

Using a Direct Primary Care System in a Mid-Sized Engineering Firm

In the United States, paying for healthcare is a problem that seems to get worse with each passing year. In 2017, the average family health insurance plan cost \$18,764, up from \$15,745 just five years prior. In the past decade, the average cost has gone up 55%¹.

Year after year, employers that offer health benefits try to figure out how they'll make a profit under these ballooning costs. They end up easing the corporate burden by asking employees to shoulder more of their own healthcare costs: In 2017, workers paid an average of 30% of their health plan, up from 27% in 2012.² One estimate states that the average family of four paid over \$26,000 for health costs in 2017, including premiums, deductibles, and out-of-pocket expenses.³

Direct Primary Care (DPC) as part of an employer's self-funded insurance plan is one way to stay these burgeoning costs. Large companies have used self-funding for years. But it's not just for the Fortune 500 crowd, 30% of mid-sized companies (100-499 employees) were self-insured in 2015, up from 25-% in 2011.⁴

With DPC, the employer pays a monthly membership for each employee to have unlimited access to primary care. In the typical DPC office, each patient is assigned the same one or two doctors. The patients can interact with their own doctors through text, video, or email. In-person visits are also made available on short-to-no notice as needed. Sometimes, these DPC doctors even come to the employer and provide care to employees onsite.

First Primary Care, a growing DPC provider in Houston, Texas, employs a hands-on approach to keeping costs down while providing members with convenient, yet thorough, patient care.

New Tech Global (NTG), an oil and gas engineering firm, started their membership with First Primary Care on January 1, 2017. A year into the program, NTG's employees are getting better care, and their membership with First Primary Care is here to stay.

Benefits of Direct Primary Care

- Gives employees quick access to a primary care physician who becomes their entry point to the health world
- Physician acts as advocate in negotiating specialized or emergency care
- Patients have unlimited access to physician and therefore don't put off care until their health becomes an emergency
- Reduces emergency room visits
- No insurance billing or claims
- More time and attention from physician
- Reduced costs for prescriptions, elective surgery, imaging, and lab tests
- Care is local, meaning doctors know how to connect you to the right specialists and facilities

1 <http://files.kff.org/attachment/Summary-of-Findings-Employer-Health-Benefits-2017>

2 <http://files.kff.org/attachment/Summary-of-Findings-Employer-Health-Benefits-2017>

3 <https://www.bloomberg.com/news/articles/2017-09-19/rising-health-insurance-costs-blunt-employees-paycheck-gains>

4 <https://www.pressherald.com/2017/08/08/more-companies-self-insure-workers-to-avoid-rising-health-care-premiums/>

Deciding to Go Virtual

Like every oil- and gas-based business, NTG had to take a close look at its expenditures after the latest industry downturn. Unfortunately, no matter how hard they tried to cut costs, their traditional health insurance expenditures continued to rise every year.

But it wasn't just the cost that caught the partners' eye: They liked the idea of giving employees the ability to access a physician through text or video conferencing using First Primary Care's HIPAA-secured mobile app. "We were intrigued by the idea of handling a lot of your health issues virtually," said Regan Wood, Senior Vice President. "These days, everything is done online and through smartphones. We looked at DPC and thought, 'this is the coming thing.' We love that it can take care of routine office visits for minor issues and some more serious things."

Wood is right: One study states that in mid-2016, 38% of surveyed employers offered non-traditional care as an option, up from only 4% in 2014⁵ More and more companies are catching on to the financial benefits. One estimate suggests that 40% of emergency room trips and 70% of doctor's office visits could be dealt with virtually as is the case with DPC.⁶

NTG decided to purchase each employee a membership to First Primary Care in addition to their current healthcare plan. They introduced the new benefit to their employees at their annual meeting in December 2016, bringing in Dr. Geetinder Goyal, First Primary Care's founder, to speak with them.

Costs Down; Care Up

On January 1, 2017, the First Primary Care team came to the NTG offices to begin the onboarding process: blood draws, urine analysis, and a health interview for each employee. They discovered that over half of the employees didn't have a primary care physician, and they uncovered numerous potential health issues like prediabetes and prehypertension.

Part of getting started with First Primary Care was working to familiarize NTG employees with the system.. Some employees already had doctors that they liked and didn't see a reason to switch to Dr. Goyal and the care team at First Primary Care.

"We had to continue to educate the employees on First Primary Care and how to use it," explained Wood. "We told them that the service was just another option, and could be a supplement to their usual doctor if they didn't want to switch entirely."

First Primary Care Monthly Membership Included Services

- Onboarding process that includes screening, blood draws, and urinalysis
- All routine care
- Office visits
- Deep discounts on prescriptions, imaging, elective surgery, and lab work
- 24/7 access to a physician
- An advocate for your healthcare who guides you to the right treatments at the right price

Another big savings opportunity is reducing emergency room visits. Many emergency room trips are avoidable and can be treated by primary care.

ONLY 7.9% OF ER VISITS RESULT IN ADMISSION TO THE HOSPITAL⁷. IN 2017, FIRST PRIMARY CARE HELPED NTG AVOID AT LEAST 10 TRIPS TO THE ER, WITH POTENTIAL SAVINGS OF TENS OF THOUSANDS OF DOLLARS.

