

# Pondering direct care? 13 potential benefits and drawbacks

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Administrative demands coupled with growing physician dissatisfaction about poor work-life balance are causing some doctors to consider moving to a retainer-based or “direct” primary care practice. It is a business model that some view as a way to reduce many of these burdens.

In this type of practice model, patients directly pay their physician an annual or monthly fee and receive more time and freer communication with their doctor. A new report evaluates the practice model’s place in the shift to value-based care and identifies the advantages and drawbacks the model may present physicians and patients.

“Physicians seeking strategies to reduce administrative burden, spend more time with patients, or simply streamline their practice may experience benefits in transitioning to a retainer practice such as direct primary care,” AMA Senior Policy Analyst Lindsey E. Carlasare wrote in *WMJ*, the journal of the Wisconsin Medical Association.

The AMA offers a wide range of tools and resources to help physicians succeed as payment and delivery changes evolve.

In the journal article, Carlasare identified 13 of the practice model’s potential benefits and drawbacks for physicians, as found in the medical literature.

## Possible physician benefits

- More time with patients.
- Less paperwork.
- More professional satisfaction.
- Less interaction with payers.
- Better work-life balance.

- Fewer patients.
- Lower overhead costs, less staff.

## Potential drawbacks for physicians

- Possible lower income at start.
- Risk of feeling isolated.
- Fewer patients.
- May overburden other, nonretainer-based practices.
- Difficulty recruiting, building patient base.
- Insurers may not cover services.

Carlasare also outlined possible advantages of this type of model for patients, such as the possibility of more time with physicians during visits, better after-hours access and communication by email or text message. Drawbacks for patients include a potential extra monthly payment, and the need to retain health insurance coverage for care needs outside the direct-care arrangement.

## Big plus is less time with payers

“For some physicians, another advantage of direct primary care is the elimination of the need to interact with payers, thereby reducing administrative functions such as documentation requirements, prior authorization, and electronic health record and desk work which are known to contribute to burnout, as well as potential costs that would otherwise get passed on to the patient,” Carlasare wrote.

Carlasare conducted a literature review of articles and statistical analysis on direct practices—also known as “concierge,” “boutique” or “membership” medicine. She analyzed the available information to identify the prevalence of direct practices, the range of fees associated with the model and relevant ethical and policy considerations.

## Model still has small footprint

In 2015, there were 141 direct primary care practices operating at 273 locations in 39 states, according to research cited in the report.

Of these, 82 percent posted cost information online. The median monthly cost was \$75, the average was \$93.26. Almost a quarter of the practices also charged a per-visit fee and these ranged from \$5 to

\$35.

The AMA supports physicians' right to choose the practice setting they desire. The AMA *Code of Medical Ethics* opinion on retainer practices outlines guidance for physicians who enter retainer contracts with patients.

Despite evidence of recent growth, direct primary care practices are still rare and the modern implementation of the concept is still new, so the literature lacks data on long-term impacts of the practice model. There is also a need to identify best practices, Carlasare added.

"While the recent growth in the market has stirred up more attention, it also has instigated confusion and misinformation about the practice type," Carlasare wrote.

In the report, she refuted these four "myths" about direct practices:

- Retainer practices are only for the wealthy.
- Direct practices do not accept insurance. (Some do. Some don't.)
- Patients don't need insurance if their physician has a direct practice.
- Retainer practices make lots of money quickly.