought privately for individuals and families, or by employers as an alternative to or in conjunction with health insurance plans. Typical plan fees are between \$25 and \$100 per patient per month. For individuals enrolled in this type of care, the DPC provider can provide most primary medical care, and a high-deductible health insurance plan can be purchased to cover unexpected, high-cost medical costs.

DPC is different than concierge medicine. Major differences between the two are that DPCs generally do not bill insurance, while concierge practices will, and concierge practices generally have higher fees.

Many minor procedures, such as stitches, are frequently included in the monthly fee. Other services, such as tests that cannot be done in-house or less common procedures will typically be provided to members at an additional cost, in some cases at a lower cost than what a patient would pay with insurance. Additionally, many DPC practices connect with their patients electronically allowing for texts and email, reducing the need for in-person appointments. Rowe et al. found that 82% of DPC practices have physician email access and 76% allow patients to have 24-hour access to their services.

The DPC model is designed to foster more frequent and in-depth communication with a primary care provider. Research has shown that primary care plays an important role in people's health. For example, Basu et al. found that more access to primary care providers is associated with higher life expectancy. Increasingly, physicians are attracted to direct primary care models due to the numerous benefits that they provide to them as they can operate outside of many onerous government regulations. First, there is less administrative work involved when providers do not need to file claims or negotiate with insurance companies for inclusion in networks. The American College of Physicians states "administrative tasks are keeping physicians from entering or remaining in primary care and may cause them to decline participation in certain insurance plans because of the excessive requirements. The increase in these tasks has been linked to greater stress and burnout among physicians."

Without the added expense of billing third-party payers, DPC physicians can enroll fewer patients without sacrificing office space or income. DPC practices generally have patient panels between 600 and 800 patients, whereas a typical primary care provider will have panels upward of 2,000 patients. Smaller patient panels for DPC providers allow them more time with each patient. Research has shown that DPC providers are able to spend an average of 35 minutes with their patients compared to an average of 8 minutes for typical primary care providers.

Employers looking to reduce healthcare costs for their employees can enroll their employees in direct primary care memberships in conjunction with a high-deductible plan, which can satisfy employees' needs to potentially save money for the company. Another benefit of DPCs is the flexibility and portability, allowing a patient to continue seeing a provider if they switch jobs or move to a new location.

Direct primary care is an innovative way to provide care to patients. Patients and providers are given the opportunity to develop a stronger relationship in these arrangements, which can improve patient health in the long term. Policymakers should consider ways to encourage the growth of DPC, which could help improve patients' physical, mental, and financial health. State governments should try experimenting with DPC in innovative ways by offering DPC as an option for Medicaid beneficiaries or state employees.

The Facts

- Texas has already defined direct primary care as not being insurance, thus it operates outside of TDI regulations.
- DPC practices generally have patient panels between 600 and 800 patients, compared to upward of 2,000 for typical primary care providers, so they can spend more time visiting with their patients.
- DPC costs can potentially be more affordable than an individual or family's monthly insurance premiums.
- More frequent primary care visits and longer visit times are associated with better health outcomes.

Recommendations

- Allow Medicaid beneficiaries the option to opt into direct primary care plans.
- Allow ERS and TRS beneficiaries the option to choose a direct primary care membership in conjunction with a high-deductible health plan.

continued

Resources

- [Direct Primary Care: An alternative practice model to the fee-for-service framework](#), American Academy of Family Physicians (2014).
- [“Direct Primary Care”](#), American Academy of Family Physicians (Accessed Sept. 12, 2019).
- [“Direct Primary Care: Delivering Exceptional Care. On Your Terms.”](#), American Academy of Family Physicians (Accessed Nov. 15, 2019).
- [“Putting Patient First by Reducing Administrative Tasks in Health Care: A Position Paper of the American College of Physicians”](#) by Shari M. Erickson, Brooke Rockwern, Michelle Koltov, Robert M. McLean, *Annals of Internal Medicine* (March 28, 2017).
- [“Direct Primary Care- Practice Distribution and Cost Across the Nation”](#) by Philip Eskew and Kathleen Klink, *Journal of the American Board of Family Medicine* (Nov. 6, 2015).
- [“DPC Frontier Mapper”](#), DPC Frontier (Accessed Nov. 4, 2019).
- [“Direct Primary Care Offers Cost Savings, Privacy, Personalized Care,”](#) Heartland Institute (Aug. 30, 2019).
- [Choosing Your Care: How Direct Care Can Give Patients More Choice](#) by Stephen Pickett, Elizabeth O’Connor, and David Balat, Texas Public Policy Foundation (Jan. 2020).
- [“Direct Primary Care in 2015: A Survey with Selected Comparisons to 2005 Survey Data”](#) by Kyle Rowe, Whitney Rowe, Josh Umbehr, Frank Dong, and Elizabeth Ablah, *Kansas Journal of Medicine* (Feb. 15, 2017).
- [“How Many Patients Should a Primary Care Physician Care For?”](#) by Stephen Schimpff, *MedCity News* (Feb. 24, 2014).