

# Direct practices in Washington state

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Annual report to the Legislature

December 1, 2016

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[www.insurance.wa.gov](http://www.insurance.wa.gov)

# Table of Contents

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<b>Executive summary .....</b>	<b>1</b>
Participation trends .....	1
Complaints received .....	2
Voluntary data.....	2
Necessary modifications to the law.....	2
<b>Background .....</b>	<b>3</b>
Annual reports .....	3
Definition of direct practices in Washington.....	4
<b>2016 direct practice information.....</b>	<b>6</b>
Table 1: Data summary.....	6
Locations .....	10
Participation .....	11
Fees.....	13
Affordability of direct practices.....	13
Table 2: Changes in practice census over time .....	14
Direct practices and the insurance market.....	14
<b>How direct practices evolved.....</b>	<b>15</b>
Federal health reform.....	15
The Exchange bill.....	16
The future of direct practices.....	17
<b>Recommendation for Legislative modification .....</b>	<b>19</b>
<b>Appendix A</b>	
Direct practice annual statement form .....	A-1
<b>Appendix B</b>	
Websites and addresses for direct practices .....	B-1
<b>Appendix C</b>	
Voluntary information .....	C-1

## Executive summary

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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 2016 annual report on direct patient-provider primary care practices analyzes two fiscal years of annual statements:

- **Fiscal year 2015:** July 1, 2014 through June 30, 2015.
- **Fiscal year 2016:** July 1, 2015 through June 30, 2016.

### Participation trends in fiscal year 2016

- There were approximately 11,272 direct practice patients out of 6.7 million Washington state residents<sup>1</sup>, .16% of the population.
- Overall patient participation decreased by 232 patients, or 3 percent, from 11,504 participants in fiscal year 2015 to 11,272 participants in fiscal year 2016.
- The number of practices decreased from 33 to 30. Two new direct practices opened in:
  - Camas
  - Edmonds
- Fees changed in the following ways:
  - Fourteen direct practices did not change their fees.
  - Five direct practices decreased fees.
  - Nine direct practices increased fees.

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<sup>1</sup> As reported by the U.S. Census Bureau

- Only one direct practice, Qliance, reported that it participates as a network provider with a health insurance issuer inside the Washington Health Benefit Exchange (Exchange).

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

**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

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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 2012, 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, 2012. 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 2013 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.

## 2016 direct practice information

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Direct practices originally began filing annual statements with the OIC in October 2007. For the 2016 survey, the OIC sent the survey to the direct practices in August 2016. 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 2015:** July 1, 2014 – June 30, 2015
- **Fiscal year 2016:** July 1, 2015 – June 30, 2016

The following chart summarizes data that the OIC collected in fiscal year 2016. The direct practices that have reported annual information to the OIC since 2007 are in bold.

Information for prior years is available through past reports:

<https://www.insurance.wa.gov/about-oic/reports/commissioner-reports/>

**Table 1. Data Summary**

<b>Practice Name Location</b> ( <b>Bold</b> = Practices that have reported direct practice data to the OIC since 2007)	<b># of patients FY 2015</b>	<b># of patients FY 2016</b>	<b>Monthly fee FY 2015</b>	<b>Monthly fee FY 2016</b>
Adventist Health Medical Group Walla Walla	24	14	\$49	\$49
Affordable Access [Formerly Snoqualmie Ridge Clinic] Snoqualmie	205	137	\$30	\$40
<b>Anchor Medical Clinic</b> Mukilteo	157	157	\$99	\$99
<b>Bellevue Medical Partners</b> Bellevue	550	560	\$180	\$200
<b>CARE Medical Associates</b> Bellevue	302	308	\$123	\$122.39
Charis Family Clinic Edmonds	13	11	\$59	\$59

