

Direct practices in Washington state

Annual report to the Legislature
December 1, 2017

Mike Kreidler, *Insurance Commissioner*
www.insurance.wa.gov

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Executive summary

In 2007, the Washington State Legislature enacted Engrossed Second Substitute Senate Bill 5958, which is codified as RCW 48.150. This bill created an innovative primary health care delivery option called “direct practices.”

The bill requires the Office of the Insurance Commissioner (OIC) to report annually to the Legislature on direct health care practices. Under RCW 48.150.100(3), this includes but is not limited to “participation trends, complaints received, voluntary data reported by the direct practices and any necessary modifications to this chapter.”

In a direct health care practice, a health care provider charges a patient a set monthly fee for all primary care services provided in the office, regardless of the number of visits. No insurance plan is involved, although patients may have separate insurance coverage for more costly medical services. Direct practices are sometimes called “retainer” or “concierge” practices.

The 2017 annual report on direct patient-provider primary care practices analyzes two fiscal years of annual statements:

- **Fiscal year 2016:** July 1, 2015 through June 30, 2016.
- **Fiscal year 2017:** July 1, 2016 through June 30, 2017.

Participation trends in fiscal year 2017

- There were approximately 14,790 direct practice patients out of 6.7 million Washington state residents¹, 0.22 percent of the population.
- Overall patient participation increased 31%, from the fiscal year 2016 total of 11, 272 participants to 14,790 (an increase of 3,518 participants)
- The number of practices registered with the Office of the Insurance Commissioner increased from 30 in 2016 to 40 in 2017, although one--Affordable Access in Snoqualmie--did not respond to the annual survey.
- With the direct practice clinics that filled out the OIC survey in 2016 and 2017, fees changed in the following ways:
 - Five direct practices did not change their fees.
 - Six direct practices decreased fees.
 - Eleven direct practices increased fees.

Complaints received: The Insurance Commissioner’s consumer advocacy group did not receive any formal or informal complaints regarding direct patient practices.

¹ As reported by the U.S. Census Bureau

Voluntary data reported by direct practices: While all of the registered practices responded to the mandatory questions, not all of the direct practices chose to report voluntary information. Some said they do not collect this information, and others simply did not respond to the supplementary questions.

Necessary modification to chapter: The OIC does not recommend modifications to chapter RCW 48.150 at this time.

Background

In 2007, the Washington Legislature enacted a law to encourage innovative arrangements between patients and providers and to promote access to medical care for all citizens.

Engrossed Substitute Senate Bill 5958, known as the direct patient-provider primary health care bill and codified as Chapter 48.150 RCW, identified direct practices as “a means of encouraging innovative arrangements between patients and providers and to help provide all citizens with a medical home.”

Prior to the passage of this law, the OIC said that health care providers engaged in direct patient practices or retainer health care were subject to current state law governing health care service contractors. However, due to the limited nature of the business model, the agency recognized that imposing the full scope of regulation under this law was not practical or justified.

The 2007 law specifically says that direct practices operate under the safe harbor created by RCW 48.150 and are not insurers, health carriers, health care service contractors or health maintenance organizations as defined in RCW Title 48. As such, they operate without having to meet certain responsibilities that are required for insurers, including but not limited to financial solvency, capital maintenance, market conduct, and reserve and filing requirements. As a result, the OIC’s regulatory authority over these practices is extremely limited.

In 2013, the Legislature passed a bill repealing RCW 48.150.120, which had required the OIC to submit a study to the Legislature by December 1, 2013. With the passage of the Affordable Care Act (ACA) P.L. 111-152 (2010), the information the study required was no longer relevant.

During the 2014 regular legislative session, the Legislature passed ESSB 1480. This bill amends RCW 48.150.040 to allow direct practices to dispense an initial supply of generic prescription drugs if the supply does not exceed 30 days and does not involve an additional cost to the patient.

In regard to direct practices, the OIC’s only remaining regulatory role is collecting information from direct practices and submitting it to the Legislature on December 1 each year.

Annual reports

State law requires direct practices to submit annual statements to the OIC by October 1 of each year. The statements must include:

- The number of providers in each practice.
- The total number of patients.
- The average direct practice fee.
- Names of direct practice providers.
- Business addresses.

The Legislature did not give the OIC rulemaking authority over direct practices. However, the OIC does have the authority to tell direct practice clinics how to submit the statements, what format to follow in submitting statements, and what data to include.

The information in the annual report that the OIC submits to the Legislature must include:

- Participation trends.
- Complaints the OIC has received.
- Voluntary data that direct practices have reported.
- Any modifications to the chapter that the OIC recommends are necessary.

Definition of direct practices in Washington

Direct patient-provider primary care practices (direct practices) also are called “retainer medicine” or “concierge medicine.” Washington’s definition, which comes from RCW 48.150.010, says that a direct practice:

- Charges fees for providing primary care services.
- Offers only primary care services.
- Enters into a written agreement with patients describing the services and fees.
- Does not bill insurance to pay for any of the patient’s primary care services.

A direct practice is a model of care in which physicians charge a predetermined, fixed monthly fee to patients for all primary care services provided in their offices, regardless of the number of visits. RCW 48.150.010(8) defines “primary care services” as routine health care services, including screening, assessment, diagnosis, and treatment for the purpose of promotion of health, and detection and management of disease or injury.

Direct practices cannot market or sell to employer groups.

