

Testimony for Public Hearing Pennsylvania Senate Banking and Insurance Committee

SB 926

Direct Primary Care Medical Service Agreement Act

December 08, 2017

Dear Mr. Carlton Logue:

My name is Jonathon Izbicki and I am board certified family physician. My brother, Harry Izbicki and I are co-owners of Izbicki Family Medicine | Direct Primary Care in Erie, Pennsylvania, which is Pennsylvania's first Direct Primary Care practice which launched in September of 2013.

We are both Erie natives. I attended Penn State – Erie and Harry attended Gannon University, both of which are in Erie. We were both fortunate enough to attend the Lake Erie College of Osteopathic Medicine in our hometown. We graduated from residency from Saint Vincent Health Center in Erie, PA in 2005 and have been in medical practice together since then. As you can see, we are committed to our community to have received our education and clinical training.

I am both grateful and thankful for the opportunity to provide testimony to the committee and the public about the emerging model of Direct Primary Care (DPC). Pennsylvania patients continue to struggle with increasing out-of-pocket costs for basic primary care needs due to changing insurance market and the status quo of QHDHP, where many patients are forgoing primary care. Direct Primary Care is viable options which offer an affordable, accessible and attentive alternative options. The Direct Primary Care model is a patient-centered approach which allows the patient and doctor to work together in a better collaborative while receiving significant benefits from the significant cost savings programs that DPC practices offer to their patients. These practices are succeeding in PA and in 47 other states; DPC has seen a national growth rate of 590.4% since 2014 as evidenced on www.dpcfrontier/mapper.com. The American Academy of Family Physicians estimates that approximately 3% of their members practice in the Direct Primary Care model.

At present, we are into our 5th year of Direct Primary Care with increasing interest and growth, as we continue to show how Direct Primary Care practice can improve access to care, improve quality, reduce costs, and allow for greater patient satisfaction, while at the same time, saving patients a significant amount of their primary care expenses through our wholesale pharmacy, labs, and imaging programs. The majority of our patients are blue-collar that have private or commercial insurance, but also other blue-collar workers, who do not have any coverage through their employers. Many of our patients partner with our practice as means to self-insure against their QHDHP's.

We also see patients with traditional (not high-deductible) insurance, including Medicare, who come to our Direct Primary Care practice because they are looking for the time and access to their physician that they cannot get in any other traditional practice setting. And I believe that these patients, too, should have the opportunity to have access to this model of care.

Many of my patients are self-employed or work for local small businesses. This practice model allows these employees access to high-quality healthcare that is affordable to them. I have spoken to other local small business owners who are interested in offering this to their employees.

This offers insurance companies significant savings, because it helps prevent more serious and costly illnesses, all while helping patients not spend their entire deductible—and in fact, in many other states, insurance companies and employers have partnered together with Direct Primary Care practices to reduce costs for everyone. The patients that I see in my new practice are so grateful that they can finally afford to see a doctor, to have a primary care physician who knows them, and to have a practice that will work with them to help make their care affordable.

In an effort to delineate the unique and necessary aspects of a Direct Primary Care medical arrangement, here are some essential pillars of the model:

1. All prices in DPC are completely and 100 % **transparent**. They are always discussed with the patient.
2. DPC practices charge a medical service fee that is periodic, most often monthly. This fee covers all visits, after hours coverage and care, access to discounted ancillaries and all in-office services outlined in the Patient Agreement. There are no co-pays, no co-insurance.
3. It is made clear in all advertising materials, in the Patient Agreement and discussed in person that Direct Primary Care is **not a substitution for health insurance and is not a form of health insurance**.
4. We make it clear that it is highly recommended, in the least, to have some form of coverage for catastrophic health issues.
5. If a patient does not have insurance, every effort is made to refer them to a licensed insurance agent or an agency to help with the purchase of a health plan.
6. **Our panel size is self-limited by our ability to provide the promised level of service. If we cannot accommodate our patients' needs, the patients will leave and the practice will fail.**
7. We are governed by the standards of our Hippocratic Oath and our State Board of Medicine.
8. The patient may leave the practice at any time.
9. We make it clear that we practice within the scope of our training.
10. In PA, most of us provide value-added services to the medical service fee; most routine in-office procedures are included at no added cost; if there is an added cost, it is negligible, TRANSPARENT and discussed with the patient.
11. Other value-added services include deeply discounted laboratory services, in-house dispensing of medications at near wholesale cost, radiology services at a fraction of the cost through third parties. Examples of these costs in each category will be provided at the end of this written testimony. *
12. DPC provides access, affordability and attention through same day/next day appointments for acute health issues and after-hours access via phone, text, email, Skype. Our goal is to keep people out of Urgent Care and the ER as best we can.
13. We are NOT concierge as we never bill third parties for medical services. Concierge medicine collects an additional fee (often an annual fee) in addition to still participating with and billing insurance. There are some DPC practices that still participate with and bill Medicare and/or Medicaid but these patients are not charged a medical membership fee; these are called “hybrid” practices and do not participate with commercial insurers so those patients join the DPC part of the practice by paying the medical service periodic fee.