<b>Practice Name Location</b> ( <b>Bold</b> = Practices that have reported direct practice data to the OIC since 2007)	<b># of patients FY 2015</b>	<b># of patients FY 2016</b>	<b>Monthly fee FY 2015</b>	<b>Monthly fee FY 2016</b>
Coho Medical Group Bellevue	32	53	\$79	\$59
Columbia Medical Associates Spokane	103	52	\$40	\$40
<b>DirectCareMD</b> <b>[Formerly Heritage Family Medicine]</b> Olympia	20	12	\$57	\$62
Edmonds Health Clinic [New for 2016] Edmonds	Not applicable	7	Not applicable	\$95
GoodMed Direct Primary Care [Formerly West Seattle Wellness] Seattle	0	116	\$50	\$55
<b>Guardian Family Care</b> Mill Creek	251	250	\$90	\$94
Jared Hendler, M.D. Bainbridge Island	94	103	\$176.75	\$195.11
Hirsch Center for Integrative Medicine Olympia	7	10	\$150	\$147.50
Lacamas Medical Group Camas	45	60	\$70	\$70
<b>MD<sup>2</sup> Bellevue</b> Bellevue	219	198	\$909	\$1,082.81
<b>MD<sup>2</sup> Seattle</b> Seattle	238	233	\$855	\$944.03

<b>Practice Name Location</b> ( <b>Bold</b> = Practices that have reported direct practice data to the OIC since 2007)	<b># of patients FY 2015</b>	<b># of patients FY 2016</b>	<b>Monthly fee FY 2015</b>	<b>Monthly fee FY 2016</b>
Meditrinalia Naturopathic [No longer offering direct practice as of 2016]	0	n/a	Blank	n/a
O'Connor Family Medicine Spokane	5	5	\$50	\$49
Paladina Health Federal Way, Puyallup, Tacoma, Vancouver	2410	2283	\$69	\$69
Patient Direct Care (new for 2016) Battle Ground	Not applicable	Not applicable (new practice)	Not applicable	\$75
PeaceHealth Medical Group Vancouver	52	30	\$82.21	\$82.33
Physicians Immediate Care & Medical Centers North Richland [No longer offering direct practice as of 2016]	14	n/a	\$69	n/a
Providence Medical Group Colville [No longer offering direct practice as of 2016]	4	n/a	\$57	n/a
<b>Qliance Medical Group of WA</b> Seattle, Kent, Bellevue, Tacoma, Lynnwood	1614	1067	\$95	\$79
RediMedi Clinic	278	360	\$50	\$50
Rockwood Clinic Spokane [No longer offering direct practice as of 2016]	72	n/a	\$45	n/a

<b>Practice Name Location</b> ( <b>Bold</b> = Practices that have reported direct practice data to the OIC since 2007)	<b># of patients FY 2015</b>	<b># of patients FY 2016</b>	<b>Monthly fee FY 2015</b>	<b>Monthly fee FY 2016</b>
Roth Medical Clinic Spokane	10	5	\$25	\$25
<b>Seattle Medical Associates</b> Seattle	2504	2870	\$139	\$139
Seattle Premier Health Seattle	383	431	\$208	\$208.33
Southlake Clinic Renton	300	300	\$200	\$200
Spokane Internal Medicine Spokane [No longer offering direct practice as of 2016]	49	n/a	\$69	n/a
Swedish Family Medicine – Ballard Seattle	96	46	\$55	\$55
<b>Vantage Physicians</b> Olympia	631	656	\$95	\$95
Washington Park Direct Care [Formerly Quick Clinic] Centralia	800	902	\$49	\$49
Wise Patient Internal Medicine Seattle	22	36	\$50	\$50
<b>Total number of patients in all practices</b>	<b>11,504</b>	<b>11,272</b>		

## **Locations**

In 2016, 30 direct practices were in business.

- Two new direct practices opened.
- Five clinics reported they no longer provide direct practice services.

Direct practices operate in the 10 Washington counties:

### **Clark:**

- Lacamas Medical Group
- Patient Direct Care
- PeaceHealth

### **Douglas:**

- RediMedi Clinic

### **King:**

- Affordable Access
- Bellevue Medical Partners
- Care Medical
- Coho Medical Group
- GoodMed Direct Primary Care
- MD<sup>2</sup>
- Qliance Medical Group
- Seattle Medical Associates
- Seattle Premier Health
- Southlake Clinic
- Swedish Family Medicine
- Wise Patient Internal Medicine

