

# 5 Reasons Direct Primary Care Is a Top Benefits Strategy



Though escalating costs prohibited some employers from providing a complete portfolio of benefits in the past, times are changing. Direct Primary Care (DPC) has emerged as a key benefits strategy for employers of all sizes because of its cost efficiency for employers and employees.

With affordable membership rates, the benefits of this healthcare membership far outweigh the costs. In this e-book, you will learn five reasons DPC is a top benefits strategy:

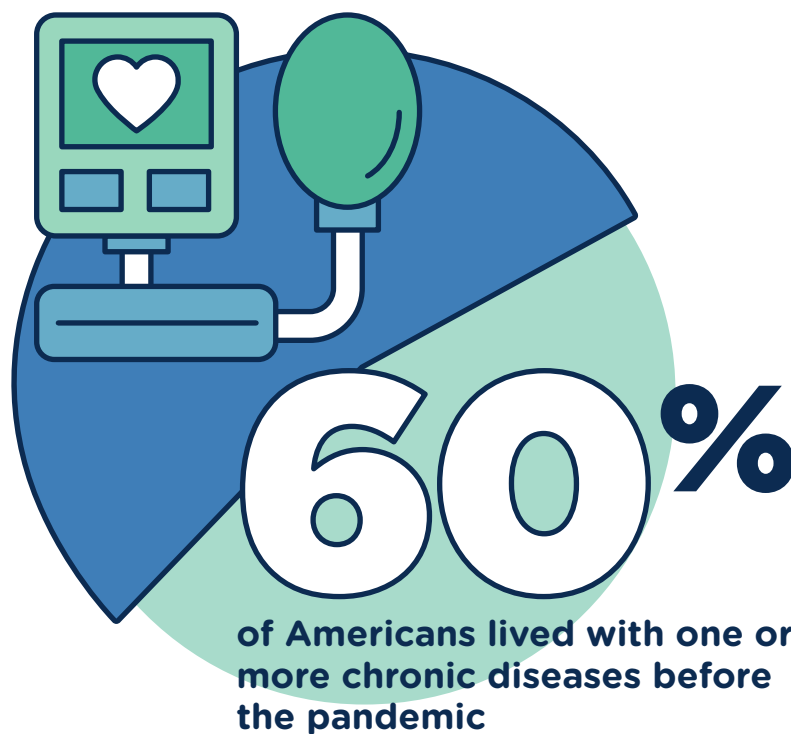
- 1** DPC reduces claims exposure for employers.
- 2** DPC minimizes the costs of chronic disease management.
- 3** DPC allows employers to provide benefits, such as small employers, gig economy, non-benefit eligible, part-time and the service sector.
- 4** DPC supports nationwide employers who have remote workers across multiple states.
- 5** DPC delivers the on-demand healthcare experience that millennials expect.

# DPC Reduces Claims Exposure for Employers\*

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Preventive screenings, knowledge of family health history, and managing chronic conditions are just a few of the benefits of having a relationship with a primary care physician. Even before the financial stressors and unemployment caused by the pandemic, 60 percent of Americans lived with one or more chronic diseases.<sup>1</sup> Some of these conditions were preventable but went undetected due to a lack of primary care. Sometimes disease states escalate due to lack of consistent care, which often relates to financial strain. This problem doesn't have to be the case when you have a no-claims solution like direct primary care.

Because DPC isn't health insurance, there are no claims to impact the employer's bottom line and no deductibles to meet before getting necessary care. Direct primary care memberships provide unlimited in-office primary care visits for a low fee and telehealth or virtual care visits for no out-of-pocket costs. These benefits allow workers to get preventive care and take a more proactive approach that saves money long-term.



## Diverting Claims Mitigates Costs

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An employer's health insurance renewal rate is directly impacted by the way employees consume healthcare. Escalating insurance claims hitting the employer's bottom line heavily affects the overall cost of their health plan. As healthcare costs continue to increase, profit margins are squeezed to the point of exhaustion for some, especially smaller companies. Consequently, employers add direct primary Care to health plans to help manage these expenses.

DPC saves employers money by diverting acute care claims, chronic disease management, and urgent care from their health plans. For care performed by a direct primary care physician, there are no claims generated on the employer's health plan, and there are no bills for members after receiving care.

# Lower Healthcare Costs Downstream

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As employees are laden with higher deductibles and copays that accompany traditional health insurance plans, many avoid seeing a primary care doctor because of costs. Skipping preventive screenings or recommended treatments can escalate health conditions that become more and more expensive to treat down the line.



