



WISCONSIN LEGISLATIVE COUNCIL

MEETING MINUTES

STUDY COMMITTEE ON DIRECT PRIMARY CARE

Room 412 East
State Capitol
Madison, WI

August 29, 2018
10:00 a.m. – 3:30 p.m.

Call to Order and Roll Call

Chair Darling called the meeting to order. A quorum was determined to be present.

COMMITTEE MEMBERS
PRESENT:

Sen. Alberta Darling, Chair; Rep. John Nygren, Vice-Chair; Sens. LaTonya Johnson and Tom Tiffany; Reps. Mary Felzkowski and Debra Kolste; and Public Members Greg Banaszynski, Coreen Dicus-Johnson, Suzanne Gehl, Maureen McNally, Tim Murray, Mark Rakowski, and Elizabeth Trowbridge.

COMMITTEE MEMBERS
EXCUSED:

Public Member Bob Van Meeteren.

COUNCIL STAFF PRESENT:

Brian Larson, Senior Staff Attorney; and Andrea Brauer, Staff Attorney.

APPEARANCES:

Representative Joe Sanfelippo; Mark Grapentine, Wisconsin Medical Society; Sue Buettner, President, David Eager, Chief Financial Officer, and David Noshay, Director of National Sales, QuadMed; Nancy Ott, Vice President of Employee Experience, and Pat Henderson, Executive Director of Government Affairs, Quad/Graphics; Norm Cummings, Director of Administration; Rae Anne Beaudry, Senior Vice President, The Horton Group; Renee Joos, Employee Benefits Director, City of Milwaukee; Ali Ekman, Wellness Coordinator Workforce Health, and Barb Fagan, Director Workforce Health Business Development, Froedert Hospital; Justin Sydnor, Associate Professor, Department of Risk

APPEARANCES (CONT.): and Insurance, Wisconsin School of Business; Tim Lundquist, Wisconsin Association of Health Plans; Larry Chapman, Summerset Marine Construction, Eagle, Wisconsin; and Senator Chris Kapenga.

Approval of the Minutes of the July 24, 2018 Meeting

Mr. Banaszynski moved, seconded by Representative Felzkowski, that the minutes of the July 24, 2018 meeting be approved. The motion was approved by voice vote.

Representative Joe Sanfelippo: Discussion of 2017 Assembly Bill 798 and 2017 Senate Bill 670

Representative Sanfelippo presented on companion bills 2017 Assembly Bill 798 and 2017 Senate Bill 670 ("the bill"), and described the DPC model's potential to improve health outcomes while achieving cost savings, consistent with a recent case study by DPC provider Paladina Health in Arvada, CO. He also stated that DPC is a form of health care, not health insurance, and that approximately half of the states have enacted legislation similar to the bill. Representative Sanfelippo cautioned against disrupting existing DPC practices, and stated that the bill aimed to provide legal certainty for DPC providers to help the model grow. With regard to the proposed Medicaid pilot, he stated that the bill, as amended, would have allowed the Department of Health Services and other healthcare groups to determine the parameters of the pilot, such as identifying which Medicaid populations would benefit most from DPC. In addition, he noted that the U.S. Department of Health and Human Services has expressed interest in collaborating with states to test the use of DPC in Medicaid.

Observations from Mark Grapentine, Wisconsin Medical Society

Mr. Grapentine described the high level of physician burnout in Wisconsin, as shown by two studies performed by the Wisconsin Medical Society. Among the causes of burnout, the following were identified: (1) burdensome documentation requirements; (2) systematic difficulties with using electronic health records; (3) burdensome and arbitrary insurance and governmental policy requirements or restrictions; (4) a perceived lack of respect for physician skill and knowledge from management; and (5) prioritization of profits over patient care. The Wisconsin Medical Society has taken a neutral position on the bill, which, as amended, would have ensured that any child involved in a DPC Medicaid pilot would have access to a physician. However, Mr. Grapentine is interested to see innovative models that might positively affect physicians.

Employers Using Direct Provider Contracting Models

Representatives From QuadMed and Quad/Graphics

Sue Buettner, President, QuadMed.

David Eager, Chief Financial Officer, QuadMed.

David Noshay, Director of National Sales, QuadMed.

Nancy Ott, Vice President of Employee Experience, Quad/Graphics.

Pat Henderson, Executive Director of Government Affairs, Quad/Graphics.

Representatives from QuadMed and Quad/Graphics explained that QuadMed was created in 1991 as an in-house health care provider for the printing company Quad/Graphics. Since then, QuadMed has expanded to offer on-site and shared clinics for employers nationwide. Representatives described the ways in which QuadMed's services have helped employers contain costs and improve health outcomes, and explained that the company's services are flexible and can be modified for each employer's needs.

Representative From Waukesha County

Norm Cummings, Director of Administration.