In 2009, the Legislature made minor modifications to the original legislation. The modifications allow direct practices to accept a direct fee paid by an employer on behalf of an employee who is a patient. However, the law still prohibits employers from entering into coverage agreements with direct practices.

Physicians who provide direct care say their practices serve fewer patients than conventional practices, but give patients more time during office visits to ask questions and receive explanations regarding medical care. Some direct practices offer additional services, such as same-day appointments, extended business hours, home visits and 24-hour emergency physician availability.

Direct practices are not:

Comprehensive health care coverage

Direct practices are not comprehensive coverage. Under RCW 48.150.010(4)(d), direct practice services must not include more than an initial 30-day supply of prescription drugs,

hospitalization, major surgery, dialysis, high-level radiology, rehabilitation services, procedures requiring general anesthesia, or similar advanced procedures, services or supplies.

In fact, RCW 48.150.110(1) requires direct practice agreements to contain this disclaimer: "This agreement does not provide comprehensive health insurance coverage. It provides only the health care services specifically described."

Access fee models

Some practices in Washington offer a variety of amenities in return for an access fee. Most of these providers offer amenities such as "improved" access through some type of same-day office visits, email or telephone consultation, 24/7 contact by pager or cell phone, lifestyle planning, special tracking and follow-up. These amenities are in addition to an underlying health care agreement and can only apply to non-covered services.

Discount health plans

Discount health plans are membership organizations that charge a fee for access to a list of providers who offer discounted health care services or products.

Cash-only or fee-for-service practices

Cash-only practices do not charge a monthly fee. These practices charge patients for non-emergency services on an as-needed basis. Many insurance plans reimburse these providers at the out-of-network rate.

2017 direct practice information

Direct practices originally began filing annual statements with the OIC in October 2007. For the 2017 survey, the OIC sent the survey to the direct practices in August 2017. The survey collects the mandatory information that state law requires and asks several voluntary questions.

This report compares data from two fiscal years of annual statements:

- **Fiscal year 2016:** July 1, 2015 – June 30, 2016
- **Fiscal year 2017:** July 1, 2016 – June 30, 2017

The following chart summarizes data that the OIC collected in fiscal year 2017.

Information for prior years is available in past reports² on the OIC's website.

Table 1. Data Summary

| Practice Name Location | # of patients FY 2016 | # of patients FY 2017 | Monthly fee FY 2016 | Monthly fee FY 2017 |
|--|-----------------------|---|---------------------|---|
| Affordable Access Snoqualmie | 137 | This direct practice did not respond to the 2017 survey | \$40 | This direct practice did not respond to the 2017 |
| Anchor Medical Clinic Mukilteo | 157 | 140 | \$99 | \$100 |
| Assurance Healthcare & Counseling Center Yakima | New report in 2017 | 863 | New report in 2017 | \$75 |
| Bellevue Medical Partners Bellevue | 560 | 580 | \$180 | \$185 |
| BlissMD Seattle | New report in 2017 | 398 | New report in 2017 | \$174.30 |
| CARE Medical Associates Bellevue | 308 | 295 | \$122.39 | \$123.36 |
| The Charis Clinic Edmonds | 11 | 3 | \$59 | \$69 |
| Coho Medical Group Bellevue | 53 | 80 | \$59 | \$69 |
| Donald F. Condon, M.D. Spokane | New report in 2017 | 149 | New report in 2017 | \$79.23 |
| Heritage Family Medical Olympia | 12 | 16 | \$62 | \$64 |

² Link to past reports: <https://www.insurance.wa.gov/about-oic/reports/commissioner-reports/>

| Practice Name Location | # of patients FY 2016 | # of patients FY 2017 | Monthly fee FY 2016 | Monthly fee FY 2017 |
|---|-------------------------------|-----------------------|---------------------|---------------------|
| Edmonds Health Clinic Edmonds | 7 | 12 | \$95 | \$95 |
| Family Care of Kent Kent | New report in 2017 | 0 | New report in 2017 | \$60 |
| GoodMed Direct Primary Care Seattle Seattle | 116 | 196 | \$55 | \$50 |
| Guardian Family Care Mill Creek | 250 | 278 | \$94 | \$107.50 |
| Jared Hendler, M.D. Bainbridge Island | 103 | 95 | \$195.11 | \$247 |
| Hudson's Bay Medical Group Vancouver | New report in 2017 | 9 | New report in 2017 | \$60 |
| Lacamas Medical Group Camas | 60 | 118 | \$70 | \$60 |
| Lissa Lubinski MD Port Angeles | New report in 2017 | 13 | New report in 2017 | \$42 |
| The Manette Clinic Bremerton | New report in 2017 | 578 | New report in 2017 | \$67.46 |
| MD² Bellevue | 198 | 199 | \$1,082.81 | \$1,079.67 |
| MD² Seattle | 233 | 230 | \$944.03 | \$942.03 |
| O'Connor Family Medicine Spokane | 5 | 4 | \$49 | \$49 |
| Office of Michael Jackson University Place | New report in 2017 | 1 | New report in 2017 | \$60 |
| Paladina Health Federal Way, Puyallup, Tacoma, Vancouver | 2283 | 2779 | \$69 | \$69 |
| Patient Direct Care Battle Ground | Not applicable (new practice) | 923 | \$75 | \$42 |
| PeaceHealth Medical Group Vancouver | 30 | 26 | \$82.33 | \$85 |
| Pier View Chiropractic Normandy Park | New report in 2017 | 206 | New report in 2017 | \$95.50 |
| RediMedi Clinic Wenatchee | 360 | 460 | \$50 | \$50 |
| Ridgefield Family Medicine Ridgefield | New report in 2017 | 85 | New report in 2017 | \$60 |
| Salmon Creek Family Practice Vancouver | New report in 2017 | 27 | New report in 2017 | \$60 |
| Seattle Medical Associates Seattle | 2870 | 3003 | \$139 | \$137 |

