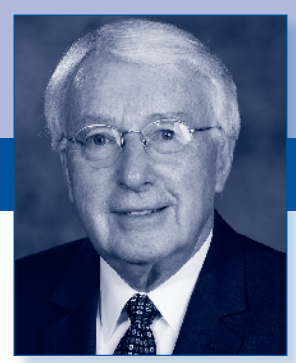


The case for direct primary care

Nebraska legislation seeks reform of health care system by allowing doctors, patients to contract for care outside of insurance

by Nebraska Sen. Merv Riepe (mriepe@leg.ne.gov)

Fee-for-service health care is not working in the United States, and that includes Nebraska. Health care reform is needed before it consumes even more of our GDP. The key to bending the cost curve for health care is to refocus on primary care.

Nebraska is not the first and will not be the last state to introduce legislation that enables licensed practitioners to directly contract with patients for primary care and eliminate the hassle of insurance.

Proponents of direct primary care, or DPC, believe it will be part of health care delivery reform by providing personal, affordable and accessible primary care services. Happy and healthy patients + happy practitioners = DPC.

In a meeting with Senate Democrats in 2009, President Obama stated, "It is not sufficient for us simply to add more people to Medicare and Medicaid to increase the rolls, to increase coverage in the absence of cost controls and reform. ... We can't simply put more people into a broken system that doesn't work."

A key component of needed reform

One part of the "fix" of health care delivery is DPC, which is a contract between a patient and a practitioner to pay a retainer fee — monthly is common — for primary care services. The retainer fee is similar to the price of a standard utility bill. The practitioner generally provides unlimited office visits and an annual physical.

Patients are also encouraged to purchase a catastrophic health plan that meets current federal requirements.

DPC has been likened to automobile insurance: coverage for what one cannot afford to lose but not for day-to-day maintenance costs. Also, DPC has been compared to concierge medicine, but concierge medicine is the pricey Hudson automobile — accessible to a few — while DPC is Henry Ford's Model T, affordable for the "common man."

DPC practices exist in 42 states and are supported with legislation in 13. The need for legislation is to guarantee in statute that DPC is not insurance and does not function as a health plan. This is to ensure that DPC's viability does not rest with the opinion of one state director of insurance, who may change with each administration. In Nebraska, we have obtained the statutory language of all 13 states with DPC laws and created what we believe are the "best practices" that will meet the needs of Nebraskans.

In July 2015, I expressed my intention to introduce enabling DPC legislation in the 2016 session. The early announcement was in order to engage as many stakeholders as possible to weigh in on the legislation. In Nebraska, which has both a rural and urban population, one size does not fit all. We have spoken with varied stakeholders of health care in Nebraska, including representatives of medicine, insurance, chambers of commerce, farmers, ranchers, legislators and many others.

DPC is a contract by which a patient pays a retainer fee for primary care services, such as office visits and an annual physical

We have gotten and continue to receive support for the legislation and have addressed several concerns. Some of the benefits of DPC include:

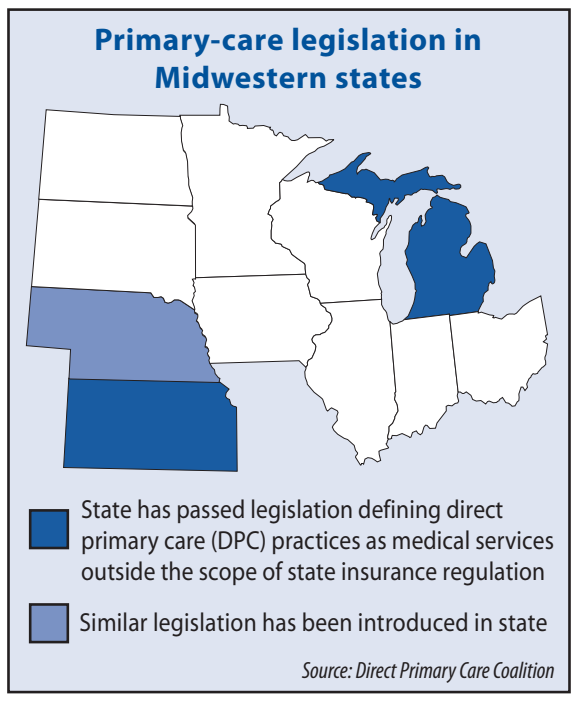
- a free-market option in health care;
- happier practitioners (better work-life balance; connection with patients; no insurance to bill; keeping seasoned practitioners from retiring too early out of frustration; revitalizing primary care as being very important; and encouraging medical students and residents to become primary-care physicians);
- happier patients (focus on prevention; monitoring of chronic conditions; improved patient-practitioner relationship); and
- better health outcomes (a DPC provider in Washington state reported reductions of 14 percent in emergency-room visits, 60 percent in inpatient stays and 14 percent in specialist visits, for an average saving of over 19 percent per patient).

Critics say DPC will result in fewer practitioners available to the public because the model leads to a reduced patient panel size per doctor. In Nebraska, this is especially concerning given the shortage of primary-care practitioners. Practitioners are not indentured servants and may elect to retire earlier than desired because the bureaucracy in medicine has provided too many challenges. Panel sizes may be smaller, but if DPC practitioners are able to improve their work-life balance, the net gain could be more practitioners available to serve for additional years.

Model could have wide appeal

Nebraska DPC might appeal to farmers, ranchers and other employers — and especially small businesses, individuals and labor groups, as all are being asked to pay more of the cost of health care.

And DPC is not an all-or-nothing proposition for the practitioner, because he or she might have a hybrid practice that includes DPC, Medicare, Medicaid, commercial and uninsured patients. In Nebraska, where some rural communities might have only one physician, it is not our intent to exclude Medicare patients or others from the practitioner.



The 2016 legislation enables, not mandates, DPC in Nebraska. The legislation will establish DPC in statute to ensure its long-term viability and provide consumer protection language. The legislation will seek to minimize regulation and be at no cost to the state.

In January 2016, LB 817, the Direct Primary Care Agreement Act, was introduced with nine co-sponsors. LB 817, which I prioritized, was referenced to the Banking, Insurance and Commerce Committee.

I also introduced LR 415, which urges the Nebraska congressional delegation to support and co-sponsor SB 1989, the Primary Care Enhancement Act of 2015, which supports DPC payments under Medicare, and removes barriers regarding Health Savings Accounts.

In Nebraska, we understand that, given an opportunity, the free market can and will work. We understand the importance of the patient-practitioner relationship. We understand one size does not fit all. We understand that we must reform Medicaid and the entire health care delivery model before we can expand Medicaid.

I believe this recent DPC legislation shows that the Unicameral Legislature is working on innovative solutions to reform health care in Nebraska for patients and practitioners.

Sen. Merv Riepe of Ralston was first elected to the Nebraska Unicameral Legislature in 2014.

Submissions welcome

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