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Support: SB 727 Application to Direct Primary Care Agreements – Exclusion

What is Direct Primary Care (DPC)?

- Direct primary care is an emerging health care model that is an alternative to fee-for-service arrangements. The DPC model incentivizes physicians to spend more time with patients and increases overall quality of care
- Direct primary care uses a contract that exchanges a regular membership payment (usually monthly) for specified healthcare services
- Typical monthly membership fees range from \$25 to \$125
- Covered services usually include same day/next day clinic visits, laboratory tests (including urinalysis, X-rays, and EKGs), and negotiated discounts for services from other physicians

DPC is NOT insurance or ‘concierge’ medicine

- Concierge primary care practices typically accept insurance but—for thousands of dollars per year—will also offer patients perks like direct access to their physician, shorter or no waiting times, and sometimes home visits. In direct primary care, the monthly fee is typically \$100 or less for all services. Direct primary care practices often see fewer patients than traditional practices allowing them to spend more time with their patients
- If a patient has a DPC, they should be encouraged to also purchase insurance plans with typically low premiums and high deductible to cover emergency healthcare services and/or other catastrophic costs. These costs are not covered by DPCs

Current state of DPC

- There are DPC practices in Maryland. Their numbers are limited by overhead costs, which include hiring staff to handle insurance regulations
- 22 states have already passed legislation stating that DPC is “not insurance” (including Virginia, Washington, West Virginia, and Michigan)

- The numbers of DPC practices is projected to increase as physicians gravitate towards their desire to improve patient care

SB 727:

- Defines a “direct primary care agreement”
- Excludes direct primary care practices from provisions of insurance law, to reduce overhead costs
- Requires direct primary care contracts to provide notice to patients that direct primary care is not insurance and that direct primary care may not discriminate solely based on health status