| Practice Name Location | # of patients FY 2016 | # of patients FY 2017 | Monthly fee FY 2016 | Monthly fee FY 2017 |
|---|-----------------------|-----------------------|---------------------|---------------------|
| Seattle Premier Health Seattle | 431 | 472 | \$208 | \$208.33 |
| Sound Clinical Medicine Gig Harbor | New report in 2017 | 0 | New report in 2017 | \$60 |
| Swedish Ballard Family Medicine Clinic Seattle | 96 | 46 | \$55 | \$55 |
| Total Care Clinics Kennewick | New report in 2017 | 30 | New report in 2017 | \$60 |
| True North Health Services Spokane | New report in 2017 | 4 | New report in 2017 | \$65 |
| Urgent Medical Center Vancouver | New report in 2017 | 33 | New report in 2017 | \$60 |
| Vantage Physicians Olympia | 656 | 734 | \$95 | \$93.40 |
| Vintage Direct Primary Care Poulsbo, Kingston | New report in 2017 | 664 | New report in 2017 | \$62.63 |
| Washington Park Direct Care Centralia | 902 | 960 | \$49 | \$49 |
| Wise Patient Internal Medicine Seattle | 36 | 81 | \$50 | \$100 |
| Total number of patients in all direct practices | 11,272 | 14,790 | | |

Locations

In 2017, 40 direct practices were in business, although one--Affordable Access in Snoqualmie--did not respond to the annual survey.

- In 2017, 17 direct practices opened and/or began reporting to the OIC:
 - Assurance Healthcare
 - BlissMd
 - Donald F. Condon, M.D.
 - Edmonds Health Clinic
 - Family Care of Kent
 - Hudson's Bay Medical Group
 - Lissa Lubinski MD
 - Pier View Chiropractic
 - Urgent Medical Center
 - The Manette Clinic

- Office of Michael Jackson
- Ridgefield Family Medicine
- Salmon Creek Family Practice
- Sound Clinical Medicine
- Total Care Clinics
- True North Health Services
- Vintage Direct Primary Care
- Six clinics reported they no longer provide direct practice services:
 - Adventist Health
 - Columbia Medical Associates
 - Hirsch Center for Integrative Medicine
 - Qliance Medical Group
 - Roth Medical Center
 - Southlake Clinic

Direct practices operate in 12 Washington counties:

Benton:

- Total Care Clinics

Clallam:

- Lissa Lubinski MD

Clark:

- Hudson’s Bay Medical Group
- Lacamas Medical Group
- Patient Direct Care
- PeaceHealth
- Ridgefield Family Practice
- Salmon Creek Family Practice
- Urgent Medical Center

Douglas:

- RediMedi Clinic

King:

- Affordable Access
- Bellevue Medical Partners
- BlissMD

- Care Medical Associates
- Coho Medical Group
- Family Care of Kent
- GoodMed Direct Primary Care
- MD²
- Pier View Chiropractic
- Seattle Medical Associates
- Seattle Premier Health
- Swedish Ballard Family Medicine Clinic
- Wise Patient Internal Medicine

Kitsap:

- Jared Hendler, MD
- The Manette Clinic
- Vintage Direct Primary Care

Lewis:

- Washington Park Direct Care

Pierce:

- Office of Michael Jackson
- Paladina Health
- Sound Clinical Medicine

Snohomish:

- Anchor Medical Clinic
- The Charis Clinic
- Edmonds Health Clinic
- Guardian Family Care

Spokane:

- Donald F. Condon, M.D.
- O'Connor Family Medicine
- True North Health Services

Thurston:

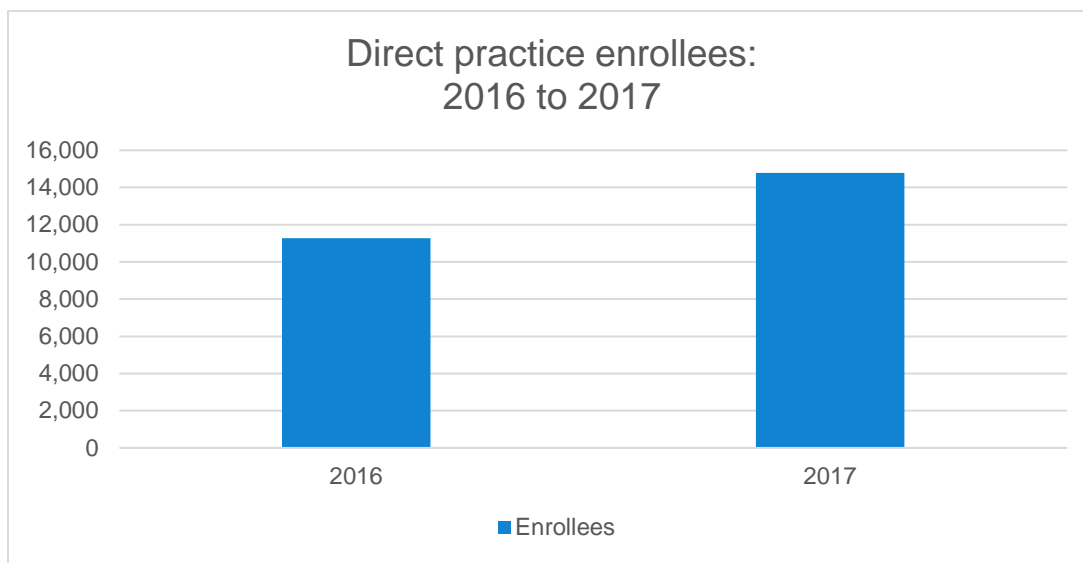
- Heritage Family Medicine
- Vantage Physicians

