



A Modern Family Doctor Visit 2016

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How Direct Primary Care Reduced the Dunphys Healthcare Costs

American healthcare is in crisis.

Patients are facing higher medical expenses than they ever have before. In fact, according to the Milliman Medical Index, the average family pays [\\$24,671 per year in health insurance premiums](#). On top of that, many families face deductibles in the \$3,000 to \$5,000 range per person, with few able to cover the gap.

Fortunately, primary care physicians are adopting new payment models which increase access to care and reduce expenses by completely taking expensive insurance out the picture.

Below, I spell out exactly how one “modern” family **saved 37.3%** on their annual healthcare costs when their physician switched to a direct primary care model.

The Dunphys

I am a fan of ABC’s “Modern Family”. The show focuses upon the Dunphy family, a typical "modern" day family of five living in suburban Los Angeles (90064 zip code). The Dunphys are: Phil (father – age 48, non-smoker), Claire (mother - age 45, non-smoker), Haley (daughter - age 21, non-smoker), Alex (daughter - age 17), and Luke (son - age 16). Claire works for her father who is the owner of Pritchett's Closets and Blinds. Phil is a successful real estate broker. Each family member gets a yearly physical exam and visits the doctor (on average) twice a year. How would the Dunphys experience our healthcare system today?

For their day-to-day healthcare, the Dunphys see Dr. T, a busy suburban Los Angeles family practitioner. When the Dunphys need to schedule an appointment, it takes 19.8 days (on average) for them to be seen from the time the appointment is made. When they are seen, Dr. T spends 15 minutes in the exam room during their well visits and 10 minutes during their sick visits. Each member of the

family receives a yearly physical exam. The Dunphys are insured by Anthem Blue Cross (California) and Dr. T is in their network.

Dunphy Family Plan

Table 1

| | |
|-----------------------------------|----------|
| Plan: Anthem Blue Cross Silver 70 | |
| Metal Tier: Silver | |
| Premium (monthly) | \$1,370 |
| Deductible | \$4,500 |
| Deductible (pharmacy) | \$500 |
| Primary Care Co-Pay | \$45 |
| Specialist Office Visit Co-Pay | \$70 |
| Emergency Room Co-Pay | \$250 |
| Out of Pocket Max | \$12,500 |

* The rates of this plan are for the 2016 calendar year and specifically for the 90064 zip code. The premium (and plan offering) will not be the same for every zip code (or State).

The Dunphys originally purchased their plan for calendar year 2014 on October 1st, 2013. Since then, their total yearly premium cost has increased overall by 21%. Their yearly premium cost for calendar year 2016 went up 7.03% over the previous year. Additional healthcare costs can be found below (Table 2).

Dunphy Family Costs

Table 2

| | FFS |
|--|-------|
| PCP Office Visits (5 visits x cost of Co-pay) | \$225 |
| Prescriptions Pharmacy Co-pay | \$75 |
| Zyrtec (allergies) | \$49 |
| Bactrim (UTI) | \$115 |
| Cephalexin (2 cases of strep throat) | \$40 |
| Azithromycin (sinusitis) | \$12 |

The Dunphys spent a total of \$225 on their office visits. In addition, the Dunphys spent a total of \$291 on their prescriptions. The Dunphys are concerned about their healthcare costs. The Dunphys are pretty healthy (except for minor seasonal allergies) and yet they are accruing a lot of costs. These costs are causing a financial strain for the family.

The Direct Primary Care Switch

Fortunately for the Dunphys, Dr. T has switched from a FFS practice (accepting insurance) to a Direct Primary Care model (an affordable direct pay model), which should substantially lower their costs.

Direct primary care (DPC) is a payment model where patients pay their primary care physician directly without using their insurance. Under this model, patients pay an affordable monthly fee (ranges from \$10 - \$100). As being

apart of Dr. T's DPC practice, the Dunphys specifically experience the following: unlimited visits (no cost per visit fee /co-pay), longer visit time with physician (50 minutes+ each visit), same day or next day appointments, unlimited access to Dr. T (24/7 access via e-mail, text, video chat via telemedicine platform on computer and smart phone), and huge savings on labs and prescriptions.

The Dunphys do not use insurance for any of their visits to Dr. T. However, they have purchased a high deductible policy that they solely use for specialty visits, emergency room visits, or hospitalizations. They were encouraged to purchase this type of plan by Dr. T. and their personal insurance broker in order for them to avoid the tax penalty that they could get for not purchasing health insurance (2016: \$695 per individual (\$2,085 total cap). Table 3 shows what their plan looks like.

Dunphy Family Plan

Table 3

| | |
|---------------------------------------|----------|
| Plan: Anthem Blue Cross Bronze 60 HSA | |
| Metal Tier: Bronze | |
| Premium (monthly) | \$696 |
| Deductible | \$9,000 |
| Primary Care Co-Pay | 40% |
| Specialist Office Visit Co-Pay | 40% |
| Emergency Room Co-Pay | 40% |
| Out of Pocket Max | \$13,000 |

* The rates of this plan are for the 2016 calendar year and specifically for the 90064 zip code. The premium (and plan offering) will not be the same for every zip code (or State).

The Dunphys healthcare costs (estimate) are:

Dunphy Family Costs

Table 4

| | DPC |
|---|------|
| PCP Office Visits (5 visits x cost of copay) | \$0 |
| Prescriptions Pharmacy Copay | \$0 |
| Zyrtec (allergies) | \$32 |
| Bactrim (UTI) | \$7 |
| Cephalexin (2 cases of strep throat) | \$8 |
| Azithromycin (sinusitis) | \$7 |

Below is a look at what the Dunphys experienced under FFS and DPC.

| Snapshot of Dunphys' Doctor Visits | FFS | DPC |
|---|------------|------------------|
| Average time till appointment | 19.8 days | 1 day |
| Time with doctor (well) | 15 minutes | Up to 50 minutes |
| Time with doctor (sick) | 10 minutes | Up to 50 minutes |
| Insurance premium total (yearly) | \$16,440 | \$8,352 |
| Office Visits | \$225 | \$0 |
| Membership fee (yearly family total) | | \$2,223 |
| Total prescription expense | \$291 | \$54 |
| Total Expenses | \$16,956 | \$10,629 |
| Savings | | 37.3% |

As you can see, transitioning from FFS to DPC offers tremendous benefits for patients. While the transition takes thought and care, ultimately the patients get greater access to care while spending a lot less on the services they receive. DPC offers a new mode of primary care which works for patients and doctors, and it's time that primary care physicians get involved.