

TO: The Honorable Delores Kelley, Chair,
Senate Finance Committee

FROM: Dr. Steven Kravet
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Johns Hopkins supports **SB 685 Insurance Law - Application to Direct Primary Care Agreements - Exclusion**. SB 685 clarifies that Direct Primary Care Agreements are not insurance products and should not be subject to insurance regulation. This bill has been introduced in the past but this version has a new provision to provide consumer protections. Specifically, authorizing the Health Education and Advocacy Unit of the Office of the Attorney General to assist consumers in understanding direct primary care agreements.

Johns Hopkins currently operates 24 primary care sites in Maryland, providing a broad range of primary care services throughout the state. Johns Hopkins Community Physicians believes that Direct Primary Care is an important option for physicians who wish to remain committed to the practice of primary care. Johns Hopkins Community Physicians currently has a Direct Primary Care model in Columbia serving its Hopkins employees. The model has been an early success, with a good deal of evidence indicating a very high level of satisfaction for both patients and providers, an increase in patient access, and decrease in overall utilization of inappropriate, more expensive care. Evidence also exists on the positive impact of Direct Primary Care on quality, costs and enhanced patient satisfaction. A recent February 17th perspective published in the New England Journal of Medicine cited Direct Primary Care as a model upon which the future of primary care could be constructed.

Direct Primary Care provides for an innovative agreement that offers patients the full range of comprehensive primary care services—including acute and urgent care, regular checkups, preventive care, chronic disease management, and care coordination—in exchange for a flat, recurring membership fee that typically is billed to patients (or their employers) monthly. Direct Primary Care Agreements offer an affordable alternative to paying high co-pays for primary care until the deductibles are met.

Particularly during the COVID-19 Pandemic, where many struggled to re-engineer medicine, Direct Primary Care Agreements have proven to be incredibly valuable. Patients participating in these agreements have had complete and uninterrupted access to their care providers.

While Direct Primary Care Agreements are permissible today in Maryland, other states that are more advanced in their establishment have adopted legislation that clarifies that these agreements are “not insurance.” SB 685 establishes a protection that would allow for the continuation of relationships that benefit both patients and primary care providers.

For the above reasons, Johns Hopkins urges a **favorable report on SB 685**.