Yakima:

- Assurance Healthcare

Participation in fiscal year 2017

- Enrollment increased at 14 direct practice clinics.
 - One clinic experienced an enrollment increase of 496 clients: Paladina Health grew from 2,283 patients in 2016 to 2,779 patients in 2017.
 - There were 11,272 enrollees in fiscal year 2016 and 14,790 enrollees in fiscal year 2017. As a result, the overall direct practice patient participation increased in 2017 by 3,518 enrollees, or 31 percent:



- Eight clinics reported a total decrease of 104 direct practice patients.
- Fourteen clinics reported a total of 1,169 new patients, gaining as few as one patient (MD² Bellevue) to as many as 496 patients (Paladina).
- Fourteen direct practices participate as in-network providers in a health carrier's network in 2017. This is a significant change since 2007, when all direct practices reported that they performed direct-patient provider primary care practices exclusively.
- Twenty-six of the practices reported the percentage of their business that is direct practice.
 - Six practices reported that the percentage of their business that is direct practice is less than 10 percent. Of these, five reported that the percentage of their business that is direct practice is less than 5% percent.

Fees in fiscal year 2017

- Fees at five of the direct practices remained the same as last year.
- Eleven direct practices increased their monthly fees.
 - Six practices increased their fees by \$5 per month or more.
 - The highest increase was Jared Hendler, M.D., which raised its fees by \$51.89 per month.
- Six direct practices decreased their fees from \$1 to \$20 per month.

- The monthly fees for the new direct practices range from \$42 (Lissa Lubinski MD) to \$174.30 (BlissMD) per month.
- The average monthly fee decreased from \$154.65 in fiscal year 2016 to \$131.76 in fiscal year 2017, mostly because several of the new direct practices have a monthly fee of \$60.
 - The highest monthly fee is \$1,079.67 per month at MD² Bellevue.
 - The lowest monthly fee is \$42 per month at Lissa Lubinski MD and Patient Direct Care.

Affordability of direct practices

A key assumption underlying the legislation was that direct practices could provide affordable access to primary services. In theory, this would reduce pressure on the health care safety net or relieve problems caused by a shortage of primary care physicians, and possibly reduce emergency room use.

Monthly fees at direct practices vary from \$42 to over \$1,000. Enrollees at seven direct practices pay between \$100 and \$200 per month. In contrast, enrollees at 29 direct practices pay less than \$100, and enrollees at the other direct practices pay more than \$200. The OIC does not collect data regarding the affordability of the fees for direct practice patients.

Table 2 provides information about the enrollment in five fee ranges.

Table 2. Changes in practice census over time, based on monthly fee

| Monthly fee | \$ 50 or less | \$51 - \$75 | \$76 - \$100 | \$101 - \$200 | \$201 + |
|--------------------------|---------------|-------------|--------------|---------------|---------|
| FY 2017 Enrollees | 2,556 | 5,336 | 1,348 | 4,554 | 996 |
| FY 2017 Practices | 6 | 18 | 7 | 5 | 3 |
| FY 2016 Enrollees | 1511 | 2581 | 2167 | 4151 | 862 |
| FY 2016 Practices | 8 | 8 | 6 | 6 | 2 |
| FY 2015 Enrollees | 1519 | 2651 | 2737 | 3757 | 840 |
| FY 2015 Practices | 10 | 10 | 6 | 6 | 3 |

Direct practices and the insurance market

The OIC survey asks direct practice clinics if they collect information about patients' other health plans when patients enroll. For 2017, 19 of the 39 direct practices that responded to the OIC survey said they collect this information.

According to these clinics, the number of direct practice clients who are uninsured are:

- **Fiscal year 2017:** 450 enrollees, or 3 percent.
- **Fiscal year 2016:** 304 enrollees, or 2 percent.

Under state law, direct practices cannot bill insurers for primary care services. As a result, if direct practice enrollees have private insurance, it makes sense for them to buy a high-deductible health plan, also called catastrophic plans.

The number of direct practice clients who have private insurance (non-Medicare, non- Medicaid) are:

- **Fiscal year 2017:** 13 direct practices reported 5,677 enrollees who had private insurance, or 38 percent of all enrollees.
- **Fiscal year 2016:** 11 direct practices reported 4,815 enrollees who had private insurance, or 30 percent of all enrollees.

Fourteen direct practices reported the following Medicare enrollment:

- **Fiscal year 2017:** Around 2,708 enrollees or 18 percent.
- **Fiscal year 2016:** Around 3,000 enrollees or 26 percent.

Five direct practices reported the following Medicaid enrollment:

- **Fiscal year 2017:** 196 enrollees or 1 percent.
- **Fiscal year 2016:** 62 enrollees or .55 percent.

