

Direct Primary Care (DPC)

Evaluating a New Model of Delivery and Financing

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First actuarial study evaluating Direct Primary Care

- SOA commissioned research study on Direct Primary Care (DPC)
- Milliman study published in May 2020 used three primary research methodologies



Literature
Review



Market
Survey



Employer
Case Study

Refer to page 12 of the full report for details of definition of DPC used for analysis and pages 14, 17, and 23, respectively, for details of each primary research methodology.

The opinions expressed and conclusions reached by the authors are their own and do not represent any official position or opinion of the Society of Actuaries or its members. The Society of Actuaries makes no representation or warranty to the accuracy of the information.

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This presentation represents a limited summary of the full research report prepared by Milliman. Please refer to the full report for details of the analysis and a discussion of the results. The full report can be found at the following web address: <https://www.soa.org/globalassets/assets/files/resources/research-report/2020/direct-primary-care-eval-model.pdf>.

Robust methodology to study outcomes for single DPC provider and employer

Key study limitations:

1. Single DPC provider / employer
2. Lack of healthcare quality and patient satisfaction measures
3. Variability in DPC model

Key study features:

1. Sample size and duration
2. Quasi-control group
3. High quality data
4. Risk adjustment

Refer to page 23 of the full report for details of case study features and page 47 for details of case study limitations.

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Enrollment in DPC option associated with patients using less overall healthcare services

DPC impact on patient demand for **overall healthcare services** after adjusting for health status:

-6.4% to -18.9% (midpoint of -12.6%)

Refer to page 28 of the full report for details of the estimated impact of DPC on patient demand for healthcare services.

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Enrollment in DPC option associated with less emergency department visits

DPC impact on **emergency department visits** per 1,000 patients after adjusting for health status:

-28.4% to -52.6% (midpoint of -40.5%)

Refer to page 31 of the full report for details of the estimated impact of DPC on emergency department visits per 1,000 patients.

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Enrollment in DPC option not associated with statistically significant reduction in hospital admissions

DPC impact on **hospital admissions** per 1,000 patients after adjusting for health status:

-52.8% to +14.0% (midpoint of -19.9%)

Refer to page 32 of the full report for details of the estimated impact of DPC on hospital admissions per 1,000 patients.

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Enrollment in DPC option associated with 1.3% increase in employer net costs per member

DPC impact on **employer net cost** per member enrolled in DPC option:

-5.2% to +7.8% (midpoint of +1.3%)

Qualitative considerations:

- Access to care
- Out-of-pocket costs
- Absenteeism rates
- Employee retention

*Refer to page 32 of the full report for details of the estimated impact of DPC on employer net costs (DPC ROI).

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Disclaimers

Milliman does not endorse any model of healthcare delivery or financing nor any legislation.

Milliman's analysis was prepared on behalf of the SOA to provide information on DPC, as well as to develop a framework for analyzing DPC as an option for including in an employer's self-funded healthcare benefit arrangement. The analysis is not intended for other purposes.

Milliman's analysis is based on information and data from various sources, which Milliman has not audited. In preparation for preparing the analysis, we reviewed various published reports and studies on DPC. The case study presented is from organizations with which we were familiar through our direct work with them, from information provided directly to us, and through review of publicly available data sources. There could be other actual case studies that would indicate results different from those presented in this report. To the extent that any of the information in these interviews and reports was incorrect, incomplete, or misunderstood by us, the information presented in this paper could be affected. We have also not reviewed every IRS rule, regulation, or care model related to DPC. A legal review of these DPC programs might provide other insights.

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Thank you

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