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# Healthcare Without the Middleman: The Ups and Downs of Direct Primary Care

By SANDY HAUSMAN • FEB 15, 2017

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*Jill Zackrisson wanted to be able to spend more time with her patients.*

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As Republicans search for ways to replace the Affordable Care Act, some doctors in this country are doing something new. Tired of the expense and time required to process insurance claims, they're charging patients a modest monthly fee and bypassing insurance entirely. This model is called direct primary care.



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3:22

*Sandy Hausman reports.*

Richmond physician Jill Zackrisson became a doctor because she wanted to help people. A devout Catholic, she felt that was her duty, but after years of training, she found it hard to practice medicine.

"On average, family physicians can spend 7 minutes of face-to-face time with their patients, and I was feeling that crunch, and becoming more disillusioned with the state of health care," she recalls.

It was especially painful when patients had waited a long time to consult her on several concerns.

"And they say, 'I also came to talk to you about X, Y or Z, and I'd say, 'I'm sorry. I really do want to finish this conversation, but you're going to have to take another day off work. You're going to have to drive another time across town. You're going to have to sit in the waiting room for another 45 minutes so that we get our next seven minutes,'" Zackrisson says. "It's just not the way I wanted to be a doctor."

In Charlottesville, Maura McLaughlin felt the same way. As part of a group practice, she also knew just how much money was needed to see patients with insurance.

"Use of insurance contributes to 40-percent of an average practice's overhead," McLaughlin says. "Every dollar that comes into a traditional practice – 40 cents is immediately going out just to pay for the people that do all the billing and follow up with the insurance companies and get that money back. It's not helping anyone."

So McLaughlin joined other doctors who have moved to a new model called Direct Primary Care. Each month, their patients pay a flat fee to be part of their practice.

"Patients come and they access care as often as they need, without the need for a co-pay per visit," Jill Zackrisson explains. "For patients coming for primary care it's \$60 a month. For a child it's \$10 a month, and that covers the follow-up care, the ability to call, text, e-mail, have scheduled video conferences throughout the remaining month."

Zackrisson also keeps a store of the most widely prescribed drugs. She has a certified in-house pharmacy and can dispense medications without the mark-up.

She and McLaughlin also do simple medical tests in the office.

"Urinalysis, urine pregnancy test, strep throat. That's included. If you need it, I recommend it, and we'll do it," she says.

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And both doctors have negotiated very low rates with local labs for more complicated stuff.

"Most of my common lab tests are less than \$10 each. Last year I drew four lab tests on a patient – it was a total of \$38, and he said, I had these same four tests done last year. With my insurance the cost was \$1,300," recalls McLaughlin.

Her year-old practice has just 85 patients, but she hopes to build up to 400. In the mean time, McLaughlin delights in doing all the jobs of a medical office, even answering the phone.

"It helps to be the one answering the phone and being able to talk with a person right away. Sometimes in traditional practice it can be almost a game of telephone, with the message being passed from one person to another, and all of that takes time, so to be able to just answer the phone and talk to the patient and then get them in quickly if they need to get seen or sometimes be able to give some suggestions over the phone really is helpful for the patient, and I enjoy it as well."



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*Maura McLaughlin enjoys taking on the tasks that would traditionally go to someone other than the doctor, like answering the phone.*

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3:25

*Sandy Hausman has the second part of RadiolQ's look at direct primary care.*

Of course, for more serious medical problems, people still need insurance. Zackrisson and McLaughlin encourage their patients to have it.

But at the University of Virginia, health policy expert Carolyn Engelhard warns some people won't be able to afford that.

"A high deductible health plan, even for businesses, probably runs between \$3,000 and \$4,000 with a \$5,000-\$6,000 deductible," says Engelhard.

And she fears people who sign up for direct primary care might have a false sense of security.



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"I'll pay \$50 a month, and I'll be able to go see Dr. Jones as much as I want, and I never use healthcare anyway, and then – bam – you break a leg. You get diagnosed with non-Hodgkins lymphoma."

What's more, patients who are part of a primary care practice don't enjoy the legal protections extended by the Affordable Care Act to people with insurance.

"You can't be banned for pre-existing conditions," Engelhard says. "You can't be dropped because you've used too many services. All of that goes away under direct primary care."

And while McLaughlin says she's connected to the Internet and to other doctors in the community, so it's no problem to keep up with the latest medical advances, Professor Englehard contends doctors who are part of a large medical group or health system have access to resources that physicians in solo practice may not have.

"Unless people are connected to bigger health systems that give them information, technology, tools and conferencing and association with specialists and researchers who are doing cutting edge research, I worry that this cottage industry will actually regress," says Engelhard.

Still, she can see an ideological appeal for some members of Congress who may want to promote direct primary care.

"This has legs now because it fits so perfectly with Tom Price and Paul Ryan's agenda for fixing Obamacare," she says. "You have a market response that's individually oriented. It's going to reduce spending, and it's going to keep government out of it more, and to the Republicans that sounds like Nirvana."

And, finally, she worries that this new medical model could draw family physicians away from large health care systems and traditional group practices where they are urgently needed. Of the nation's 600,000 doctors, 70-percent are specialists.

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