Alternative Models for (Primary) Care Delivery

Direct Primary Care: It’s About Time

EXPLORE: Oklahoma Healthcare Summit
August 15, 2014

Brian Birdwell, MD
Lawton, Oklahoma
Not today’s situation.

Not today’s situation.
Today’s situation.

Photo: The National Journal
What happened?

Primary care drives 80% of spending, with 7% of resources

Wage growth gap keeps pressure on primary care providers
Today’s situation.

Fifty years in the making: Unsustainable growth for the country as a whole

Unchecked cell growth threatens the host

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Health Spending as % of GDP

- Health Expenditures Percentage (compared to 5% in 1960)
  - 18%

- Gross Domestic Product
  - Source: OECD, 2011.

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Today’s situation.

Cost of health insurance vs. what companies and workers have to spend

Unstainable growth for households, too

Health Spending as % of All Household Spending

Premiums and Workers’ Contribution

Workers’ Earnings and Inflation Rate

Source: Kaiser/HRET, Bureau of Labor Statistics

Health Expenditures Percentage
(compared to ~7% in 1960)

22%

All Household Spending

(Includes health insurance and out-of-pocket costs)
Today’s situation.

Spending disassociated with outcomes

Spending disassociated with quality care
It’s about TIME.

Consider Helen, a 77-year old patient who needs:
Timely (same day/next day) access to care
Informed care
Coordination of medications
Extensive preventative care
Prudent referral / ongoing coordination of specialist care
Family consultation
Hospital to home/other living venues
Coordination with home health/Hospice
Taking the keys
Advanced directives/end of life
House calls?

Medical history:

- CAD – multiple cardiac stents; inoperable, stable angina
- Epilepsy
- Fibromyalgia
- Raynaud’s phenomenon
- Scoliosis
- Osteoporosis
- Arthritis
- Sleep apnea
- IBS
- COPD
- Hypothyroidism
- More than 20 active meds
It’s about care.

Care ≠ Coverage

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- COPD
- Hypothyroidism
- More than 20 active meds

Presentations and Actions:
- Chest pain → Cardiology
- “Spells” → Neurology
- More back pain → MRI
- Urinary incontinence → Urology
<table>
<thead>
<tr>
<th>Spending pushed toward high tech, exotic therapies</th>
<th>Tyranny of the 15-minute patient visit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payor contracts reduce primary care compensation ... and pile on administrative overhead</td>
<td>RISK</td>
</tr>
<tr>
<td>Now it takes 20 to 30 visits per day just to make ends meet</td>
<td>Save Medicare by deeper cuts in physician reimbursement</td>
</tr>
<tr>
<td>$50 per encounter for coding, billing and collections</td>
<td></td>
</tr>
</tbody>
</table>
HealthCare ≠ Health

Busy Doctors, Wasteful Spending

“There is no more wasteful entity in medicine than a rushed doctor ... referral to specialists is one of the most costly of all, and leads to fragmentation of care with little or no evidence that quality or health is enhanced.”

What does this mean?

“The lack of meaningful interaction and sufficient time for primary care is eroding the doctor-patient relationship. Patients suffer when doctors must see so many of them ... These problems are by-products of an overloaded third-party payment system [that does not reimburse appropriately]”

-- Daniel McCorry, “Direct Primary Care: An Innovative Alternative to Conventional Health Insurance,” The Heritage Foundation, August 6, 2014
A path forward.

The way forward may be a return back in TIME.

Remember this guy?

Direct primary care: Early evidence: North Carolina State Univ. Study

<table>
<thead>
<tr>
<th>Observation</th>
<th>Traditional</th>
<th>Direct primary care</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patients per day</td>
<td>30</td>
<td>9</td>
</tr>
<tr>
<td>Doctor-patient face time (min)</td>
<td>8</td>
<td>35</td>
</tr>
<tr>
<td>Out-of-pocket patient costs</td>
<td>$2,500</td>
<td>$2,200</td>
</tr>
<tr>
<td>Typical # visits per year</td>
<td>2.5</td>
<td>3.7</td>
</tr>
<tr>
<td>Total doctor-patient minutes (avg)</td>
<td>20</td>
<td>130</td>
</tr>
</tbody>
</table>

* MBA project comparing North Carolina direct pay medical practices to data collected from traditional practices
A new model for primary care.

Patient-centric medical practice drives the business, not the other way around.

Culture of care

Focus on outcomes
(How do you feel?)

Doctor-patient alignment
(No intermediary)
How it works.

30- to 60-minute visits

Membership dues means *no more coding*

Thus, every contact option is now open:

Phone, Email, Text ...

Telemedicine

Or even house calls
Direct primary care:

Television commercial for MIO Liquid Water Enhancer
## Direct primary care:

**Early evidence: Qliance, Seattle, Washington**

<table>
<thead>
<tr>
<th>Referral Type</th>
<th>Qliance*</th>
<th>Benchmark</th>
<th>Difference</th>
<th>Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>ER Visits</td>
<td>73</td>
<td>158</td>
<td>-53%</td>
<td>$84</td>
</tr>
<tr>
<td>Hospital days</td>
<td>155</td>
<td>184</td>
<td>-16%</td>
<td>$102</td>
</tr>
<tr>
<td>Specialist visits</td>
<td>850</td>
<td>2,000</td>
<td>-58%</td>
<td>$345</td>
</tr>
<tr>
<td>Advanced radiology</td>
<td>273</td>
<td>800</td>
<td>-66%</td>
<td>$1,054</td>
</tr>
<tr>
<td>Surgeries</td>
<td>28</td>
<td>124</td>
<td>-77%</td>
<td>$960</td>
</tr>
<tr>
<td>Primary care visits</td>
<td>4,411</td>
<td>1,847</td>
<td>139%</td>
<td>($528)</td>
</tr>
<tr>
<td><strong>Savings (patient/year)</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>$2,017</strong></td>
</tr>
</tbody>
</table>

* Data provided by Qliance direct pay clinic in Seattle, Washington based on 1,000 direct pay patients
Remember Helen?

What happens without sufficient TIME:

What can happen with TIME:
Thank you!

It’s about care, not coverage.®

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www.ferrishealth.com
Bibliography

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Busy Doctors, Wasteful Spending

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