### **Kitsap:**

- Jared Hendler, MD

### **Lewis:**

- Washington Park Direct Care

**Pierce:**

- Paladina Health

**Snohomish:**

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

**Spokane:**

- Columbia Medical Associates
- O'Connor Family Medicine
- Roth Medical

**Thurston:**

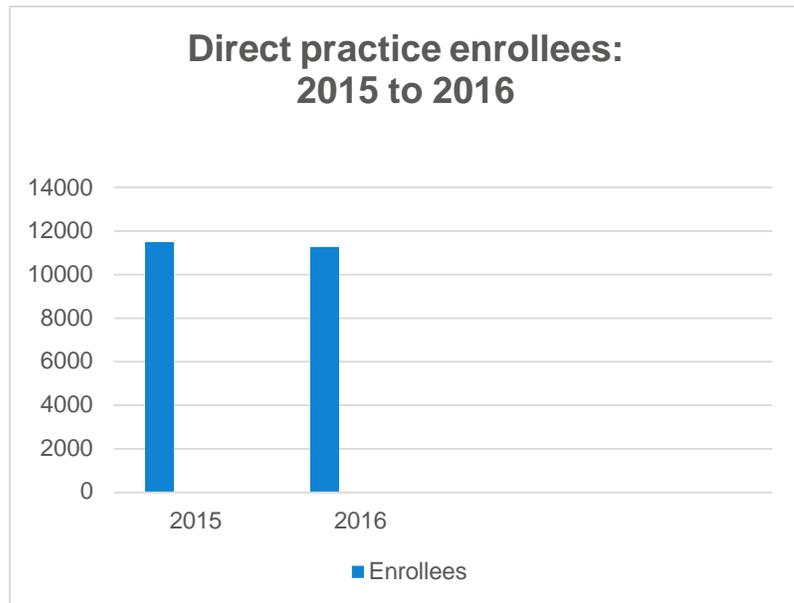
- DirectCareMD
- Hirsch Center for Integrative Medicine
- Vantage Physicians

**Walla Walla:**

- Adventist Health Medical Group

**Participation in fiscal year 2016**

- Although enrollment **decreased** at 13 direct practice clinics, 12 clinics **increased** enrollment.
  - One clinic experienced an enrollment increase of 366 clients: Seattle Medical Associates grew from 2,504 patients in 2015 to 2,870 patients in 2016.
  - There were 11,504 enrollees in fiscal year 2015 and 11,272 enrollees in fiscal year 2016. As a result, the overall direct practice patient participation decreased in 2016 by 232 enrollees, or 2 percent:



- Thirteen clinics reported a total decrease of 926 direct practice patients.
- Twelve clinics reported a total of 807 new patients, gaining as few as three patients (Hirsch Center for Integrative Medicine) to as many as 366 patients (Seattle Medical Associates).
- Fourteen of the direct practices participate as in-network providers in a health carrier's network in 2016. This is a significant change since 2007, when all direct practices reported that they performed direct-patient provider primary care practices exclusively.
- Twenty-three of these practices reported the percentage of their business that is direct practice.
  - Nine practices reported that the percentage of their business that is direct practice is less than 10 percent. Of these, six reported that the percentage of their business that is direct practice is less than 2 percent.

## **Fees in fiscal year 2016**

- Fees at 14 of the direct practices remained the same as last year.
- Nine direct practices increased their monthly fees.
  - Six practices increased their fees by \$5 per month or more.
  - The highest increase was MD2 Bellevue, which raised fees by \$173 per month.
- Five direct practices decreased their fees from \$1 per month to \$20 per month.
- The monthly fees for the two new direct practices are \$75 and \$95 per month.
- The average monthly fee increased from \$134 in fiscal year 2015 to \$154.65 in fiscal year 2016.
  - The highest monthly fee is \$1,082.81 per month at MD<sup>2</sup> Bellevue.
  - The lowest monthly fee is \$25 per month at Roth Medical Clinic in Spokane.

## **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 \$25 to more than \$1,000. Most enrollees pay between \$100 and \$200 per month. 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 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
FY 2014 Enrollees	654	533	2996	3720	755
FY 2014 Practices	7	7	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 2016, 15 of the 30 direct practices said they collect this information.

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

- **Fiscal year 2016:** 304, 2 percent.
- **Fiscal year 2015:** 962, 8 percent.

Under state law, direct practices cannot bill carriers 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 2016:** 11 direct practices reported 4,815 enrollees who had private insurance, or 30 percent of all enrollees.
- **Fiscal year 2015:** 15 direct practices reported 3,385 enrollees who had private insurance, or 30% of all enrollees.