How direct practices evolved

Washington state is the birthplace of direct practices. The origins of this approach are often traced to a practice called MD² that began in 1996.

Since then:

- The American Medical Association and the American Academy of Family Physicians have established ethical and practice guidelines for direct practices.
- In 2003, the federal establishment of Health Savings Accounts (HSA) promoted consumer-directed medicine, which includes direct practices.
- In 2003, the Society for Innovative Medical Practice Design formed, representing direct practice physicians (its initial name was the American Society of Concierge Physicians).
- In 2004, the federal Office of the Inspector General for the Department of Health and Human Services warned practices about “double dipping,” and began taking enforcement steps against physicians who charged Medicare beneficiaries extra fees for already covered services, such as coordination of care with other health care providers, preventative services and annual screening tests. The practices were referred to under various names: concierge, retainer, or platinum practices.
- In 2005, the U.S. Government Accountability Office issued [GAO Report 05-929³](#), called “Physician Services: Concierge Care Characteristics and Considerations for Medicare.” At the time, there were 112 “concierge physicians” nationwide who charged annual fees ranging from \$60 to \$15,000.
- In 2006, Washington state’s Insurance Commissioner determined that retainer practices are insurance. West Virginia’s Commissioner made the same ruling in 2006.
- In 2007, Washington became the first state to define and regulate direct patient-primary care practices and to prohibit direct practice providers from billing insurance companies for services provided to patients under direct practice agreements.

Federal health care reform

On March 23, 2010, President Obama signed The Patient Protection and Affordable Care Act (PPACA), commonly referred to as the Affordable Care Act (ACA). It required the development of health benefit exchanges, beginning in 2015, to help individuals and small businesses purchase health insurance and qualify for subsidies that are available only for plans that are sold through an exchange.

³ Link to GAO report: <http://www.gao.gov/assets/250/247393.pdf>

Under the ACA, an exchange cannot offer any health plan that is not a qualified health plan, and each qualified health plan must meet requirement standards and provide an essential benefit package as described in the ACA. Essential health benefits include:

- Ambulatory patient services
- Emergency services
- Hospitalization
- Maternity and newborn care
- Mental health and substance use disorder services, including behavioral health treatment
- Prescription drugs
- Rehabilitative and habilitative services and devices
- Laboratory services
- Preventive and wellness services and chronic disease management
- Pediatric services, including dental and vision care

Since September 23, 2010, the ACA has required new health plans to eliminate cost-sharing requirements for evidence-based items or services that have an A or B rating from the United States Preventive Services Task Force.

The Exchange bill

In 2013, the Washington Legislature passed E2SHB 2319, "An act relating to furthering state implementation of the health benefit exchange and related provisions of the affordable care act." This is called "The Exchange bill."

Section 8(3) of the bill, now codified as RCW 43.71.065(3), allows the Exchange Board to permit direct primary care medical home plans, consistent with section 1301 of the ACA, to be offered in the Exchange beginning on January 1, 2015.

Section 1301(a)(3) TREATMENT OF QUALIFIED DIRECT PRIMARY CARE MEDICAL HOME PLANS.

The Secretary of Health and Human Services shall permit a qualified health plan to provide coverage through a qualified direct primary care medical home plan that meets criteria established by the Secretary, so long as the qualified health plan meets all requirements that are otherwise applicable and the services covered by the medical home plan are coordinated with the entity offering the qualified health plan.

The future of direct practices

These provisions raise questions about the direct practice model of care in the following areas:

How do direct practices operate under the ACA?

Direct practices are not insurers and are authorized to offer only primary care services to their direct practice patients and not comprehensive health care. Under the ACA, they are not qualified health plans eligible for sale through the Exchange.

The ACA does specify that a “qualified health plan” may provide coverage “through a qualified direct primary care medical home plan.” As a result, a direct practice may contract with a carrier to provide primary care services in a carrier’s qualified health plans.

How does the ACA affect consumers who have existing direct practice agreements?

The individual mandate responsibility provision of the ACA requires consumers to purchase health insurance no later than March 31, 2015. Direct practice agreements only provide primary care services. As such, they do not qualify as health insurance, so they do not meet the individual mandate requirement.

The Washington Health Benefit Exchange (Exchange) opened in late 2014 and began selling policies that were effective as early as January 1, 2015. Enrollment both inside and outside of the Exchange for the individual market showed a dramatic increase, with approximately 51,000 more health insurance enrollees in 2016 than in 2014.

Consumers who purchase health plans through the Exchange receive numerous benefits:

- If they meet income requirements, they’re eligible for subsidies or premium tax credits, which are not available outside of the Exchange. It’s possible that consumers who receive these financial incentives might cancel their direct practice agreements.
- Exchange health plans must include coverage for the Essential Health Benefits (“EHBs”), including but not limited to preventive services and chronic disease management. If a consumer enters into a direct practice agreement instead of going on a health plan that provides EHBs, the consumer could pay twice as much but only receive from the direct practice provider some primary care, preventive services and chronic disease management services that are also covered by their insurance plan.
- Limitations on maximum out-of-pocket expenses. A maximum out-of-pocket expense is the total amount of the plan’s annual deductible and other annual out-of-pocket expenses other than premiums that the insured is required to pay, such as copayments and coinsurance for a High Deductible Health Plan (HDHP). Consumers’ costs associated with a direct practice outside of the Exchange may not count as cost-sharing expenses for the HDHP. For example, a direct

practice provider is not a network provider and cannot bill health carriers regulated under chapter 48 RCW for health care services. The consumer would not benefit from direct practice monthly fees counting toward annual maximum out-of-pocket expense limits.