Mr. Cummings stated that Waukesha county, city, and school district entered into a direct care agreement with a national clinic provider called Healthstat to establish a shared clinic in November 2014. The clinic is available to municipal employees and their families, and provides primary care, preventive exams, health risk assessments, and a number of other services. Employees generally receive primary care services free of charge, although those who have a high deductible plan must pay a \$30 co-pay for non-preventative services. Mr. Cummings stated that an analysis of the return on investment over the first three years of clinic operations shows over \$20 million in savings.

Speaker Regarding the City of LaCrosse

Rae Anne Beaudry, Senior Vice President, The Horton Group.

Ms. Beaudry stated that in January 2017, the City of LaCrosse, which has a self-funded health plan, entered into a direct care agreement with a physician who operates the LaCrosse Neighborhood Family Clinic. City employees may receive primary care services from the clinic at no charge, and the city pays the physician on a fee-for-service basis. Ms. Beaudry stated that the city has seen approximately \$280,000 in net savings, as well as improved health outcomes.

Speakers Regarding the City of Milwaukee

Renee Joos, Employee Benefits Director, City of Milwaukee.

Ali Ekman, Wellness Coordinator Workforce Health, Froedert Hospital.

Barb Fagan, Director Workforce Health Business Development, Froedert Hospital.

Ms. Joos explained that the City of Milwaukee began a wellness program in 2008 to address rising healthcare costs. In 2014, the city opened a workplace clinic, which it has expanded with time to include additional staff and expanded clinic hours. Currently, the clinic is staffed with a nurse practitioner, medical assistant, and physical therapist. Employees pay no co-pays for clinic visits, and the city pays clinic staff an hourly charge. The city has also undertaken numerous wellness programs, and has seen an overall decrease in costs.

DPC and Health Insurance Market Overview

Justin Sydnor, Associate Professor, Department of Risk and Insurance, Wisconsin School of Business

Professor Sydnor presented thoughts about how DPC might affect the economics of health care, and described how different health care models affect incentives in the health care market. He also compared DPC to integrated health care systems, and described how patient incentives could be harnessed to promote DPC cost savings. Finally, he provided a few thoughts on regulations that might improve the DPC model, and discussed how a DPC pilot might be evaluated.

Observations From Tim Lundquist, Wisconsin Association of Health Plans

Mr. Lundquist raised a number of concerns related to the DPC model. He stated that DPC has the potential to increase adverse selection in the insurance market if healthy individuals choose to purchase DPC rather than comprehensive health insurance, which could exacerbate increases in premiums. Second, he noted that there is potential for consumer confusion and harm, if DPC functions like insurance without the same regulations and consumer protections. Third, he stated it is unclear how a DPC Medicaid pilot would function, including the allocation of payments between primary care and other levels of service. If legislation is recommended, Mr. Lundquist urges the committee to not exempt DPC from state insurance law, to designate a state agency for oversight, and to require DPC practices to provide proof of financial responsibility.

Patient Perspective on DPC

Larry Chapman, Owner, Summerset Marine Construction, Eagle, WI

Mr. Chapman stated that a number of years ago he entered into an agreement to receive DPC for his family of six. He was so pleased with the quality of care they received, as well as the cost of the services, that last year he purchased DPC memberships for all of his employees, in conjunction with a high deductible health plan.

Senator Chris Kapenga: Discussion of 2017 Assembly Bill 798 and 2017 Senate Bill 670

Senator Kapenga discussed the bill, and echoed many of Representative Sanfelippo's comments from earlier in the day. He stated that DPC practices in Wisconsin and other states are functioning well without significant state oversight, and that among the benefits of DPC, studies suggest it can achieve cost savings and improved health outcomes while helping alleviate physician burn-out. He also described the factors that he and Representative Sanfelippo considered during the bill drafting process as similar to the questions raised during the day, and stated that the bill strikes a balance between allowing DPC practices to continue to thrive, while providing for consumer protection. In addition, he stated that the DPC model should be examined for its potential to improve the state's Medicaid program.

Committee Discussion of Options and Plans for Future Meetings

The committee discussed a list of decision points for recommendations for legislation regarding DPC agreements in the private market: (1) whether the statutes should identify DPC as not insurance; (2) how to define DPC; (3) whether there are essential elements of a DPC agreement; (4) what disclosures patients should receive from their DPC providers; (5) whether a DPC provider's ability to accept or discontinue patients should be regulated; (6) whether the statutes should regulate DPC providers' network participation; and (7) what the appropriate level of administrative oversight is. The committee made no decisions, but did agree that DPC providers should have to make certain disclosures to patients. The committee also discussed recommending no legislation as an option.

Adjournment

The meeting adjourned at 3:30 p.m.

AB:jal

[The preceding is a summary of the August 29, 2018 meeting of the Study Committee on Direct Primary Care, which was recorded by WisconsinEye. The video recording is available in the WisconsinEye archives at <http://www.wiseye.org/Video-Archive>.]