

## **How employers could use Direct Primary Care... Business Insider**

Direct Primary Care is a small but fast-growing movement of doctors who don't accept insurance and instead charge a monthly membership fee. At a time when many are feeling pressure from high healthcare costs, direct primary-care models can be a cheaper alternative that offers perks like quick access to doctors and sometimes wholesale prices on medications or lab tests.

**And it could be a model employers — including JPMorgan, Amazon, and Berkshire Hathaway, who on Wednesday picked Dr. Atul Gawande to lead their new healthcare venture — could tap into as a way of lowering costs.**

A new kind of doctor's office that charges a monthly fee and doesn't take insurance has been spreading around the US. The practices are part of a movement known as direct primary care. Instead of accepting insurance for routine visits and drugs, these practices charge a monthly membership fee — often between \$50 and \$150 a month — that covers most of what the average patient needs, including visits and drugs at much lower prices. The movement's been gaining momentum at a time when high-deductible health plans are on the rise.

In most cases, the practices recruit patients on an individual or on a family-by-family basis. But often, employers who cover their employees' healthcare have turned to practices as well.

**For many large companies, they're the ones ultimately paying out their employees' claims. Insurance companies are there in the middle to handle the logistics of getting the claim from one place to another, which means you might not realize your employer's footing the entire bill on the other end.**

"I tell people, JPMorgan Chase already buys a \$1.5 billion of medical, and we self-insure," JPMorgan CEO Jamie Dimon told Business Insider. It's why his company, along with Amazon and Berkshire Hathaway, two other massive self-insured employers, are looking for new options through a healthcare venture. On Wednesday, the trio tapped surgeon and professor Dr. Atul Gawande to be CEO of the new venture, which will be based in Boston. "Think of this, we're already the insurance company, we're already making these decisions, and we simply want to do a better job," Dimon said.

Finding ways to "do a better job" could mean a number of things, from leveraging the number of people they cover to negotiate lower rates, to digging in and upending the way healthcare's done entirely.

And it's possible Direct Primary Care could be a consideration. Amazon chief Jeff Bezos was an investor in Qliance, a Direct Primary Care system based in Washington state that got its start in 2007 and closed in 2017. Amazon in January also reportedly hired a doctor who had run Iora Health's Seattle practices. "They certainly know who they have here in the community to tap into," Qliance cofounder Dr. Erika Bliss said.

## The potential for employers to tap into Direct Primary Care

Here's how that might look: An employer could cover the monthly direct primary care fee — either directly to the practice or as a reimbursement to the employer — or cover a certain amount. The direct primary care practice could be heavily involved in that process or relatively hands-off.

For the majority of the practices Business Insider spoke with, employers make up a small portion of their business. Often, a relationship with an employer was sparked by someone who first came to the practice for their family's healthcare and decided they want their part-time or full-time employees to have the service as well.

The direct primary care practices could be located within the community or housed on-site at the company's offices. For example, Dr. Kim Corba, who runs Green Hills Direct Family Care in Allentown, Pennsylvania said she's been asked to set up a clinic situated between two employers to cover their needs.

Carolyn Long Engelhard, a public-health expert and professor at the University of Virginia School of Medicine — who has her concerns about Direct Primary Care and its lack of connectivity to the larger healthcare system — said that this is one area where she could see direct primary care thrive because it'd be attached to employer-funded plans.

While some doctors are excited about the premise of employers getting more invested in direct primary care, not everyone's on board.

Dr. Vance Lassey, who runs Holton Direct Care in Holton, Kansas, told Business Insider that he has exactly one person whose direct primary care is covered by their employer. To him,

adding in an employer who covers the cost adds a middlemen that complicates the simplicity and the motivation of the direct primary care arrangement.

For example, if an employer is covering the monthly fee, there might be less incentive to actually use it since it's not coming out of your own pocket. If too many members of a direct primary care practice come from one employer or another, that could make the practice too dependent on the employer's business. Should the employer shut down or go another direction with healthcare, that could be detrimental to the practice. The same goes for if the employer decides to pay less because of how many members the employer's sending a particular doctor's way.

Bliss, who now runs a practice called Equinox Primary Care, sees the benefit of incorporating direct primary care into a better health plan for employers working the best not through on-site clinics, but instead by tapping into existing practices and potentially helping other practices get off the ground. "In a perfect world, they would see this as an opportunity to strengthen primary care in all the communities where they exist by asking for and paying for this kind of primary care," Bliss said. But that won't be easy to get to. "The challenge is going to be them having the imagination and the guts to include that in their portfolio."

*Lydia Ramsey Jun. 21, 2018, 7:38 AM*



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