⁵ <http://www.craigslist.com/article/20160529/NEWS/160529822/survey-mid-size-employers-adjust-to-reduce-health-care-cost>

⁶ <https://www.investors.com/politics/commentary/self-insured-companies-help-push-health-care-innovations/>

⁷ <https://www.cdc.gov/nchs/fastats/emergency-department.htm>

Wood added that their new health service needed to be a financial win-win for both the employees and the company, while still providing the highest quality of care. NTG covered the cost of the virtual care and told employees that the company would pick up 100% of the cost for any health services recommended by First Primary Care. So, if Dr. Goyal referred the employee for labs, imaging, or a specialist, then NTG would pay for it.

Paying 100% for this type of care benefitted both the company and the employees. First Primary Care uses their cash network for all imaging and diagnostic costs. Because First Primary Care negotiates a cash price with any provider they send patients to, there is no claim to insurance, and the bill is substantially less. Plus, there is no co-pay for the employee.

For example, an employee might need a cholesterol panel. "It's \$3 with us and \$30 if you go to an urgent care clinic," said Dr. Goyal. "If that same test was done in an emergency room, they'd charge \$250."

First Primary Care didn't just help NTG save on lab tests. In another instance, a patient needed a colonoscopy that would typically cost \$6,000 in a hospital facility. Dr. Goyal's team pre-negotiated a bundled cash price from a surgeon and anesthesia team to do the procedure at a specialty center. The all-in cost was \$1,025.

They use the same process for all imaging and diagnostic costs. "We go directly to a radiology center and ask for a cash rate. Our patients pay 100% of the cost within 30 days, but we want the price up front, and we don't want to bill insurance," said Dr. Goyal. "An employee needed a series of four MRIs, and we got them for \$1,400 instead of the \$8,000 it would cost at a hospital where they bill insurance."

The NTG employees love having a personal relationship with their physician. "Every day, someone from the company reaches out to us," said Dr. Goyal. "We text and set up a time for phone or video conversation. If we need to set up an appointment, we arrange that for the same or next day. We might see about two out of ten interactions in clinic."

Plus, there's the convenience of the service. For example, one of the employees came down with the flu while she was traveling for work. She was able to contact Dr. Goyal on the weekend through the mobile app. After speaking with her, he got her a prescription at a nearby pharmacy. She started taking it and didn't miss any work.

"We've found that Dr. Goyal and the others at FPC know what they're doing and make good recommendations," said Wood. "We will continue to make First Primary Care available and strongly encourage employees to make First Primary Care their first phone call."

A More Convenient System

NTG still has their traditional self-funded health plan in place. Regan Wood says he's received good feedback from employees, and that they're pleased with this part of their health plan. And they're using it, too:

OF NTG'S 70 EMPLOYEES AND 150 INSURED INDIVIDUALS, ABOUT 65% ARE USING FIRST PRIMARY CARE. NATIONWIDE, LESS THAN 20% OF EMPLOYERS WHO OFFER TELEMEDICINE BENEFITS HAVE UTILIZATION RATES OVER 8%.⁸

IN JUST THE FIRST YEAR OF THE PLAN, FIRST PRIMARY CARE PERFORMED 108 ONSITE HEALTH APPOINTMENTS, 69 ONSITE LAB DRAWS, AND 22 ONSITE FLU VACCINATIONS. PLUS, THE NTG EMPLOYEES HAD 402 VIRTUAL VISITS WITH THE FIRST PRIMARY CARE TEAM. UNSCHEDULED DAYS OFF COSTS EMPLOYERS AN AVERAGE OF \$2,650 A YEAR FOR EACH SALARIED EMPLOYEE, BUT ALL OF THESE VIRTUAL AND ONSITE APPOINTMENTS POTENTIALLY REPLACE TAKING A HALF DAY FOR A DOCTOR'S APPOINTMENT.

⁸ <https://www.businessgrouphealth.org/news/nbgh-news/press-releases/press-release-details/?ID=334>

70 EMPLOYEES & 150 INSURED INDIVIDUALS	TOTAL	NEW TECH GLOBAL CASE STUDY JANUARY 2017 - DECEMBER 2017			
Total Encounters	510				
Virtual Visits	402				
On-Site Visits	108				
ER Visits Avoided	10				
LABS		MEDICARE RATE	MEDICARE TOTAL	FPC RATE	FPC TOTAL
CMP	61	\$15.00	\$915.00	\$2.76	\$168.36
CBC	62	\$12.00	\$744.00	\$2.33	\$144.46
Free T3	13	\$20.00	\$260.00	\$10.00	\$130.00
Free T4	16	\$24.00	\$384.00	\$5.95	\$95.20
TSH	57	\$24.00	\$1,368.00	\$3.11	\$177.27
A1C	49	\$15.00	\$735.00	\$5.18	\$253.82
PSA	7	\$26.00	\$182.00	\$5.69	\$39.83
Lipids	52	\$19.00	\$989.00	\$3.12	\$162.24
UA Complete	12	\$15	\$180.00	\$2.59	\$31.08
Total:	329		\$5,756.00		\$1,202.26

*The average savings of First Primary Care rates are -79.11% in comparison to Medicare rates.