



Testimony

SB 101

Testimony Before the Montana House Business and Labor Committee

by David Balat, Director, Right on Healthcare

I would like to thank this committee for giving me the opportunity to speak in favor of SB 101. Direct care models are one of the needed reforms in healthcare that will contribute to making the delivery of medical care more affordable. It is not uncommon for health insurance—*coverage*—and the delivery of health services—*care*—to be conflated in today’s political environment. However, people recognize the difference between what happens between doctor and patient and the mechanism for how to finance it.

Coverage is not care—nor should it be. Conversely, care should not be regulated in the same manner as coverage. Ideally, we want people to have more choice and more access, not less. SB 101 helps to accomplish this goal and gives patients the peace of mind and sense of being in charge that they desire.

Direct Primary Care (DPC) is an increasingly popular model of medicine which bypasses health insurance and instead charges patients small periodic fees. In return, patients are not charged out of pocket for individual appointments or for many regular 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, and that number is growing. In fact, while many traditional practices were in danger of closing their doors during the pandemic, DPC practices were growing.

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. SB 101 also allows for direct care of all types of providers and all types of direct fee arrangements so patients and employers will benefit from all types of providers that are transparent with their pricing. Some wonderful examples of where we see this in the market today are the Surgery Center of Oklahoma and Green Imaging. Both organizations post their cash price in advance of services at markedly reduced rates due to the elimination of overhead typically required by insurers of all types.

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 even help save money for the company. Another benefit of DPCs is 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. In closing, I would encourage state governments to try experimenting with DPC in innovative ways by offering this model as an option for Medicaid beneficiaries and state employees. I applaud the efforts of this body to examine this issue and to make strides to creating an environment that promotes the doctor-patient relationship. ★

David Balat is the director of the Right on Healthcare initiative at the Texas Public Policy Foundation. He has broad experience across the healthcare spectrum with expertise in healthcare finance. He is a former congressional candidate in Texas’ 2nd Congressional District and a seasoned hospital executive with more than 20 years of healthcare industry leadership and executive management experience.