A DESK RESEARCH ON PRIMARY CARE OFFERED BY NON-TRADITIONAL STAKEHOLDERS PRIMARILY FOCUSED ON PAYERS AND EMPLOYERS IN US

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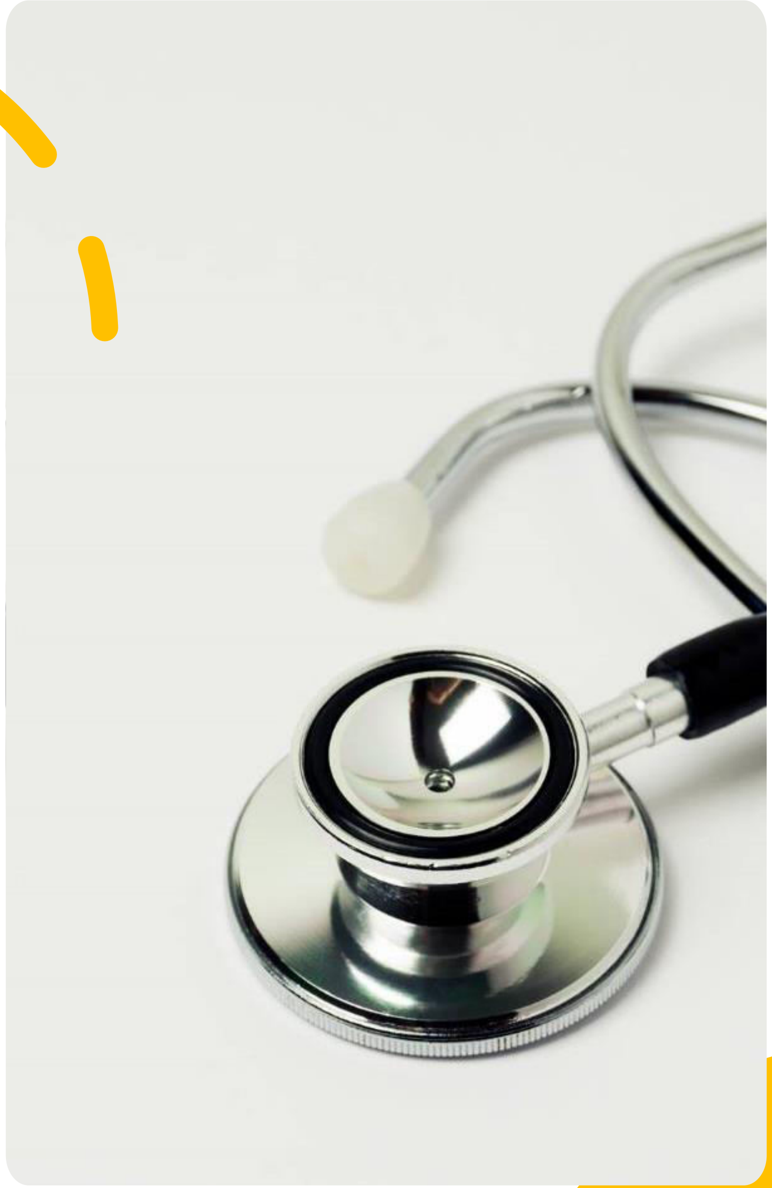

Introduction

- Primary care encompasses a broad spectrum of healthcare services and delivery models. It involves a whole-patient approach and takes into account a patient's physical and psychosocial health
- Although the US spends more on health care despite having worse outcomes than other high-income nations, one area where it underinvests is primary care
- Primary care is offered to the population of US from many years through traditional stakeholders but with growing need and emergence of next generation technologies, many non-traditional stakeholders have invaded the market. Few of them include the health plan/ payers offering primary care to their members, employers providing PC to their employees via onsite, near site or virtual care clinic

Objective

To develop the primary care (PC) categorization framework - by stakeholder

To know the primary care delivery model and how new tech disruptors are involved

To understand how payers and employers are providing primary care to their members and employees

