

HOUSE MAJORITY OFFICE

FLORIDA HOUSE OF REPRESENTATIVES



According to a January 2018 survey from the <u>American Academy of Family</u> <u>Physicians</u>:

- Nearly two-thirds of family physicians report at least one element of burnout, and the trend is moving in the wrong direction.
- Of course, some physicians are escaping the burdens and complexity of the traditional feefor-service world by opting out and instead turning to direct primary care (DPC).

According to a December 2016 report from the Mercatus Center:

- DPC practices claim to reduce administrative overhead by approximately 40 percent.
- DPC practitioners tend to care for a smaller number of clients (800 at any one time rather than 2,000), thereby enabling them to spend more time with each patient during longer appointments.

According to a January 2017 survey from the <u>American Academy of Family</u> <u>Physicians</u> within the past year,

- Three percent of AAFP members practice in a DPC setting.
- DPC practitioners typically have a lower patient volume but also incur lower expenses for administrative staff, and they report having more time to spend with patients.

REFRESHER: HB 37 DIRECT PRIMARY CARE AGREEMENTS

BACKGROUND

Direct primary care (DPC) is a primary care medical practice model that eliminates third party payers from the primary care provider-patient relationship. Some DPC practices include routine preventative services, women's health services, pediatric care, urgent care, wellness education, chronic disease management, and home visits.

One of the most critical problems in healthcare is out of control and unjustifiable costs. Innovations like DPC cut costs by eliminating the administrative hassles of the third-party payer system.

Last session's DPC bill, CS/HB 161, passed the House, but died in the Senate. It was reintroduced by Rep. Burgess and was reported favorably by the Health & Human Services Committee on November 14, 2017.

The bottom line: HB 37 helps expand the use of direct primary care (DPC) in Florida by preventing DPC agreements from being regulated like insurance.

BILL HIGHLIGHTS

- The bill provides that a direct primary care provider may contract with individuals to provide pre-determined primary care services for a set monthly fee.
- The bill specifies that a direct primary care agreement does not constitute insurance and provides requirements for such agreement.
- The bill also:
 - Prohibits Florida's Office of Insurance Regulation from regulating direct primary care agreements between primary care providers and individuals. Exempts a primary care provider, or his or her agent, from certification or licensing requirements under Florida's Insurance e Code to market, sell, or offer to sell a direct primary care agreement.