Eight direct practices reported the following **Medicare** enrollment:

- **Fiscal year 2016:** Around 3,000 enrollees or 26 percent.
- **Fiscal year 2015:** 2,521 enrollees or 22 percent.

Four direct practices reported the following **Medicaid** enrollment:

- **Fiscal year 2016:** 62 enrollees or .55 percent.
- **Fiscal year 2015:** 58 enrollees or .50 percent.

## How direct practices evolved

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Washington is the birthplace of direct practices. The origins of this approach are often traced to a practice called MD<sup>2</sup> that began in 1996.

Since then:

- Both 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 05-929](#), 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’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 2014, 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.

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 2012, 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, 2014.

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

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

### 1. How will 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.

For fiscal year 2016, only one direct practice, Qliance, reported that it participates as a network provider for a health insurance plan (Coordinated Care) sold on the Exchange. This is a significant change for this direct practice, which has been in operation since 2007 and is one of the original direct practices as well as one of the largest.

### 2. 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, 2014. 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 2013 and began selling policies that were effective as early as January 1, 2014. 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 2015 than in 2013.

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.

### **3. If the Trump administration alters the ACA, how may that affect direct practices?**

The answer to this question will depend on if and how the Trump administration alters the ACA. Because Senate Democrats have enough votes for a filibuster, it appears unlikely that congressional Republicans will be able to repeal the law. It's possible that Congress could use a budget procedure to enact funding changes, and that the Trump administration could enact other changes through regulatory processes. Such changes, though, would take months. The OIC prepared most of this report the week of November 7, 2016. At that point, it was too soon to know what ACA changes may arise under the Trump administration.

The Trump administration could eliminate the tax penalty that applies to people who don't purchase health insurance coverage (the "individual mandate"). Direct practices don't qualify as health insurance for the purpose of the individual mandate, which may be one of the reasons why direct practice enrollment has decreased in the years since this requirement went into effect. If the Trump administration eliminates the individual mandate, it's possible that more people may start participating in direct practice agreements.

In addition, the Trump administration might start giving Medicaid block grants to states, which would decrease the amount of money that's available for the Washington state expanded Medicaid program. If the state Legislature is not able to identify an alternative funding source, the state may limit or eliminate the expanded Medicaid program. This, too, could result in an increase in the number of Washington residents who participate in direct practices.

There are many additional potential actions that the Trump administration could take that may result in an increase in direct practice enrollment. Overall, though, it's simply too soon to know what will happen.

**4. 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**

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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 10 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

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### DIRECT PRACTICE ANNUAL SURVEY – 2016

**When reporting data, please calculate from the date your direct practice began.**

Mandatory questions
Practice name:
Practice address:
Names of providers who provide direct practice care:
Total number of direct practice 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 what name we should use in our annual direct practice report. If your direct practice uses multiple names:

- What names does your practice use?
- Of those names, what name do you want our agency to use for your practice in our 2016 direct practice report?

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 2016 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 Carmen Stephens at:**

- Email: [CarmenS@oic.wa.gov](mailto:CarmenS@oic.wa.gov)
- Mail: PO Box 40260 / Olympia, WA 98504-0260, or
- Fax: (360) 586-3109