Methodology

- A total of 75 research articles English language from electronic databases like PubMed, Medline, google scholar reviewed and hand searched in google and Bloomberg
- These articles were filtered on the basis of keywords mentioned below and time frame using shortcuts like ctrl+f and tools in google search engine
- Keywords
  - Primary care + US
  - Primary care + delivery model
  - Employers + primary care +us
  - Tech disruptors + primary care
  - Primary care + services
  - Primary care + challenges
  - Primary care + providers
- Inclusion criteria
  - It includes all studies from 2019 to May 2022
  - All the texts which are published in English and full text accessible
  - All the contents and publications which are directly relatable to nontraditional primary care in us and related disciplines
- Exclusion criteria
  - It excludes all the publications and articles before 2019
  - All the publications after May 2022
  - All the articles and publications which were not in English and were full text unavailable
  - All the publications which have no concerns with the field of primary care

Result

Primary care (PC) categorization framework - by stakeholder* (1/2)

Primary Care Stakeholders(traditional)	Hospital	Private practices
Overview	Hospitals are increasingly extending into primary care by offering **in-house primary care** or owning **private practices**	An independent physician owned/led medical practice model providing primary care to patient
Key Players	▪ In-house PC • Cleveland Clinic • Mayo clinic • Johns Hopkins Hospital • Mount Sinai Hospital	▪ Vancouver clinics ▪ ChenMed ▪ Aledade ▪ Forward Health
Trends and potential direction	▪ Acquisition of private practices by hospitals ▪ Increased adoption of telehealth	▪ Shift of private practice doctors to larger systems ▪ Expansion of physicians delivering personalized concierge-like care focused on prevention

Primary care (PC) categorization framework - by stakeholder* (2/2)

Primary Care Stakeholder(Non -traditional)	Employer	Health plan/payer	Tech and other disruptors
Overview	Employers offer PC services to their employees via two means: • Employer sponsored PC • Employer Built PC practices	Health plan providers are offering primary care services by two means : ▪ Insurer sponsored/led in-network care ▪ Insurer owned private PC practice	PC tech companies are focused in providing personalized, virtual care
Key Players	▪ Employer sponsor • Vera Whole Health • One Medical • Proactive MD • Premise Health • Everside ▪ Employer Owned • Amazon • Apple	▪ Insurer sponsored (in-network PC) • Vancouver clinic with Humana • Oak Street Health with Humana, Cigna, Anthem, and CVS Aetna • Lifespan with BCBS ▪ Insurer Owned • Humana's subsidiary Partners in Primary Care and acquired Family Physician Group • Cigna acquired MD Live	▪ Teladoc ▪ Amwell ▪ MDLive ▪ Amazon ▪ Doctor on demand ▪ Grand round
Trends and potential direction	▪ Traditional healthcare with nutritionists and exercise coaches offered to employees and their dependents	▪ Partnering with primary care providers to offer virtual first ▪ Payers are adopting hybrid model of healthcare delivery which will involve in-person and virtual care	▪ Partnering with telehealth to broaden healthcare access

Primary Care Models

Traditional care delivery model

Fee For Service

Healthcare providers and physicians are reimbursed based on the services they provide

Non-traditional/ emerging primary care delivery model

Direct Primary Care

Direct Primary Care (DPC)

Payment model where patients can directly seek primary care from the providers without the involvement of insurance companies. Individuals or employers pay a monthly, quarterly, or annual membership fee directly to the providers to avail the PC services

Concierge care model

Combination of membership fees (DPC) and insurance payments. Membership fee is often paired with insurance plan to cover specialized services that are not covered under the membership model[5,6]

Comparison of Direct primary care over the traditional FFS model

- Compared to traditional FFS primary care model, DPC/concierge model **enables patients to set same/next day appointments**, allows providers to **spend more time with patients** (~40-60 minutes)[9,] **lower administration burden** for physicians, **simplify revenue structure** and **minimizes practice overheads**[8]
- **Services included- Consultations**, **24/7 virtual physician access**, **certain diagnostic tests and office procedures**, care coordination[7-8]
- **Key Stats**-
  - **27% Increase in DPC practices since 2019**
  - **175% Higher average visit time v/s traditional practices**
  - **40% Reduced administrative financial costs vs FFS model**

