

Direct Primary Care: The key to cost savings and improved health?

Employers don't turn to direct primary care just because it's a better experience—it also provides an opportunity for significant cost-savings for self-funded plans.

Decades ago, when a patient was too sick to go to the doctor's office, the doctor made a house call. Though this practice seems old-fashioned now, most people would agree that the current system often leaves much to be desired. The exception could be the emerging concept of direct primary care and integrated health.

These days, when someone gets sick, they call their primary care doctor and, sometimes days later, they have a 15-minute appointment, which leaves little time to ask difficult questions or build a connection. The current system also does little to connect various different physicians, nurses, imaging centers, hospitals and beyond to each other, making the health care journey less efficient, less personal and more costly. A more personalized health care experience could improve the health and well-being of most people—and save employers money. Direct primary care could help us get there.

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In a traditional primary care approach, an employee goes to their primary care physician for a preventive checkup. The physician's office bills the actual cost of the visit to insurance, plus additional testing that may be needed, or referral to a specialist. Multiply these visits by 100 to 1,000 employees and dependents and the costs add up. While primary care should be the first line of defense for plans and their employees, direct primary care offers a more integrated health care experience that eliminates the fee for service billing model and allows employers to have a predictable fixed cost for a bulk of their plan member visits.

Until recently, most direct primary care practices have served individuals. However, there is an emerging trend where employers can establish a relationship with a network of direct primary care physicians, allowing them to provide a higher level of care and service to employees and their families. Once a plan member has conducted their initial preventive visit, these practices provide consults over the phone, in addition to offering longer appointment windows and weekend hours. They also help members understand chronic conditions, coordinate specialist care and can even provide reduced cost imaging through preferred centers of excellence. The experience feels more personalized because it is.

But employers don't turn to direct primary care just because it's a better experience—it also provides an opportunity for significant cost-savings for self-funded plans.

There are a number of ways employers and employees save through a direct primary care arrangement.

- There are no copays associated with direct primary care. Your employees can say goodbye to \$25-50 fees for each visit. Some direct primary care arrangements allow for spouses and children of covered employees to see the physician, which can be a cost-, time- and productivity-saving measure.

- Employers save because rather than pay for each inflated billed charge for a claim, they pay a flat fee per employee per year, which is likely lower than their total claims cost. Self-funded employers may also save on their stop-loss insurance.
- Employees utilizing a direct primary care model are less likely to have recurring issues from chronic conditions, because the health care experience is helpful and collaborative. These practices also help reduce absenteeism by offering flexible and longer hours, in addition to not being bogged down by servicing too many patients.
- When your employees need care, they most likely turn to their primary care physician first, which means that the majority of an employer's claims may be primary care visits. Over the course of a year, there are often several duplicate billings or incorrect billings that may otherwise be ignored or automatically paid because they are low cost. Over time, however, these add up. A flat fee through a direct primary care arrangement eliminates overbilling.

Beyond the cost savings for employers and employees, the benefit itself is seen as unique and one of good will. You're providing employees with a free or very low-cost alternative for them and their families. Though direct primary care is still a new concept, early feedback from employees is that they love it; they get an improved patient experience and low or no cost.

While direct primary care can be a step in the right direction for employers to offer better benefits, there is no "one size fits all" solution. Introducing new concepts is often daunting and intimidating to employees, so education about how to use the benefit is paramount. If your employees don't understand the benefits they shy away from using your direct primary care arrangement.

Most employers choose to offer employees direct primary care in addition to a more traditional PPO for their primary care. However, employees who do take the plunge typically enjoy the tighter connection with a doctor and the no-cost care. Over time, and with proper education, direct primary care will catch on.

In the long run, a direct primary care arrangement can save employers and employees money, and it could help to improve overall health. If you remove the typical barriers that employees face when taking care of themselves, including scheduling appointments, finding time, paying a copay and building a connection with a doctor, it becomes easier to focus on preventive medicine. Direct primary care can offer a more integrated health care experience that helps make care a proactive versus reactive experience.

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