

'Direct primary care' is channeling frustration at the health system into a booming business model

Apr 10, 2018, 6:00am MDT **Updated: Apr 10, 2018, 9:15am MDT**

It's a notion so simple that it sounds less like a business model than a frustrated patient's off-handed suggestion: A health care system where physicians will be available to talk to patients anytime they want and won't charge you for every piece of health advice they offer.

"Direct primary care," as the approach is called, is expanding significantly nationwide and in Colorado, which is an epicenter of the new type of medical practice. About 60 primary-care clinics operate in the state, and one provider has taken to bringing the clinic to employers.

With direct primary care patients pay a monthly fee to have access to primary-care physicians via text and phone and in-person visits. Doctors get to see fewer patients, spend more time working with them on how to stay healthy and don't have to accept insurance. Those who use the services of direct-primary-care clinics — some 90 percent of whom have employer-sponsored care — still have insurance policies for higher-acuity care but use them far less, promoters say.

Dave Chase — co-founder of Seattle-based Health Rosetta, which works with benefits consultants and value-based primary-care providers to reduce costs significantly — said the new type of practice is the natural evolution of a flawed health-care system in which sick patients have to wait for days or even weeks to get into see their primary-care doctors and are then left to navigate additional specialty care.

With deductibles and health costs on the rise, employers and individuals are willing to pay more to get outside the insurance-based system and get care that will keep them out of more serious facilities, he said.

"We've done everything imaginable in this country to undermine primary care," Chase said. "More organizations have simply reached their breaking point. "And fortunately, when you have the right primary-care model in place, it's easy to reverse this ever-increasing hyperinflation."

Dr. Clint Flanagan, founder and CEO of Nextera Healthcare, had worked as an emergency and primary-care physician for about 15 years along the Front Range when he got fed up with the barriers to accessing family physicians and decided to launch his monthly-fee model. Nextera now operates about 20 centers in Colorado and another 20 outside the state, locating sometimes in populated communities and sometimes in high-employment areas near the companies that pay for its services.



Dr. Clint Flanagan, founder and CEO of Nextera Healthcare

Through this model, Nextera physicians have a patient base of 700 to 800 patients, far less than the 2,500 to 3,000 patients for which many primary-care doctors are responsible. Though sometimes confused with “concierge medicine,” Flanagan notes that direct primary care is differentiated by its lower prices and its full rejection of accepting insurance.

Nextera has negotiated lower rates with specialty health-care groups offering services from cardiology to acupuncture to laboratory testing. Most of the patients it sees have insurance, often high-deductible plans, that they use in case of hospitalization or other more acute-care needs.

A number of Nextera patients convinced DigitalGlobe benefits manager Lindsey Cushman to offer the direct primary-care option to employees at the Westminster company, which has since been bought by Maxar Technologies (NYSE: MAXR).

Not sure how to take their “unbelievable promises,” she conducted a one-year pilot program with 200 employees and found that medical-claims costs for that group fell 22 percent as compared to a control group of workers only on more typical insurance plans.

After opening up the direct-primary-care option to anyone who wanted it, about 825 people signed up in 2017. Between redirected claims and a reduction in the risk scores for that group, the company ended up saving more than \$1.3 million because of Nextera, as employees can get in faster and more often and don’t have to pay any money out of their own pockets, she said.

“Direct primary care never will replace insurance. Insurance has a place and a purpose,” Cushman said. “Rather, we use direct primary care as a tool for the more minor stuff and to keep people healthy in the first place.”

And for employers who want even more local service, there is the new model from PeakMed Clinic, which is bringing health care to company campuses.



PeakMed vans like these deliver care to employers and their workers in the Denver area.

The direct-primary-care company in November launched its first Denver-area mobile life center, which is a sprinter van equipped with an exam table and with equipment to do laboratory tests, laceration repair, respiratory stabilization and a portable EKG machine. It schedules days to visit client companies and takes appointments for those days from workers, as well as taking walk-in visits.

PeakMed also operates brick-and-mortar clinics in Englewood, Littleton and El Paso County, but the new investments make it possible for the vans — typically staffed by a physician and a medical assistant — to provide care to employees who don't have to take off half a day to receive it. This, company officials believe, is where primary care needs to go to reclaim the patient-physician relationship and to make care convenient enough and affordable enough that people no longer will wait until they need the most severe form of help to seek it out.

"It's forward-thinking — in the sense of going back in time to what health care really was," said Dr. Christine Wilderman of PeakMed.

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