Difference between membership based DPC vs Concierge model 1/2

Difference Metrics	Membership- based DPC model	Concierge model
Target population	Younger patients, especially those in rural areas are attracted towards DPC model	Patients over the age of 50, suffering from chronic and complex conditions prefer concierge primary care
Patient Size	Comparatively smaller patient panel; 50-550 patients	Patient panel ranges between patient panel was between 250-550 patients
Cost/fees	$50-$100/month, depending on the DPC practice's membership fee scale	$100-$200/month for their membership fees
Services	• Consultations, 24/7 virtual physician access, certain diagnostic tests and office procedures, care coordination • Services like specialist visits, urgent care, hospital are not covered and has to come out of pocket	Offer additional premium services e.g., such as specialist referrals in-depth physical examinations and screenings[3]
Payment model	Membership-based model where patients pay to provider directly through monthly, quarterly, or annual membership plans	Physicians generally accept membership charges from patients and also charge patient's insurance company to cover expenses of specialized services Membership is combines

Difference between membership based DPC vs Concierge model2/2

Difference Metrics	Membership based - DPC model	Concierge model
Administrative overhead	Comparatively lesser paperwork and administrative overheads as the practice thrives entirely on patient membership	Physicians have a higher administrative burden of insurance billing to receive payer reimbursements
Insurance regulations	Not subject to any regulations as do not accept Medicare or other insurance payments	Subjected to Medicare and other insurance regulations as per patient plan
Referral	Physician considered as an out-of-network provider	Patients can be referred for advanced/ specialty care The referred provider is considered as in-network provider under patients' insurance plan
ACA	DPC membership is accepted as acceptable form of healthcare coverage	Concierge membership not considered under ACA coverage
Big Picture Difference[3]	Physicians are away from influence of the hospitals and insurance companies offering them greater flexibility to treat patients	Physicians are somewhat under the influence of insurers for some treatment and referral decisions

Primary care offered by employers

Partnering with PC providers

- Employers have been primarily collaborating with PC providers including **open PC practices** and **employer focused PC practices**
- Most of the PC practices offer both **Direct Primary care (DPC)** and **Fee for service (FFS)** delivery/ payment model to the employers
  - Under the DPC model, employers pay the membership fee for their employees, that ranges from $25-$100 per month per employee
  - Some small employers pay half the fees and take the rest from the employee's payroll to provide DPC

	Employer focused practices	Open practices
DPC Only	proactive md, Premise Health, Northwell Direct	everside HEALTH
DPC and FFS		one medical, vera WHOLE HEALTH, crossover

Employers are slowly moving towards the DPC model from the traditional Fee for Service model

Building their own clinics

- Big tech firms are opening their own PC clinics by collaborating with providers
  - **Amazon Care,** initially launched for Amazon employees to provider them with a range of *virtual* and *in-person* primary care services
  - Later expanded to offer care to other employers (e.g., Silicon labs, Whole Foods)
  - Partners with *Care Medical*, which provides a team of clinicians to offer virtual care and in-person care at patient's home

care

- **Apple** started its own primary care services, **AC Wellness,** for its employees
- Hired healthcare staff from *Crossover Health* and *Stanford Health Care*

Employees are questioning the integrity of health data coming from the company's clinics that has been used to support product development

Primary care offered by payers

Payers offer primary care to their members by either through their in-network care or by owning private primary care practices

1) Insurers sponsored in network care

Payers are expanding their primary care provider network to offer affordable, quality and value based primary care to the patients

- Vancouver clinic and Humana have partnered, and these companies are opening Enliven, a new patient-focused primary care clinic in Oregon, which will accept all of Humana's Medicare Advantage PPO and HMO plans
- Oak Street Health is an in-network care provider for Medicare advantage plans for multiple payers
- BCBS, Rhode Island BlueCHiP Direct Advance plan offers primary care through Lifespan’s comprehensive network of providers

2) Insurer owned private primary practice

- Insurers are trying to control the care delivery along with the payment for care by acquiring/ opening their own primary care centers and virtual care providers
- Humana’s payer agnostic subsidiary, partners in primary care offers senior focused primary care to Medicare advantage patients
- Humana’s acquired FPG which offers primary care to Medicare advantage and Managed Medicaid HMO
- Beginning in Jan 2022, all members in Cigna's employer plans have access to MDLive' s network of virtual primary care providers