Layering direct primary care into a health plan can encourage employees to be more proactive about their health instead of worsening treatable conditions. This no-claims membership helps employees save on primary healthcare costs while protecting employer profits long term.



In 2020, Milliman, Inc. published a study called "Direct Primary Care: Evaluating a New Model of Delivery and Financing." They found direct primary care members visited emergency rooms 40 percent less over two years. They also reported that DPC members were admitted to the hospital 20 percent less over that same two-year period.<sup>2</sup>



## DPC Minimizes the Costs of Chronic Disease Management

Chronic illnesses among employees cost U.S. employers more than half a trillion dollars in lost productivity each year. Even before the pandemic, sick days were up 12 percent in 2019—a collective 978 million sick days used cost companies \$151 billion in lost revenue.<sup>3</sup>

With 60 percent of American adults suffering from one or more chronic conditions, these staggering figures highlight the need to focus on disease prevention and high-quality care delivery for patients diagnosed with chronic conditions. Direct primary care is a vehicle for employees to prevent and maintain chronic conditions while minimizing out-of-pocket costs and eliminating claims that would otherwise impact their employer's profits.



## Chronic Care Management is a Good Investment

In 2018, Humana reported that each unhealthy day linked to a chronic condition cost health plans \$15.64 in additional medical care per person per month—an expense that can add up quickly over time.<sup>4</sup>

It's not surprising that patients with chronic conditions report more physically and mentally unhealthy days than the population average. However, people who proactively take steps to prevent escalating disease states usually experience fewer sick days than those who allow their conditions to deteriorate due to lack of proper care.

A study of carrier claims data from Mercer Health Advantage revealed improved health outcomes and cost-savings return on investment (ROI) from providing chronic care management. This program offered through insurance carriers featured in-depth care management for the sickest employees and reported an aggregate return on investment of \$3.30 for each \$1 spent while improving patient health.<sup>5</sup>

# Chronic Care with No Claims

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Fortunately, early-stage chronic disease management falls under primary care physicians' (PCPs) purview, making a no-claims option like direct primary care a no-brainer. Unlike health insurance, DPC is a monthly health membership that affords members unlimited access to a PCP for a low monthly fee.

Instead of meeting deductibles or paying outrageous monthly premiums, the patient gets in-office visits and virtual care for a low monthly cost, depending on their plan. With the right DPC membership, employees can get primary care and early-stage chronic disease management without generating monthly claims for their employer. Employers love direct primary care because it doesn't create claims, and members don't have to meet a deductible to have affordable access to the doctor. The savings for multiple employees over time can lead to exponential savings for large and small employers.

**Chronic Illnesses covered under a Direct Primary Care plan can include:**

**Anxiety**

**Arthritis**

**Asthma**

**Blood Pressure**

**CHF**

**COPD**

**Depression**

**Diabetes**

**Thyroid**

**Fibromyalgia**

**GERD**

**Gout**

**Hypertension**

*Note: Services provided by physicians vary by practice or membership*

## DPC is Available for Current or Furloughed Employees

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Millions of workers have been laid off or furloughed over the past year, and while many could opt into health coverage under COBRA, that can be very expensive for employees and employers. If an employee has chronic conditions, like diabetes or heart disease, getting regular care can also lead to excessively high claims costs for employers in this scenario. A DPC membership with a low monthly membership fee can be an affordable alternative in cases like these.

**“...Small businesses pay an average of 8% to 18% more than large companies for the same health insurance plans.”**

Source | National Conference of State Legislatures

## DPC Allows Employers of All Types to Provide Benefits to their Employees

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Direct primary care is an affordable healthcare solution for small employers, the gig economy, non-benefits eligible, part-time workers and the service sector.

Health plan premiums and annual cost increases are often higher for small and mid-sized employers that lack the bargaining power of giant corporations. According to the National Conference of State Legislatures, small businesses pay an average of 8 percent to 18 percent more than large companies for the same health insurance plans.<sup>5</sup> It's also not unusual for insurance companies to charge different premiums to small employers based on industry or the employer's prior health claims.

With so much at stake for small business owners and the current economic climate, it has become increasingly crucial for benefits brokers to build benefits plans that can protect the bottom lines of employers of all sizes.

## The Service Sector is Suffering

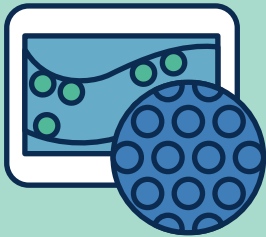
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Many restaurants, retail, hotel, agricultural workers, and other service employees aren't offered health benefits by their employers. Some who do have the option still can't afford to enroll or utilize their health plans due to high premiums and deductibles.