## APPENDIX B: Websites and addresses for direct practices

**Bold** = Practices that have reported direct practice data to the OIC since 2007

DIRECT PRACTICE ADDRESS	WEBSITE
Adventist Health Medical Group 1111 South 2 <sup>nd</sup> Avenue Walla Walla, WA 99362	<a href="https://www.adventisthealth.org/walla-walla/pages/services/adventist-health-medical-group.aspx">https://www.adventisthealth.org/walla-walla/pages/services/adventist-health-medical-group.aspx</a>
Affordable Access [Formerly Snoqualmie Ridge Clinic] 35020 SE Kinsey Street Snoqualmie, WA 98065	<a href="http://www.snoqualmiehospital.org/">http://www.snoqualmiehospital.org/</a>
<b>Anchor Medical Clinic</b> 8227 44 <sup>th</sup> Avenue West, Suite E Mukilteo, WA 98275-2848	<a href="http://www.anchormedicalclinic.com/">http://www.anchormedicalclinic.com/</a>
<b>Bellevue Medical Partners</b> 11711 NE 12 <sup>th</sup> Street, Suite 2-B Bellevue, WA 98005	<a href="http://www.bellevuemedicalpartners.com/">http://www.bellevuemedicalpartners.com/</a>
<b>CARE Medical Associates</b> 1407 116 <sup>th</sup> Avenue NE, Suite 102 Bellevue, WA 98004	<a href="http://www.cmadoc.com/">http://www.cmadoc.com/</a>
Charis Family Clinic 23601 Highway 99, Suite A Edmonds, WA 98026	<a href="http://charisclinic.com/">http://charisclinic.com/</a>
Coho Medical Group 1515 116 <sup>th</sup> Avenue NE, Suite 201 Bellevue, WA 98004	<a href="http://www.cohomedical.com/">http://www.cohomedical.com/</a>
Columbia Medical Associates 1003 East Trent, Suite 150 Spokane, WA 99220	<a href="http://www.columbiaprimarycare.com/">http://www.columbiaprimarycare.com/</a>
<b>DirectCareMD</b> <b>[Formerly Heritage Family Medicine]</b> 4001 Harrison Avenue N.W., Suite 101 Olympia, WA 98502	<a href="http://www.heritagefamilymedicine.com/">http://www.heritagefamilymedicine.com/</a>
Edmonds Health Clinic [New for 2016] 221 4 <sup>th</sup> Avenue North Edmonds WA 98020 [New for 2016]	<a href="http://edmondshealthclinic.com/">http://edmondshealthclinic.com/</a>
GoodMed Direct Primary Care [Formerly West Seattle Wellness]	<a href="http://goodmedclinic.com/">http://goodmedclinic.com/</a>

6553 California Avenue SW, Suite A Seattle WA 98136	
<b>Guardian Family Care, PLLC</b> 805 164 <sup>th</sup> Street SE, Suite 100 Mill Creek, WA 98102	<a href="http://www.guardianfamilycare.net/">http://www.guardianfamilycare.net/</a>
Jared Hendler, M.D. 231 Madison Avenue South Bainbridge Island, WA 98110	<a href="http://www.hendlermd.com/">http://www.hendlermd.com/</a>
Hirsch Center for Integrative Medicine 3525 Ensign Road NE, Suite N Olympia, WA 98506	<a href="http://doctorevan.com/">http://doctorevan.com/</a>
Lacamas Medical Group 3240 NE 3 <sup>rd</sup> Avenue Camas, WA 98607	<a href="http://www.lacamasmedicalgroup.com/">http://www.lacamasmedicalgroup.com/</a>
<b>MD<sup>2</sup> Bellevue</b> 1135 116 <sup>th</sup> Avenue N., Suite 610 Bellevue, WA 98004  <b>MD<sup>2</sup> Seattle</b> 1101 Madison Street, Suite 1501 Seattle, WA 98104	<a href="http://www.md2.com/">http://www.md2.com/</a>
O'Connor Family Medicine, PLLC 309 East Farwell Road, Suite 204 Spokane, WA 99218	<a href="http://www.ofmed.com/">http://www.ofmed.com/</a>
Paladina Health 1250 Pacific Avenue, Suite 110 Tacoma, WA 98402	<a href="http://www.paladinahealth.com/individuals/">http://www.paladinahealth.com/individuals/</a>
Patient Direct Care [New for 2016] 209 East Main Street, Suite 121 Battle Ground, WA 98604	<a href="http://www.ptdirectcare.com/">http://www.ptdirectcare.com/</a>
PeaceHealth Medical Group 16811 SE McGillivray Boulevard Vancouver, WA 98638	<a href="https://www.peacehealth.org/phmg/Pages/default">https://www.peacehealth.org/phmg/Pages/default</a>
<b>Qliance Medical Group of WA</b> 509 Olive Way, Suite 1607 Seattle, WA 98101	<a href="http://www.qliance.com/">http://www.qliance.com/</a>
RediMedi Clinic 230 Grant Road, Suite B-2 East Wenatchee, WA 98802	<a href="http://www.redimedclinic.com/">http://www.redimedclinic.com/</a>
Roth Medical Clinic 212 East Sanson Spokane, WA 99207	<a href="http://rothmedicalclinic.com/">http://rothmedicalclinic.com/</a>

