



Friday, February 24, 2017

Bill Lindsay
Colorado Commission on Affordable Healthcare
Denver, CO 80203

Dear Mr. Lindsay:

In December 2016, the Colorado Academy of Family Physicians facilitated a presentation to the Commission regarding Direct Primary Care (DPC), an emerging healthcare delivery model that has demonstrated improved quality and reduced costs in a variety of settings. We would like to offer several recommendations for consideration, which build further on recommendations submitted by CAFP to the Commission December 10, 2015. If implemented, the proposed initiatives would contribute to reduced healthcare costs in the state while putting Colorado at the forefront of innovating toward an improved system of care.

Recommendations:

1. Encourage health insurance carriers to offer DPC-paired insurance products in two markets:
 - a. Encourage carriers offering Colorado state employee health benefit plans to develop insurance products for state employees that include DPC as an offering. Additionally, encourage municipalities and school districts to explore DPC as a product offering for their employees.
 - b. Encourage carriers to offer a DPC-paired insurance product on the Connect for Health Colorado marketplace in the 2018 plan year.
2. Initiate a Health First Colorado (Medicaid) DPC pilot program similar to the Qliance DPC program in the State of Washington and a proposed pilot program in Michigan. A Regional Accountable Entity may be the appropriate entity to conduct the pilot as authorized under HB12-1281 and extended under HB16-1407.
3. The Colorado Congressional Delegation should support efforts to enable Health Savings Accounts (HSA's) to be used to pay for DPC as a qualified medical expense. Such arrangements would enable consumers to more easily access DPC using tax-advantaged funds, just as they are able to do with other qualified medical expenses. Currently, under Internal Revenue Service (IRS) rules, HSA's are not permitted to be used for DPC, despite the U.S. Department of Health and Human Services interpreting DPC as an offering of primary care services. The Colorado Delegation can achieve this aim through two potential paths:
 - a. Urge a revision to IRS rules under current federal authority, or
 - b. If IRS continues to interpret federal law as precluding it from making such revisions, support the bipartisan Primary Care Enhancement Act (H.R. 365) recently introduced in the 115th Congress.

Nextera Healthcare, as noted in the December 2016 presentation to the Commission, has demonstrated both health improvement and significant cost savings. In a case study of Northern Colorado's DigitalGlobe employees participating in Nextera DPC, patients saw a 4.7% reduction in average risk scores after seven months. Additionally during the case study, DigitalGlobe employees in the DPC pilot saw a 25.4% reduction

in Per Member Per Month (PMPM) costs compared to a 4.1% reduction in PMPM costs among DigitalGlobe employees not participating in DPC.¹

Qliance, in the State of Washington, is a DPC practice that analyzed claims data of large employers with which it contracts and the analysis showed a 19.6% net savings. The company has since contracted with Centene, a Washington Medicaid Managed Care Organization, to deliver DPC to Medicaid patients in a pilot program.²

In late 2016, New Jersey announced that the New Jersey Health Benefits Program for state employees and School Employees Health Benefit Program will have access to DPC through R-Health. The program could reach as many as 500,000 employees.

DPC innovation is occurring around the country and throughout the State of Colorado. The above recommendations will help propel the state forward in its effort to contain costs while simultaneously achieving better health, better patient experience, and better provider satisfaction.

Should you have any questions, please feel free to contact us.

Sincerely,



Tamaan K. Osbourne-Roberts, MD FAAFP
President
Colorado Academy of Family Physicians

¹ Nextera Healthcare: DigitalGlobe Case Study <https://nexterahealthcare.com/wp-content/uploads/2016/08/NH-Digital-Globe-Study-2016.pdf>

² PR Newswire *New Primary Care Model Delivers 20 Percent Lower Overall Healthcare Costs, Increases Patient Satisfaction and Delivers Better Care*
<http://www.prnewswire.com/news-releases/new-primary-care-model-delivers-20-percent-lower-overall-healthcare-costs-increases-patient-satisfaction-and-delivers-better-care-300021116.html>