Although the service sector keeps our economy going and makes our lives a little easier, service workers are often the lowest earners. If you add up the average cost of living, the reason so many service workers don't have healthcare for themselves or their families comes sharply into focus.

# An Affordable Alternative to Insurance

Unfortunately, many small businesses and service providers don't know about direct primary care and how affordable it is for families to get the healthcare they need to maintain good health for a lifetime. Recently, benefits brokers nationwide have endeavored to educate service employers and employees about the benefits of DPC. Benefits may include:



**Unlimited**  
Early-Stage Chronic  
Disease Management



**Unlimited**  
Virtual DPC &  
Telemedicine



**Unlimited**  
Doctor Visits for Low  
to No Visit Fees



**Unlimited**  
Urgent Care for  
a Small Fee



**Annual**  
Physicals or  
Well-Woman Exams

Direct primary care is different than health insurance for several reasons. First, there's no expensive monthly premium deducted from each pay period. Second, there are no high deductibles to meet before insurance coverage kicks in. With a DPC membership, employees and their dependents pay a low monthly fee for unlimited primary care access.

The micro-businesses and everyday heroes who keep our transportation, food, schools, and households going must be educated on the benefits of direct primary care.



## DPC Supports Nationwide Employers with Remote Workers Across Multiple States

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Flexible and remote work opportunities were on the rise long before the covid-19 crisis. As brands expand their workforce nationally and remotely, they want to offer a consistent healthcare solution for their employees across all 50 states. Twelve percent of large employers are looking to adopt networks of high-performance healthcare providers in 2021.<sup>6</sup> With a nationwide direct primary care provider, members can access primary care physicians in every state, face to face or virtually, for one low membership fee. This membership takes flexibility to a whole new level for today's mobile workforce.

## DPC Delivers the On-Demand Healthcare Experience that Millennials Want

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Millennials take responsibility for their care and are less likely to depend on a health system they are not satisfied with. A Kaiser Family Foundation survey found that 45 percent of 18 to 29 year-olds and 28 percent of 30 to 49 year-olds have no primary care provider (PCP). They also learned that more than 33 percent of millennials prefer on-demand healthcare from retail walk-in clinics over visiting doctor offices.<sup>7</sup>

These statistics point to a more significant generational shift toward on-demand healthcare, where younger patients prioritize the delivery speed and availability of appointments. This group can learn the benefits of developing a long-term relationship with a PCP in a direct primary care environment with a little education. They still get speed and availability, but they can keep their health history in one central location. Millennials also enjoy the convenience of telemedicine and virtual care as they are early adopters of technology.

**45%**  
OF  
**18-29 yr olds**



**28%**  
OF  
**30-49 yr olds**

**No Primary Care Provider**

# A Cost-Effective Health Plan is a Business Strategy

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The nonprofit Business Group on Health (BGH) represents large employers and conducted the 2021 Large Employers' Health Care Strategy and Plan Design Survey in May and June 2020. The survey captured data from 122 large employers offering coverage to more than 9.2 million employees and dependents. Seventy-seven percent of the companies were building health plans for more than 10,000 employees.<sup>6</sup>

## Large Employers' Health Care Priorities for 2021

- Offer more types of virtual care/telehealth services
- Focus strategy on moderating high-cost claims
- Adopt networks of high-performance health care providers

A nationwide direct primary care provider like Healthcare2U can speak to all these needs. By adding DPC to any health plan, members benefit from virtual appointments and a nationwide network of primary care physicians without generating insurance claims. It's time to get creative with health plans and stop the bleeding. If you'd like more information on how direct primary care can offset the impact of claims, contact Healthcare2U.

## About Healthcare2U

Healthcare2U is a membership-based, hybrid direct primary care (DPC) organization that ensures employers of all sizes and structures have nationwide access to affordable, consistent and quality primary care 40 percent below the average cost of traditional DPC practices operating in the market today. Through our proprietary Private Physician Network (PPN)<sup>™</sup>, Healthcare2U promotes healthy living by detecting, treating, and managing acute and chronic conditions before the onset of serious illness. Healthcare2U is headquartered in Austin, Texas, and is available nationwide. For more information, visit [healthc2u.com](https://healthc2u.com).



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[healthc2u.com](https://healthc2u.com)

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*\*DPC reduces claims exposure for employers, which offsets the cost of a Healthcare2U direct primary care membership by producing a proven 13+ percent first year ROI.*