

DIRECT CARE



What is Direct Care?

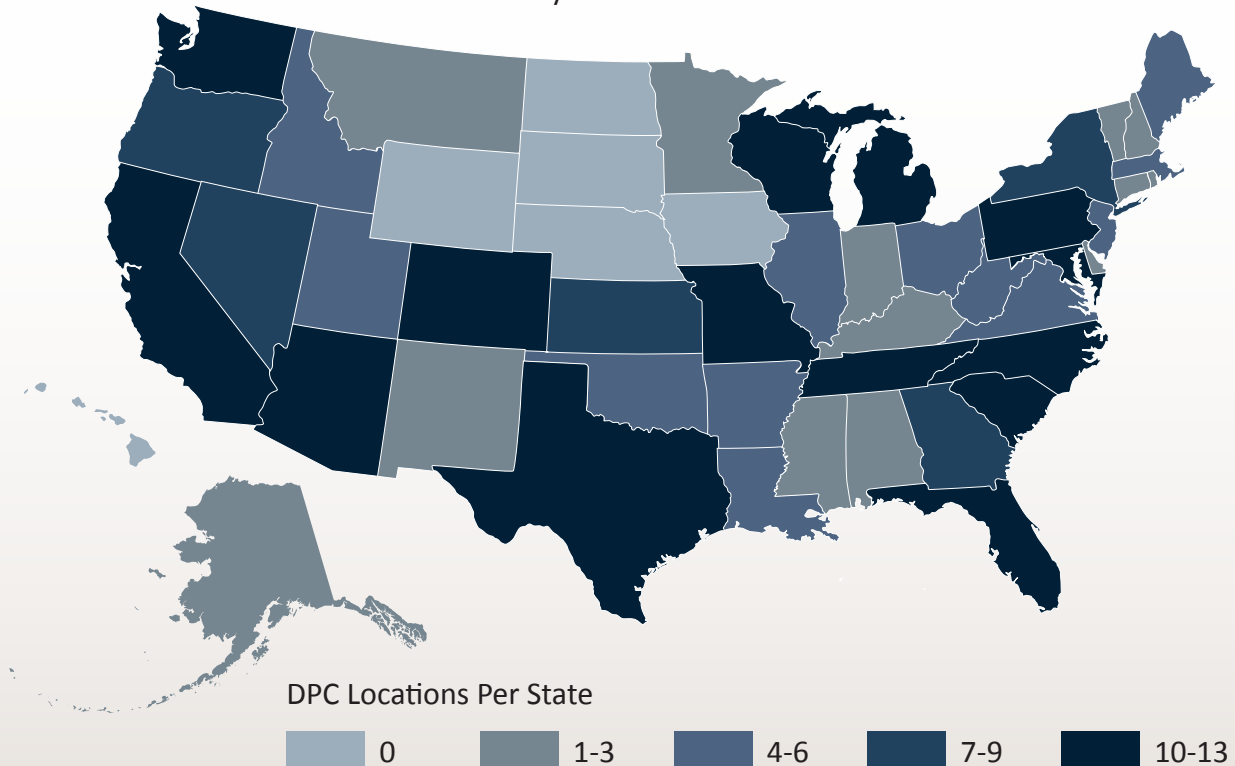
Direct Care is an innovative alternative model of providing medical care that eliminates the middle man, creates affordable and predictable healthcare costs, and facilitates a direct relationship between patients and doctors. The model is often referred to as Direct “Primary” Care, as primary care services lend themselves to this type of delivery model quite well.

How it Works:

Under Direct Care, medical practices have an agreement with patients to cover a set of services through a fee or monthly membership that can be paid directly to the doctor by the patient or through their employer’s health insurance plan. This differs from the traditional and most common health insurance arrangement where the patient pays premiums to their insurance system and co-pays or deductibles for services not covered.

Where do Direct Care Clinics Exist?

Direct Primary Care Practice Distribution



Source: Direct Primary Care Coalition, <http://www.dpcare.org/>

What Problems Does it Solve?



Rising cost of healthcare

Direct Care practices have shown to dramatically reduce the cost of healthcare by moving away from the third-party system to one that puts doctors and patients in the driver's seat. For example, the Oklahoma Surgery Center, a Direct Care practice, charges 1/6 to 1/10 of what other hospitals in the area charge for the same service. Direct Care reduces wasteful spending on billing and administrative expenses. Instead, it funnels costs to cover better care through a personal relationship with a physician.



Limited access to doctors or long wait for appointments

Direct Care increases access to physicians. The current fee-for-service system discourages physicians—especially in primary care—from taking the time they need with patients to appropriately diagnose and treat preventable conditions that could become serious and more expensive later if not caught.



Emergency room utilization surge

A study of a large direct primary care group found that patients of the group actually had 65% fewer ER visits, 66% fewer specialist visits, and 82% fewer surgeries.

What Can States Do?

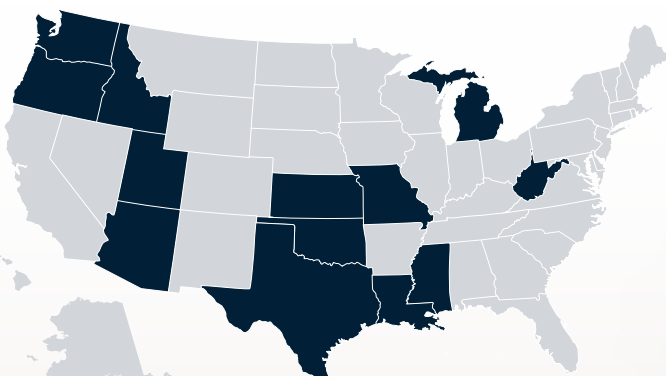
- ✓ Remove restrictive regulations that will allow Direct Care practices to flourish. This means to allow policy that defines Direct Care as medical services outside state insurance regulations.
- ✓ Contract with Direct Primary Care practices in Medicaid to provide better care while reducing expenses due to ER use and hospitalization.
- ✓ State and local governments can use their ability to self-insure to promote the use of Direct Primary Care.

What Can the Federal Government and Congress Do?

- ✓ Create incentives for Medicaid and Dual Eligible Medical Homes to use Direct Care as an alternative payment model.
- ✓ Reform federal tax code to allow payment of direct care services through Health Savings Accounts.
- ✓ Ensure that Federal health insurance exchanges allow Direct Primary Care Medical Homes to offer benefits with qualified health plans as some states already do.

Source: Heritage Foundation

Growing Movement in the States



Source: Direct Primary Care Coalition, <http://www.dpcare.org/>

■ Legislation to protect direct primary care has passed