Humana

Partners in Primary Care

FPG Family Physicians Group

Cigna

MDLIVE

Summary of primary care offered by employers and payers

Both the stakeholders primarily provide PC by either partnering with the providers or opening their own clinic or center

Stakeholders	Partnership with providers	Opening their own clinic
Employers	proactive md + Greater Lafayette Commerce Premise Health + Perrigo Northwell Direct + Whole Foods Market one medical + Google vera whole health + Amy's crossover + amazon everside health + Spring Grove Area School District	care morganhealth
Insurers	Humana + Vancouver Clinic BlueCross BlueShield + Lifespan Delivering health with care Anthem, Cigna, Humana, CVS Health, aetna + Oak Street Health	Humana → Partners in Primary Care, FPG Family Physicians Group Cigna → MDLIVE

Tech-first primary care

• What is Tech-first Primary Care?

- Tech-first primary care is driven by **next-generation technologies** such as patient portals, applications, RPM and telemedicine to connect patients to the providers
- The primary focus in this model lies on **value-based care and payment models**
- Tech based health care companies were thrust into the spotlight, **as practices needed support communicating with patients**

Evolution since COVID-19

- Up to **$250 Bn** of the US healthcare spend could potentially be shifted to tech-first primary care
- It has the potential to capture **20% of all Emergency Room visits**
- Total of **$5.9 Bn**, including 66 primary care deals in 2020 raised by virtual care companies

1/5 of physicians expect to use telehealth solutions significantly more than they did pre-COVID, reports American medical association research

Strong continued uptake, favorable consumer perception, and tangible investment contributed **38X** usage of tele-health from pre-COVID-19 baseline

For the first time, digital health companies surpassed biopharma counterparts for the number of deals raising **~$15 Bn** in funding in 2020

Note: Figures for usage are for overall practice, unless specified for PCP

Abbreviation: RPM - Remote Patient Monitoring

Source: 1. Fierce Healthcare, 2. McKinsey, 3. Business Wire, 4. MedCity News, 5. Crossover Health

Virtual Consultation

• What is Virtual Consultation?

- Virtual consultation, a major part of tech-first primary care, is the **remote delivery of healthcare services** over the telecommunications infrastructure
- It allows PCPs to evaluate, diagnose and treat patients **without the need for an in-person visit**

Evolution since COVID-19

- **48% drop in volume of in-person primary care** office visits since onset of COVID-19; **<10%** of PCP practices have stabilized since COVID onset
- **30-35%** of all PCP visits are now telemedicine based
- **97% of all PCPs** were using telemedicine to treat patients by April 2020

Teladoc HEALTH

- Teladoc is the biggest telemedicine and virtual healthcare company in the US

158%
Increase in virtual visits post pandemic

36%
Increase in paid memberships post COVID-19

amwell

Amwell is a leading telehealth platform, based in Boston, MA

80%
Physicians reported at least one virtual visit post pandemic

54%
Share of total virtual visits done with a PCP

Other key players: MeMD, iCliniq The Virtual Hospital, MDLIVE, LiveHealth ONLINE, HealthTap

Note: Figures for Teladoc and Amwell are for overall practice, unless specified for PCP

Tech-first start-ups disrupting the traditional primary care services

Health-tech start-ups raised a total of $15.3 Bn in 2020, up from $10.6 Bn in 2019

Routine physicals

Digital Diagnostics · tytocare · higi

Symptom Checking & Triage

98point6 · Infermedica · ada

On-demand consultations

dr. on demand · dispatchhealth · Carbon Health

Laboratory Testing

bioiQ · everlywell · cue

Medication Adherence

MedMinder · HEALTHBEACON · pillsy

Remote patient monitoring

current health · physIQ · nanowear

Note: Categories are not mutually exclusive, companies were placed in the category that best represents their point of differentiation or primary value proposition

Conclusion

- Primary care is has now become an emerging form of care among the non-traditional stakeholders such as payers, employers and many pharmacies are offering primary care in the form of urgent care and retail clinic
- Health tech are disrupting primary care by increased use of telehealth and virtual platform for primary care which is making it more accessible for the patients
- Direct primary care is a popular alternative to traditional fee-for-service insurance billing. Most widely adopted in the individual market, the model allows doctors to spend more time with each patient as a result of smaller patient pools and less administrative paperwork

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Thankyou