TML Health Benefits Pool

Contracting for Primary Care

AGRiP Governance Conference

Our Agenda

01. Lessons Learned from Pilot Programs

02. Developing a Successful Direct Contract Model

03. Crafting Plan Documents that Promote this Model

04. Developing a Successful RFP

TML Health

- Formed in 1979 with 117 cities and 6,500 members.
- 31,482 Members
- $201,237,675 in Annual Contributions
- 118 Employees

Our Business Model

- Self-insured medical and dental coverage
- Claims administration, provider network and customer service provided by our TPA (BCBSTX)
- Traditional plans, copay plans, HDHPs, HMOs
- Fully-insured vision, life, voluntary products
- In-house underwriting, marketing, employer service, enrollment/billing

What are the challenges we face?

Average Covered Employees' Income is **$55,000**	Our solutions need to be financially feasible for our members.
Covered Employers Often Have **High Deductible Plan**	But employees find it difficult to cover these deductibles.
About 25-30% of Members **Do NOT Have a PCP**	And we know the benefits: more regular checkups, better relationships and understanding of members, catching ailments early.
Long Wait Times for Those with PCP	Even those with a primary care provider are still having issues scheduling an appointment to see doctor.
High Prevalence of Chronic Conditions	Chronic conditions such as diabetes, hypertension, and high cholesterol regularly effect large numbers of our members.

Is Direct Primary Care the Solution?

What is Direct Primary Care (DPC)?

- An arrangement with the PCP where they are paid a **fixed** monthly "membership fee" that covers a range of basic primary care services.
  - Office Visits
  - Routine Physicals / Screenings
  - Preventive Care
  - Chronic Condition Management
  - Access to Doctor Digitally Outside of Normal Office Hours

- Labs, immunizations, and basic imaging may or may not be included.

Benefits of Direct Primary Care (DPC)

- No Out-of-Pocket Cost for Member
- Typically Lower Patient Loads = Members Seen in 24 Hours
- More Time Spent Getting to Know “Whole Patient”
- Shift from Diagnosing & Treating to Managing & Improving

Trial One

What did we learn from our initial, failed pilot project?

Trial One

- Single Employer with 700 Members
- Employer asked for DPC Program
- $35 PEPM, paid by Pool
- $0 for Employees
- Multiple Locations Available

- After 1 Year: < 10% Utilization Rate
- Provider was unable to demonstrate either savings or improvements in health risk factors.
- Discontinued After 12 Months

Our Next Trial

How can we increase our chances of success in our next trial?

Success Factors for Our Next Trial

- Strong Engagement Strategy
- Benefit Plan with Financial Incentive to DPC
- DPC Locations to Close to Work and Home
- Set Targets for Utilization to Measure Value
- Data Provided Directly to Us for Independent Evaluation
- Provider Performance Incentives

Your Next Trial

A few tips we have for designing your own successful **DPC Program.**

1 **Evaluate the Population**

Do members already have a strong PCP relationship?
Would they be willing to change PCPs?

2 **Evaluate the Plan Design**

Does the current benefit plan design provide enough financial incentive for members to choose the DPC?
What benefit design would provide incentive?

3 **Consider Legal Issues**

Check for possible future legal hurdles you may encounter.
You cannot pair a DPC program with a federally qualified Health Savings Account (HSA).

4 **Activate Engagement**

Develop a strong communication and engagement plan that will encourage and ensure participation of the members.

How to Evaluate DPC Offers

- Is the provider a pure DPC?
  Or do they also have fee-for-service patients?
- What is the provider-to-patient ratio?
- How often do their patients typically visit annually?
- How are high-risk patients identified and treated?
- What is the wait time for an appointment?
- What care is available after hours?

How to Evaluate DPC Offers Cont.

- Are additional health professionals available?
  Do members have access to nutritionists, mental health providers, health coaches, or any other types of specialists?
- How often does the provider refer to specialists?
  And how are these specialists selected?
- What services are included in the bundle?
  If labs and basic imaging aren't included, does the provider have a discount arrangement for these services?
- What data can they provide?
  At minimum, the provider should be able to show basic utilization data including diagnosis and treatment codes.
- How does the provider encourage participation?
  Do they communicate and engage with members on their own?

Your Plan Design and Plan Documents

How to Approach DPC in Your Plan

- DPC is **NOT** an "insurance" product, be careful how it is communicated.
- May not want to include in plan documents.
  - *Separate document explaining it is in addition to regular benefits.*
- Develop communications encouraging members to "Choose DPC First" before using "insurance benefits".

Develop Your Own RFP for DPC Providers

Your RFP Must…

- Define **EXACT** geographic markets you want to launch.
  - *Include employer addresses and employee count by zip code.*
- Are you willing to consider a 100% virtual program?
- Are you interested in partnering with a DPC to build a clinic?
- Tour the provider's office, speak to references, and verify credentials.
- Confirm expectations of keeping specialist referrals in-network.
- Ask how often patients will be engaged.

Jennifer Hoff

Executive Director of TML Health

Thank you for joining us today.

TML Health Benefits Pool

Connect with Jennifer on LinkedIn

Linkedin.com/in/JennHoff