The monthly medical service fee at Izbicki Family Medicine | Direct Primary Care are as follows:

Individual \$75/month

Couples \$145/month

Family (both parents & dependent children 22 years old and under) \$145/month (includes both parents) + \$10/month for each child; maximum charge of three children per family.

Parent (Father or Mother only) & child \$85/month (+ \$10/month for each additional child; maximum charge of three children per family.

Child only (No parents) \$75/month (1st child) + \$10/month for each additional child; maximum charge of three children per family.

DPC practices, both in PA and nationwide have seen growth from all factions of the public sector. Patient range from those that are of low on the socioeconomic scale, are middle class and those that are on the high end of earned income. Izbicki Family Medicine | Direct Primary Care patients consist of patients from all walks of life from: blue collar workers and laborers, teachers, owners of small businesses, CEO's, lawyers, physicians, and the unemployed. Having patient of all walks of life have come to enjoy the triple aim of patient care through our DPC practice.

In a collaborative, Direct Primary Care practices across Pennsylvania have compiled their demographic cross section analysis of patients and our practice is similar to other DPC practices across the state. Here are some data points:

13.5 % **no insurance**/ 10.5 % **Medicare**/ 3.5 % **Medicaid**/ 1.2 % **Health Sharing Ministries**/ 68% **private insurance**/ 3.3% **coverage not reported**.

Additionally, DPC helps patients find discounted pricing for **specialty services**. My patients have access to the following specialty services; the prices patients of Izbicki Family Medicine enjoy are listed first. This list is not inclusive but only a sampling. Regional comparison prices were found by using clearhealthcosts.com.

Echocardiogram = \$ 225.00

Highest regional charge found online = \$ 6,516

MRI Brain with and without contrast = \$ 450.00

Highest = \$12,862

Physical Therapy = \$75.00 initial one-hour visit/\$ 50.00 follow up 45 minute visit
\$ 50.00 copay for 30 minute visit

Highest = \$ 795.00 with

Chest x-ray = \$55.00

Highest = \$ 397.00

Glucose monitor w/ supplies = \$20.00

Highest = \$ 98.97

Nebulizer treatment = Free

Fair Market = \$60.00

Colonoscopy = \$1025.00 (includes facility fee and anesthesia)

Highest = \$7924.00

The link below is price sampler of our wholesale labs and medications.

http://doctoriz.com/uploads/IFM-DPC_Price-Samples_SECURED_20151117.pdf

***Radiology Prices**

CT- Head or Brain without contrast	\$325.00
MRI- Lumbar Spine without dye	\$325.00
MRI- Joint Upper Extremity without dye	\$200.00
CT- Abdomen/Pelvis with contrast	\$400.00
X-ray- Chest	\$55.00
X-ray- Knee, 3 views	\$75.00
X-ray- Hand, 2 views	\$55.00

I would like to gratefully thank the Committee on Banking and Insurance, the Pennsylvania Senate and Senator Pat Browne for the opportunity provide information and education about Direct Primary Care as an alternative practice model for the citizens of the Commonwealth of Pennsylvania. At this time, 23 states have passed legislation defining DPC and medical services provided through its offices as non-insurance, requiring no regulation from the insurance department but only oversight through the physicians' State Board of Medicine. On behalf of all DPC patients and physicians in PA, we sincerely appreciate your time and effort and look forward to favorable consideration of S 926. This bill will support more health care choices for Pennsylvanian patients, Pennsylvania's primary care physicians, and Pennsylvania's employers. All Pennsylvanians deserve access to high-quality primary care at a cost we can afford.

Thank you for your time and consideration.

Warm regards-

Jonathon Izbicki