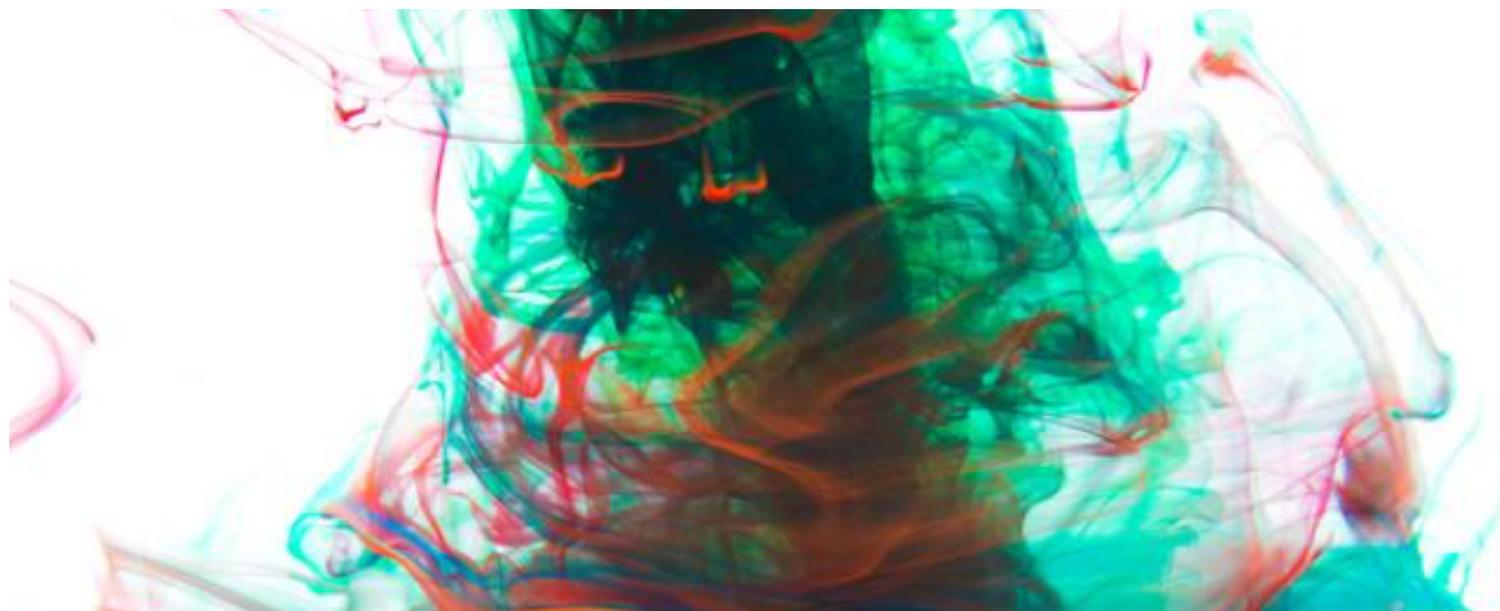


# OUTSIDE **THE** LINES



## **THE DIRECT PRIMARY CARE SHUFFLE**

Today's Top Pick, Curated for Leaders Changing Healthcare

March 19, 2019

*About 900 physician practices – up from about 100 a few years ago – have transitioned to the Direct Primary Care (DPC) model, setting up subscription-based primary care services (at \$50 to \$70 per month) paid directly to them by their patients or employers. Even CMS and health systems are starting to experiment with this model in aims to drive higher quality, lower costs, and better overall value.*

One by one, more and more independent family medicine providers are abandoning the burnout, bureaucracy, and administrative burden of “normal” fee-for-service medicine by setting up Direct Primary Care (DPC) practices. Don’t call it concierge medicine because this is different. So far, about 900 physician practices – up from about 100 a few years ago – have transitioned to the DPC model, setting up subscription-based primary care services (at \$50 to \$70 per month) paid directly to them by their patients or employers. No more bills to

insurance. No more insurance claims. And a panel size of about 600 patients.

**While there are detractors, momentum is building for DPC.** The American Academy of Family Physicians (AAFP) – 130,000 members strong – is a DPC advocate. And while only 3% of AAFP members are currently practicing in a DPC model, a mid-2018 survey highlighted that more than 40% are interested, especially amidst the growing trend of small and large employers paying the monthly subscription fee on behalf of their employees.

**There's more. CMS and health systems are starting to experiment with DPC–** mixed with direct provider contracting – to drive higher quality, lower costs, and better value overall. In May 2018, CMS issued an RFI to explore how Medicare, Medicare Advantage, and Medicaid might pay providers based on fixed PBPM (per beneficiary per month) arrangements with primary care–focused DPC practices. Also, Catholic Health Initiatives (CHI) in Nebraska launched CHI Health Clinic, using a DPC–based physician + APC team, to test the new model. So far, claims costs have been reduced by 20%, and the clinic achieved a 94 percentile CGCAHPS score (compared to 64 percentile organization–wide).

We are constantly scanning the horizon of healthcare, to help you stay on top of, and in front of, key trends. Early pioneers of the DPC model – like Seattle–based Qliance and Las Vegas–based Turntable – started this shuffle years ago, and they bare the battle scars, as both have since closed. But like other innovators before them, sometimes the front–runners fail, and those that follow find success. For physicians championing DPC, there is no going back. As one physician shared, “Direct Primary Care is a model for which we should all be rooting; it is transforming the physician–patient relationship and restoring the practice of medicine to its noble roots.”

Always Looking Ahead,  
Kim Athmann King, MBA, FACHE  
Founder & President, Strategy Advantage

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**ZIGZAG HEALTHCARE: MEET IORA HEALTH**



At Strategy Advantage, in 2015 we started [ZIGZAG Healthcare](#), a strategic intelligence resource focused on new ideas and innovators in healthcare. One of the companies, lora Health, is pushing the boundaries of direct provider contracting, and has the value-based care results to show for it. Payer and employer “sponsors” pay lora Health a flat fee to care for their members and employees. The lora Health model is different in that its doctors have smaller panel sizes, are able to spend more time with patients, and use a team-based approach to primary care.

This month, *FastCompany* included lora Health in its annual list of most innovative companies. Why? According to *FastCompany*, patients in lora Health’s care network experience a 40% reduction in hospitalizations and a 20% reduction in ER visits, with substantial cost savings.

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## ADDITIONAL RESOURCES

See findings [here](#) from a 2018 AAFP Survey indicating the growing trends in DPC.

Read more [here](#) about Catholic Health Initiative’s “CHI Health Clinic” using a DPC model for the health system’s own employees.

See more [here](#) about CMS’ May 2018 Request for Information on DPC models.

Click [here](#) to access other *Outside the Lines* issues produced by Strategy Advantage.

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This bi-weekly e-mail is curated by the expert team from Strategy Advantage and provides a look across the horizon, and outside the lines, of the healthcare industry.

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