

Transcript Details

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Primary Care for a New Age: Direct Care and Hybridized Practice Models

Dr. Brian McDonough:

Welcome to Primary Care Today on ReachMD. I'm your host Dr. Brian McDonough and with me today is Larry Bauer. He is the CEO of the Family Medicine Education Consortium. He is the chair and in the past has been the chair of the planning committee of the Society of Teachers of Family Medicine, Northeast Region.

I've known Larry for many years, going back probably a couple decades and if you don't know, and haven't heard of him, but my guess is you probably have, he's a leading voice in primary care, family medicine and the initiatives that we all, the interests that we all have in making primary care grow.

When I try to promote this particular show, I've been saying, this is an example of, is family medicine rocket science or no and when you use that concept it sounds so overwhelming, but in a way, family docs are rocket scientists I guess and Larry, let's talk a little bit about all the work you've done and where you see primary care going as we head into probably the second decade of the millennium?

Larry Bauer:

Great Brian, I'm glad to be on your show and I look forward to this conversation.

Dr. Brian McDonough:

Where do you see it going? Where do you see as with all the new changes in health care between EMR and the fact that we are trying to be more involved in patient centered medical home, where is primary care right now?

Larry Bauer:

Well, I see primary care as our health system collapses just from the complexity of it and the cost of it and as more and more information comes out about the harm that's being done by the medical services industry, what I call the medical industrial complex, I think there is going to be a call for, a deep level of call for reform. There's sort of a superficial call for reform, but I think it's going to grow deeper with time and I see family medicine and primary care, general internal medicine, general pediatrics, the nurse practitioner movement, I see these folks really infiltrating, leading the change that's going to happen.

One of the exciting things that I see, I actually see two kind of cutting edge things that are, I think, have potential to be, really disruptive innovators and the first is something called Direct Primary Care, which is like concierge medicine only it's priced for the working class and even the poor and it eliminates the need for insurance for your primary care services and as that happens and as the control of the insurance industry diminishes, some really fascinating things could happen in terms of not only reducing the cost of service but eliminating a lot of the unnecessary care that's going on right now.

The other cutting edge is that the population health, family docs in particular, are moving into leadership positions in healthcare industry, hospitals, ECO's, etcetera and as they do that their approach to care, which isn't necessarily sees a lot of hospital services and certainly not unnecessary services, as their philosophy begins to bend the cost curve and the operation of these organizations, I see a real opportunity to restore the integrity of our healthcare system to truly serving the people as opposed to serving as a wealth production vehicle for a small segment of people. So, I see some very exciting things coming for the future in family medicine and primary care.

Dr. Brian McDonough:

I've been a big fan of Larry Bauer for many years. When I started off, my first role in residency education was as a recruiter going out trying to meet and recruit medical students to come to my hospital's residency and for any of you who've done that, I'm sure many of you have who are listening to this program, you kind of go out there where you have your display, your booth and all these things and I was

trying to get as many names as possible, do whatever I could to get people to come and learn about my program and Larry talked to me and said, "just make connections, don't worry about volume, make connections" that's what primary care and family practice is all about and you were right.

It was about getting people to believe more or less what you're trying to teach and what you're trying to bring to your community and I think you learned early on and you were essentially teaching me and others who were doing the recruiting like me, what that was all about. It was essentially about trying to get people to find the niche that they wanted and to provide that care.

Larry Bauer:

Yes, well, I've always said that family medicine as an enterprise is a village and within that village there are a number of neighborhoods. There's academic family docs, your residency and your pre-doc people and there's practicing family docs and there's family docs in public health, etcetera and each of those is a kind of a neighborhood within family medicine. When you participate in our program for example, and you have a booth, the students, residence, faculty and practicing docs who come to the meeting, they pay attention to who's in the village and when you're not there, people wonder, have a way of attributing ideas about the quality of the program.

So, at our meeting every October, we'll have 70 to 75 in the northeast region will be at the meeting and people do notice who's there and who's not there. So, your presence, getting involved, letting the students experience the passion and vision that you have, the vitality of family medicine in your residency program. I mean, that's really the magnet, and it's all word-of-mouth eventually. One student bumps into your faculty or resident at the meeting and they tell their colleagues and it spreads by word-of-mouth. It's basic social networking 101.

Dr. Brian McDonough:

When you talk about the concept, Direct Primary Care, it's something that I'm sure that most of our listening audience really isn't aware of. Explain it if you can from a basic standpoint and then I'd like to explore it more because clearly it is an exciting concept and for those involved in family practice and primary care, it's clearly something they should know about.

Larry Bauer:

So, Direct Primary Care is a relatively new innovation. It's estimated now that there are about five thousand practices across the US that are now fully in the Direct Primary Care practice or what we call a hybrid, which means they're still taking some insurance for their established patients but in its simplest form, it's a practice that charges a membership fee, generally in the order of \$50 to \$60 per patient per month for all of your primary care, your access to your family physician, your nurse practitioner whoever's in the practice delivering care.

Your ancillary costs for blood testing or other services provided through the primary care practice may be additional. Most of the Direct Primary Care practices have negotiated discounts with their local special studies providers, be that Lab Corp or the local digital imaging facility. It's truly changed the incentive so that the doc is no longer trying to check boxes to get paid by an insurance company. They can focus fully on the patient who's sitting in front of them. That patient is a member of your practice and responding to that person and serving them in the best way possible is where all of the incentive is and the time and energy and the resources that go into getting paid by the insurance company, the extra staffing.