Nothing in federal health care reform bars direct practice arrangements from operating outside the Exchange.

There appears to still be a market for exclusive direct practices that cater to wealthier consumers and offer more of a concierge model, as well as for consumers who can't buy health care coverage on the Exchange, such as undocumented immigrants. In addition, some consumers simply join direct practices because they like the personal service, so these consumers will probably still continue to use direct practices.

Recommendations for legislative modifications

Washington is at the forefront of national regulation of direct primary care practices. Although direct primary care practices have not gained significant market share, they have expanded into 12 counties in the state.

The OIC does not have any recommendation for the Legislature to consider other than continuing to monitor direct practices using annual statements and consumer complaints.

APPENDIX A: Annual statement form

OFFICE OF THE INSURANCE COMMISSIONER DIRECT REACTICE ANNUAL SURVEY – 2017

| Mandatory questions |
|--|
| Practice name: |
| Practice address: |
| Names of providers who provide direct practice care: |
| Total number of patients currently enrolled in your direct practice: |
| Total number of current direct practice patients who are children: |
| Total number of current direct practice patients who are adults: |
| Average monthly fee: |
| Average annual fee: |

| Voluntary questions |
|---|
| Some direct practices use multiple names, so it can be difficult for us to determine which one to use in our annual direct practice report. If your direct practice uses multiple names, which name do you want our agency to use in our 2017 direct practice report? (To see the name that you asked us to use in 2016, please review the list of direct practices on the OIC website). |
| Do any of your clinic's direct practice providers participate as an in-network provider in a health carrier's network? |
| What percentage of your business is direct practice? |
| Has the practice discontinued any patients? |
| If the practice has discontinued patients: |
| How many patients has the direct practice discontinued? |

Reasons for discontinuation:

- The patient failed to pay the direct fee under the terms of the direct agreement.
- The patient performed an act that constitutes fraud.
- The patient repeatedly fails to comply with the recommended treatment plan.
- The patient is abusive and presents an emotional or physical danger to the staff or other patients of the direct practice.
- Other

Has the direct practice declined to accept any patients?

If yes, how many?

If yes, what were the reasons?

- The practice has reached its maximum capacity.
- The patient's medical condition is such that the provider is unable to provide the appropriate level and type of health care services in the direct practice.
- Other

When a new patient signs a direct practice agreement, does your clinic collect information about other health coverage the patient may have?

If so, how many of your direct practice patients:

| | |
|-------------------------------|-------|
| Have Medicaid | _____ |
| Have Medicare | _____ |
| Have private health insurance | _____ |
| Are uninsured | _____ |

Before you send the completed survey to us, please double-check to make sure you're including:

- Your completed 2017 direct practice survey
- **The latest copy of your direct practice agreement, including fee structure, disclosure statement, and marketing materials, if applicable**

Please send the materials to the Office of the Insurance Commissioner's Policy Division at:

- E-mail: policy@oic.wa.gov
- Mail: PO Box 40260 / Olympia, WA 98504-0260, or
- Fax: (360) 586-3109

APPENDIX B: Websites and addresses for direct practices

| Direct Practice | Address | Website |
|---|---|---|
| Affordable Access | 35020 SE Kinsey Street Snoqualmie, WA 98065 | http://www.snoqualmiehospital.org/ |
| Anchor Medical Clinic | 8227 44 th Avenue West, Suite E Mukilteo, WA 98275-2848 | http://www.anchormedicalclinic.com/ |
| Assurance Healthcare & Counseling Center | 1020 South 40 th Avenue, Suite A Yakima, WA 98908 | http://assurancehealth.org/ |
| Bellevue Medical Partners | 11711 NE 12th Street, Suite 2-B Bellevue, WA 98005 | http://www.bellevuemedicalpartners.com/ |
| BlissMD | 2914 East Madison, Suite 109 Seattle, WA 98112 | http://www.blissmd.com/ |
| CARE Medical Associates | 1407 116th Avenue NE, Suite 102 Bellevue, WA 98004 | http://www.cmadoc.com/ |
| The Charis Clinic | 23601 Highway 99, Suite A Edmonds, WA 98026 | http://charisclinic.com/ |
| Coho Medical Group | 1515 116th Avenue NE, Suite 201 Bellevue, WA 98004 | http://www.cohomedical.com/ |
| Donald F. Condon, M.D. | 9631 N. Nevada Street, Suite 202 Spokane, WA 99218 | http://doctorcondon.com |
| Edmonds Health Clinic | 221 4th Avenue North Edmonds WA 98020 | http://edmondshealthclinic.com/ |
| Family Care of Kent | 10024 SE 240 th Street Kent, WA 98031 | http://familycareofkent.com/ |
| GoodMed Direct Primary Care | 6553 California Avenue SW, Suite A Seattle WA 98146 | http://goodmedclinic.com/ |
| Guardian Family Care, PLLC | 805 164th Street SE, Suite 100 Mill Creek, WA 98102 | http://www.guardianfamilycare.net/ |