<b>Seattle Medical Associates</b> 1124 Columbia Street, Suite 620 Seattle, WA 98104	<a href="http://www.seamedassoc.com/">http://www.seamedassoc.com/</a>
Seattle Premier Health 1600 East Jefferson Street, Suite 115 Seattle, WA 98122	<a href="http://www.seattlepremierhealth.com/">http://www.seattlepremierhealth.com/</a>
Southlake Clinic 4011 Talbot Road South, Suite 440 Renton, WA 98055	<a href="http://www.southlakeclinic.com/">http://www.southlakeclinic.com/</a>
Swedish Family Medicine – Ballard 1801 NW Market Street, Suite 403 Seattle, WA 98107	<a href="http://www.swedish.org">http://www.swedish.org</a>
<b>Vantage Physicians</b> 3703 Ensign Road, Suite 10A Olympia, WA 98506	<a href="http://vantagephysicians.net/">http://vantagephysicians.net/</a>
Washington Park Direct Care [Formerly Quick Clinic] 208 Centralia College Boulevard Centralia, WA 98531	<a href="http://washingtonpark.md/">http://washingtonpark.md/</a>
Wise Patient Internal Medicine 613 19 <sup>th</sup> Avenue East, Suite 201 Seattle, WA 98112	<a href="http://imwisepatient.com/">http://imwisepatient.com/</a>



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
Columbia Medical Associates	No response								
DirectCareMD	Yes	Less than 1%	Yes, one	No	No	Not applicable			
Edmonds Health Clinic	Yes	Not applicable (new direct practice, no patients yet)	Not applicable (new direct practice, no patients yet)	Not applicable (new direct practice, no patients yet)	Not applicable (new direct practice, no patients yet)	Not applicable (new direct practice, no patients yet)	Not applicable (new direct practice, no patients yet)	Not applicable (new direct practice, no patients yet)	Not applicable (new direct practice, no patients yet)
GoodMed Direct Primary Care	No	100%	No	No	Yes	No response			
Guardian Family Care	No	100%	Yes	No	No	Not applicable			
Jared Hendler, M.D.	No	100%	No	No	Yes	1	31	54	17

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
Hirsch Center for Integrative Medicine	No response								
Lacamas Medical	No response	1%	No	No	Yes	0	0	20	40
MD2 Bellevue and MD2 Seattle	No	100%	No	No	No	Not applicable			
O'Connor Family Medicine	Yes	Less than 1%	Yes	No	Yes	0	0	0	5
Paladina Health	Yes	100%	No	No	Yes	0	0	All	0
Patient Direct Care	Not applicable (this direct practice is new)								
PeaceHealth Medical Group	Yes	.003	Yes	Yes	Yes	0	0	1	29

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
<b>Qliance Medical Group</b>	Yes	7%	Yes	No	Yes	Less than 20	Less than 20	Most patients have some type of insurance, although the exact number is unavailable	Most patients are not uninsured, although the exact number is unavailable
<b>RediMedi Clinic</b>	No	50%	Yes	No	No	Not applicable			
<b>Roth Medical Center</b>	Yes	Less than 1%	No	No	No	Not applicable			
<b>Seattle Medical Associates</b>	No	100%	Yes	No	Yes	0	1285	1589	0
<b>Seattle Premier Health</b>	No	100%	No	No	Yes	0	148	290	6
<b>Southlake Clinic</b>	No response	Unknown	No	No	Yes	0	130	170	0
<b>Swedish Family Medicine - Ballard</b>	Yes	Less than 5%	Yes	No	No	Not applicable			

<b>Entity</b>	<b>Do any providers in your practice participate as a network provider in a health carrier's network?</b>	<b>What percentage of your business is direct practice?</b>	<b>Has the practice discontinued any patients?</b>	<b>Has the practice declined to accept any patients?</b>	<b>When patients sign the direct practice agreement, do you collect information about their other health coverage?</b>	<b>Number of patients who have Medicaid</b>	<b>Number of patients who have Medicare</b>	<b>Number of patients who have private health insurance</b>	<b>Number of patients who are uninsured / no coverage</b>
<b>Vantage Physicians</b>	Yes	100%	Yes	Yes	Yes	39	187	359	71
<b>Washington Park Direct Care</b>	No	75%	No	No	Yes	Unknown			
<b>Wise Patient Internal Medicine</b>	Yes	Less than 10%	No	No	No	Not applicable			