I mean, typically, in a true Direct Primary Care practice, the numbers I've seen is the overhead has dropped by better than 50 percent, so you can run a lower overhead practice, serve a good number of patients and really do what's right for your patients in your community. We had our Direct Primary Care summit in Washington, DC this past weekend. Two days with 200 people in the Direct Primary Care world and it was just fascinating to hear the inventiveness and the responsiveness of the family docs to their patients in their community and they weren't changed by the needs of serving the insurance industry.

So, I really think it's an important way for primary care to be revitalized. The American Academy of Family Physicians has now come out and fully endorsed it. When they present their Family Medicine for America's Health report, Direct Primary Care is one of the models that will be supported with all of the muscle if he has to bring to bear both in terms of serving its members and the advocacy and legislative fears.

So, it's really an exciting opportunity and what was really cool is just to sit there and listen to these family docs talk about the joy of practicing medicine. That's been missing from many of the practices for many years now and to hear that come back and to hear the excitement that students and residents have for going into office-based practice was just very cool.

Dr. Brian McDonough:

If you're just tuning in, you're listening to Primary Care Today on ReachMD. I'm your host, Dr. Brian McDonough. I am speaking with Larry Bauer. He is the Family Medicine Education Consortium CEO. We're talking now about Direct Primary Care and I wanted to followup on that. I know a lot of people might be interested or know about the idea of concierge medicine, where is this different?

Obviously, it seems like the pricing is a little different for patients.

Larry Bauer:

Well, it's priced for, it's really priced for the working class. I mean 50 bucks a month is the price of your cable TV, your cell phone package, etcetera. Concierge medicine is priced obviously much higher, out of the reach of most of the working class. Typically also the panel sizes are different. Most concierge are in the 300 to 500 range and quite often they'll keep it down to 300 if they can. The Direct Primary Care will generally run from 800 to 1000 in a full practice.

There's also full transparency, one of the hallmarks of a Direct Primary Care practice. You can go to the web site or you can walk in the front door of the practice and it lists if you do need to have your blood drawn or if you do need to have some other office-based procedure done it will list the cost of the services right there for you so there is true price transparency.

In some of the Direct Primary Care practices, the really direct pay practices, they will just have cash prices. Here's our hourly charge. If you need ten minutes, here's what the cost is and it really allows the customer, the patient to understand and make rational choices about the services that they get.

Dr. Brian McDonough:

We only have a few minutes left with Larry Bauer. I knew it was going to go fast because he has so many ideas to talk about, but Larry I wanted to ask you about the whole insurance industry. What I'm seeing now is for the first time since I remember, and I've been in practice for quite some time, there is definitely an alliance in the ideas and the concepts between insurance companies and primary care docs and family docs in that we want the same goals. We would like people to be healthy, to stay out of the hospital. They're for different reasons perhaps, but the incentives are aligned. How can we take advantage of that for our own patients? How do you see that as a way to perhaps improve care?

Larry Bauer:

Well, that's a very challenging question. I have to say, Brian, and I won't mention any companies by name, but I've seen in general a reluctance on the part of the insurance companies. They know, going back to Barbara Starfield and her work and others, they know that a robust primary care system will drive down costs pretty dramatically and leave patients happier. The insurance industry has fairly systematically, up until very recent times, made it very very difficult for primary care practices to survive. Quite a large percentage of primary care physicians all specialties have become hospital owned and that's driven up the cost of care. I haven't seen the insurance industry really step out forward financially to incent the support for a robust primary care.

So, to me, the best way to work with the insurance industry is for family docs and general internists and pediatricians to recognize the power that they have. They have the strong relationship with patients and they've been unwilling to use that lever to insist that the insurance company radically change how they support a primary care and provide incentives for patients that live healthy. It's always struck me as pretty crazy, but the pay for performance mechanisms that many insurance companies use, to incent the docs to motivate the patients to make lifestyle changes. Why not directly incent the patients and I have not seen those kind of strategies. So, I'm thinking there's a lot of leveraging that needs to happen to bring them around.

Dr. Brian McDonough:

We only have about a minute left with Larry Bauer and I wanted to ask you Larry, it's an important question. Tell me a little bit about the Family Medicine Education Consortium, what the work you are doing is and how it could impact family doctors out there who might be listening around the country, in fact, around the world listening to this show.

Larry Bauer:

Well, our core belief is that family medicine and primary care is essential to an effective health care system and our goal is to energize the vision and passion, particular of family docs, to work together. We are working very hard to promote student interest in family medicine and we do that by helping the students to see the power of some of the work of family docs. We have a low birth weight project. We have a global health project, chronic pain project and when the students get to see what I call robust family medicine, robust primary care can do, that's really from our point of view the best way to get the next generation fired up about family medicine.

Dr. Brian McDonough:

Larry Bauer, we've run out of time but I want to thank you for joining and sharing your insights on primary care today on ReachMD.

Larry Bauer:

Thanks very much Brian. Take care.

Dr. Brian McDonough:

This is Dr. Brian McDonough. If you missed any of this discussion please visit [ReachMD.com/primary care](https://ReachMD.com/primary-care) today to download the pod

cast. You can learn more about the series and obviously we have plenty of programs out there for you now but this particular one, if you didn't hear it, you want to hear the whole thing with Larry and thank you so much.