| Direct Practice | Address | Website |
|---|---|---|
| Jared Hendler, M.D. | 231 Madison Avenue South Bainbridge Island, WA 98110 | http://www.hendlermd.com/ |
| Heritage Family Medicine | 4001 Harrison Avenue N.W., Suite 101 Olympia, WA 98502 | http://www.heritagefamilymedicine.com/ |
| Hudson's Bay Medical Group | 100 East 33 rd Street Vancouver, WA 98663 | http://hudsonsbaymed.com/ |
| Lacamas Medical Group | 3240 NE 3rd Avenue Camas, WA 98607 | http://www.lacamasmedicalgroup.com/ |
| Lissa Lubinski MD | 816 East 8 th Street Port Angeles, WA 98326 | http://www.lissalubinski.com/ |
| The Manette Clinic | 1100 Wheaton Way Suite F and G Bremerton WA 98310 | http://themanetteclinic.com/ |
| MD² Bellevue | 1135 116th Avenue NE., Suite 610 Bellevue, WA 98004 | http://www.md2.com/ |
| MD² Seattle | 1101 Madison Street, Suite 1501 Seattle, WA 98104 | http://www.md2.com/ |
| O'Connor Family Medicine, PLLC | 309 East Farwell Road, Suite 204 Spokane, WA 99218 | http://www.ofmed.com/ |
| Office of Michael Jackson | 5350 Orchard Street West, Suite 202 University Place, WA 98467 | No website |
| Paladina Health | 1250 Pacific Avenue, Suite 110 Tacoma, WA 98402 | http://www.paladinahealth.com/individuals/ |
| Patient Direct Care | 209 East Main Street, Suite 121 Battle Ground, WA 98604 | http://www.ptdirectcare.com/ |
| PeaceHealth Medical Group | 16811 SE McGillivray Boulevard Vancouver, WA 98638 | https://www.peacehealth.org/ |
| Pier View Chiropractic | 19987 1 st Avenue South, Suite 102 Normandy Park, WA 98148 | https://www.pierviewchiropractic.com/ |
| RediMedi Clinic | 230 Grant Road, Suite B-2 East Wenatchee, WA 98802 | http://www.theredimedclinic.com/ |

| Direct Practice | Address | Website |
|---|---|---|
| Ridgefield Family Medicine | 8507 South 5 th Street Ridgefield, WA 98642 | http://ridgefieldfamilymedicine.com/ |
| Salmon Creek Family Practice | 1319 Northeast 134 th Street Vancouver, WA 98685 | No website |
| Seattle Medical Associates | 1124 Columbia Street, Suite 620 Seattle, WA 98104 | http://www.seamedassoc.com/ |
| Seattle Premier Health | 1600 East Jefferson Street, Suite 115 Seattle, WA 98122 | http://www.seattlepremierhealth.com/ |
| Sound Clinical Medicine | 6718 144 th Street NW Gig Harbor, WA 98332 | https://www.soundclinicalmedicine.com/ |
| Swedish Ballard Family Medicine Clinic | 1801 NW Market Street, Suite 403 Seattle, WA 98107 | http://www.swedish.org |
| Total Care Clinics | 1029 North Kellogg Street Kennewick, WA 99336 | https://www.totalcaretricity.com/ |
| True North Health Services | 5901 North Lidgerwood Street, Suite 21B Spokane, WA 99208 | http://tnhs1.com |
| Urgent Medical Center | 9430 NE Vancouver Mall Drive Vancouver, WA 98662 | No website |
| Vantage Physicians | 3703 Ensign Road NE, Suite 10A Olympia, WA 98506 | http://vantagephysicians.net/ |
| Vintage Direct Primary Care | 19319 7 th Avenue NE, Suite 114 Poulsbo, WA 98370 | http://vintagedpc.com/ |
| Washington Park Direct Care | 208 Centralia College Boulevard Centralia, WA 98531 | http://washingtonpark.md/ |
| Wise Patient Internal Medicine | 613 19th Avenue East, Suite 201 Seattle, WA 98112 | http://imwisepatient.com/ |

APPENDIX C: Voluntary information

| Entity | Do any providers in your practice participate as a network provider in a health carrier's network? | What percentage of your business is direct practice? | Has the Practice discontinued any patients? | Has the practice declined to accept any patients? | When patients sign the direct practice agreement, do you collect information about their other health coverage? | Number of patients who have Medicaid | Number of Patients who have Medicare | Number of patients who have private health insurance | Number of patients who are uninsured/no coverage |
|---|--|--|---|---|---|--------------------------------------|--------------------------------------|--|--|
| Affordable Access | This direct practice did not respond to the survey in 2017 | | | | | | | | |
| Anchor Medical Clinic | No | 100% | Yes | Yes | Yes | 5 | 65 | 30 | 40 |
| Assurance Healthcare & Counseling Center | No response | | | | | | | | |
| Bellevue Medical Partners | No | 100% | No response | Yes | No | No response | Around 50% | No response | No response |
| BlissMD | No | 100% | No | Yes | No | 0 | 211 | 187 | 0 |

