

Teaming Up for Better Outcomes

**Direct Primary Care and the Role of Third Party
Administrators to Produce Healthier Populations**

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The traditional fee-for-service provider model does not adequately address the cost drivers that have led to higher premiums and member contributions for a number of plan sponsors. A fee-for-service model promotes quantity of care over quality which leads to overutilization, physician burnout from trying to see more patients in less time, fragmented care, and an overall inflation of health care costs that creates barriers to receiving care. Even as traditional network solutions evolve to outcomes-based reimbursement contracts, plan sponsors will need to wait patiently to measure the impact.

By contrast, the Direct Primary Care (DPC) model promotes more meaningful individual care, leading to better health outcomes for patients and a higher level of job satisfaction among physicians. Understanding how DPC works and the role of a Third Party Administrator (TPA) in a DPC model is fundamental in deciding whether the solution is right for your health plan.



Understanding Direct Primary Care

DPC is historically linked to concierge medicine programs that started in California in the 1990s. A private physician would limit the practice to a select patient panel and only worked with that group. Patients paid a fixed fee and received comprehensive primary care from a doctor that had more time for them, including after traditional hours. This service was successful at delivering care outcomes but benefited very few people due to the expense involved.

The contemporary DPC model began as providers found they could provide a panel of services encompassing most primary care offerings for a reasonable fixed per member per month (PMPM) price. Employer groups had a cost history that was upside down: instead of high utilization of preventive care plan, spend was primarily funneled to emergency departments, hospitalization, medication, and urgent care.

What are the Care Goals for DPC?



Remove/Reduce barriers to care



Enable providers to spend more time with patients



Restore the physician-patient relationship



Improve patient and provider satisfaction

What are Some Advantages of DPC?

Better doctor-patient relationship with members

Serves as primary care physician for members who need one.

Monthly flat rate fee for members

Members have no copays or deductibles. Consistent and reasonable fees incentivize appropriate utilization of DPC services.

Eliminate barriers to care for members and providers

Providers can focus on longer, more engaging interactions.

After-hours treatment options

Some providers offer flexibility in scheduling, offering 24/7/365 access leading to more appropriate plan utilization.

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Understanding the Role of a TPA in a DPC Model

To ensure a successful implementation, a TPA needs to understand their partner's goals and mission. The capabilities of a TPA can provide significant support to a DPC provider leading to better health outcomes.

Support population health management

Coordinate data to give insight as to where and how the provider is impacting health outcomes and identify potential care gaps to improve outcomes.

Provide appropriate support for medical management

Utilization management, case management, and disease management should support the work of the provider to achieve better results in overall trend analysis and management.

Assist with claims processing

Create opportunities for connected communications for claims, utilization, and prescription fills, ensuring all the fragments of health care delivery are interlinked and function as a whole.

Help with vendor relations

Extend core services to simplify and centralize services and relationships with pharmacies, stop loss vendors, and reference based pricing solutions.

Access to humans who will listen

Care navigators who provide elevated service that helps members navigate the health care delivery system.



Integration Between Provider and TPA: A Case Study

The Client: A company based in Kentucky with locations in Louisiana, 1,600 covered lives.

The Challenge:

- Provide a DPC solution across the area in which the client's population lives and works
- Identify gaps in care to improve health outcomes
- Measure performance outcomes
- Encourage and support population health management across the spectrum

The Results: After one year, the program generated an estimated **\$241,020** in minimal claim savings based on avoided ER visits. In addition, the client experienced reductions in:

Inpatient Admissions Days

▼ **26.8%**

ER Visits

▼ **38.6%**

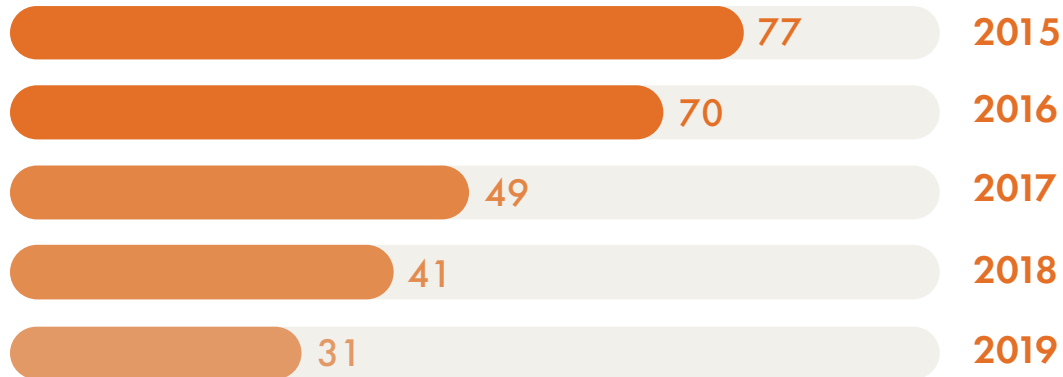
Medical PMPM

▼ **17.8%**

DPC Client Utilization vs. National Benchmark
26-32% overall cost savings on medications

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Year-Over-Year Decreases in Workers' Compensation Claims



Understanding how the DPC model works and the role a TPA can play in this arrangement is critical in determining if a DPC solution is a good fit for a benefit plan. There are a number of elements to consider when making this decision including:



Current cost drivers and projected impact of DPC



Ability and willingness for the TPA and provider to share information to improve health outcomes



Location of providers (or providers' offices) and proximity to employees



DPC's openness to engage in the trend management strategy, and more

Plan sponsors need a partner who understands how to maximize the outcomes of a DPC model and can help an employer determine whether this solution is the right fit.

Creative plan designs that cut costs and improve health outcomes. It's possible...with the right integration partner. We recorded a webinar on [Direct Primary Care Arrangements for Self-Funded Employers](#). You can view it [HERE](#).