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|------------------------------------|--|--|---|---|---|--|--------------------------------------|--|--|
| CARE Medical Associates | Yes | 80% | No | Yes | Yes | CARE Medical does not keep track of this information | | | |
| Coho Medical | Yes | 30% | Yes | Yes | Yes | 0 | 0 | 40 | 40 |
| Donald F. Condon, M.D. | Yes | 2.50% | Yes | No | No | Not applicable | | | |
| Edmonds Health Clinic | Yes | Less than 1% | No | No | | | | 2 | 10 |
| Family Care of Kent | No response | | | | | | | | |
| GoodMed Direct Primary Care | No | 100% | No | No | Yes | 10 | 3 | 48 | 135 |
| Guardian Family Care | No | 100% | Yes | Yes | Yes | Around 130 to 135 | Around 40 to 50 | Around 60 to 70 | Around 40 to 60 |

| Entity | Do any providers in your practice participate as a network provider in a health carrier's network? | What percentage of your business is direct practice? | Has the Practice discontinued any patients? | Has the practice declined to accept any patients? | When patients sign the direct practice agreement, do you collect information about their other health coverage? | Number of patients who have Medicaid | Number of Patients who have Medicare | Number of patients who have private health insurance | Number of patients who are uninsured/no coverage |
|---|--|--|---|---|---|--------------------------------------|--------------------------------------|--|--|
| Heritage Family Medicine | Yes | Less than 1% | No | No | No | Not applicable | | | |
| Hudsons Bay Medical Group | No response | | | | | | | | |
| Jared Hendler, M.D. | No | 100% | No | No | Yes | 0 | 31 | 55 | 9 |
| Lacamas Medical | No response | | | | | | | | |
| Lissa Lubinski MD | No | 100% | No | No | Yes | 0 | 0 | 11 | 2 |
| MD² Bellevue and MD² Seattle | No | 100% | No | Yes | No | Not applicable | | | |
| O'Connor Family Medicine | Yes | Less than 1% | Yes | No | Yes | 0 | 0 | 0 | 4 |

| Entity | Do any providers in your practice participate as a network provider in a health carrier's network? | What percentage of your business is direct practice? | Has the Practice discontinued any patients? | Has the practice declined to accept any patients? | When patients sign the direct practice agreement, do you collect information about their other health coverage? | Number of patients who have Medicaid | Number of Patients who have Medicare | Number of patients who have private health insurance | Number of patients who are uninsured/no coverage |
|----------------------------------|--|--|---|---|---|--------------------------------------|--------------------------------------|--|--|
| Office of Michael Jackson | No response | | | | | | | | |
| Paladina Health | Yes | 100% | No | No | Yes | 0 | 0 | All | 0 |
| Patient Direct Care | No | 100% | Yes | No | No | Not applicable | | | |
| PeaceHealth Medical Group | Yes | No response | Yes | No | Yes | 0 | 0 | 0 | 28 |
| Pier View Chiropractic | No | 100% | No | No | Yes, if the patient volunteers the information | | 25 | 117 | |
| RediMedi Clinic | No | 80% | Yes | No | No | Unknown | 12 | Unknown | Unknown |

| Entity | Do any providers in your practice participate as a network provider in a health carrier's network? | What percentage of your business is direct practice? | Has the Practice discontinued any patients? | Has the practice declined to accept any patients? | When patients sign the direct practice agreement, do you collect information about their other health coverage? | Number of patients who have Medicaid | Number of Patients who have Medicare | Number of patients who have private health insurance | Number of patients who are uninsured/no coverage |
|-------------------------------------|--|--|---|---|---|--------------------------------------|--------------------------------------|--|--|
| Ridgefield Family Medicine | No response | | | | | | | | |
| Salmon Creek Family Practice | No response | | | | | | | | |
| Seattle Medical Associates | No | 100% | Yes | No | Yes | 0 | 1357 | 1646 | 0 |
| Seattle Premier Health | No | 100% | No | No | Yes | 0 | 156 | 310 | 6 |
| Sound Clinical Medicine | No response | | | | | | | | |

| Entity | Do any providers in your practice participate as a network provider in a health carrier's network? | What percentage of your business is direct practice? | Has the Practice discontinued any patients? | Has the practice declined to accept any patients? | When patients sign the direct practice agreement, do you collect information about their other health coverage? | Number of patients who have Medicaid | Number of Patients who have Medicare | Number of patients who have private health insurance | Number of patients who are uninsured/no coverage |
|---|--|--|---|---|---|--------------------------------------|--------------------------------------|--|--|
| Swedish Ballard Family Medicine Clinic | Yes | No response | Yes | No | Yes | 2 | 3 | 6 | 35 |
| The Chris Clinic | Yes | Less than 50% | Yes | Not for years | Yes | 0 | 1 | 0 | 2 |
| The Manette Clinic | Yes | 53% | Yes | No | Yes | 0 | 310 | 0 | 0 |
| Total Care Clinics | No response | | | | | | | | |
| True North Health Services | Yes | Less than 5% | Yes | No | Yes | | | | 4 |
| Urgent Medical Center | No response | | | | | | | | |

| Entity | Do any providers in your practice participate as a network provider in a health carrier's network? | What percentage of your business is direct practice? | Has the Practice discontinued any patients? | Has the practice declined to accept any patients? | When patients sign the direct practice agreement, do you collect information about their other health coverage? | Number of patients who have Medicaid | Number of Patients who have Medicare | Number of patients who have private health insurance | Number of patients who are uninsured/no coverage |
|---------------------------------------|--|--|---|---|---|--------------------------------------|--------------------------------------|--|--|
| Vantage Physicians | Yes | 100% | Yes | Yes | Yes | 49 | 204 | 386 | 95 |
| Vintage Direct Primary Care | No response | | | | | | | | |
| Washington Park Direct Care | No | 75% | Yes | Yes | Yes | Unknown | | | |
| Wise Patient Internal Medicine | Yes | Less than 10% | No | No | No response | | | | |