



# Qliance

A Revolution in Primary Care

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# Our Healthcare Crisis

## **Current U.S. health care system is broken**

- \$2.3 trillion, 16% of GDP – **and climbing**
- 46 million uninsured, 16% of population
- 250 million insured – but care is expensive and doesn't deliver optimal results

## **All stakeholders are frustrated**

- High premiums and co-pays
- Employers under strain from growing financial burden of health benefits
- Cumbersome billing and payment infrastructure wasting money and time
- Physicians at the breaking point
- Insurance companies unable to control the upward spiral of cost
- Hyperinflation of health care costs
- Primary care disintegrating

## **Baby Boomers aging and getting sick**

- Medicare in turmoil

## **Health care reform – more of the same?**

# Importance of Primary Care

- Primary care sufficient to **address up to 90% of all medical issues depending on population**<sup>1</sup>
- **53% reduction in cost** of care for 24 preventive and acute illness conditions if the initial contact was with a primary care provider rather than any other source of care (specialist, ER)<sup>2</sup>
- Those receiving care from a primary care physician (rather than a specialist) had **lower annual health care costs (33% lower), lower mortality (19% lower)**<sup>3</sup>
- An increase of **one primary care physician per 10,000** population was associated with a **6% decrease in all cause mortality**<sup>4</sup>
- **Medical home model participants saved** North Carolina Medicaid program **11% in total health care costs**<sup>5</sup>

## Sources

1. American Academy of Family Physicians, 2004
2. Journal of Family Practice 1996 Jul;43(1):30-33
3. Journal of Family Practice 1998 Aug;47(2):103-4
4. Health Affairs March 15, 2005
5. "Trying to Save by Increasing Doctors' Fees" New York Times, July 21, 2008

# Primary Care Stagnant or Dying

- **Primary care physicians are leaving practice or cutting back to part-time status**
- **Primary care physicians are telling medical students to do something else** – Seeing 25-35 patients a day, average face time 7 minutes. Lowest incomes of all physician specialties.
- **Primary care is a loss leader in large clinics** – physicians are there to refer to specialists, imaging and lab work (which DO make money)
- **Primary care residencies are no longer attractive to US medical school graduates**

# The Qliance Direct Primary Care Practice Model

## The Model:

1. Take payment directly from patients, eliminate insurance from primary care
2. Provide care based on a monthly membership fee, eliminate fee for service
3. Provide exceptional access, eliminate much of the need for patients to access the rest of the healthcare system

# Should Insurance Cover Primary Care?

**Insurance works well for events that are:**

- rare
- difficult to predict
- extremely expensive
- to be avoided

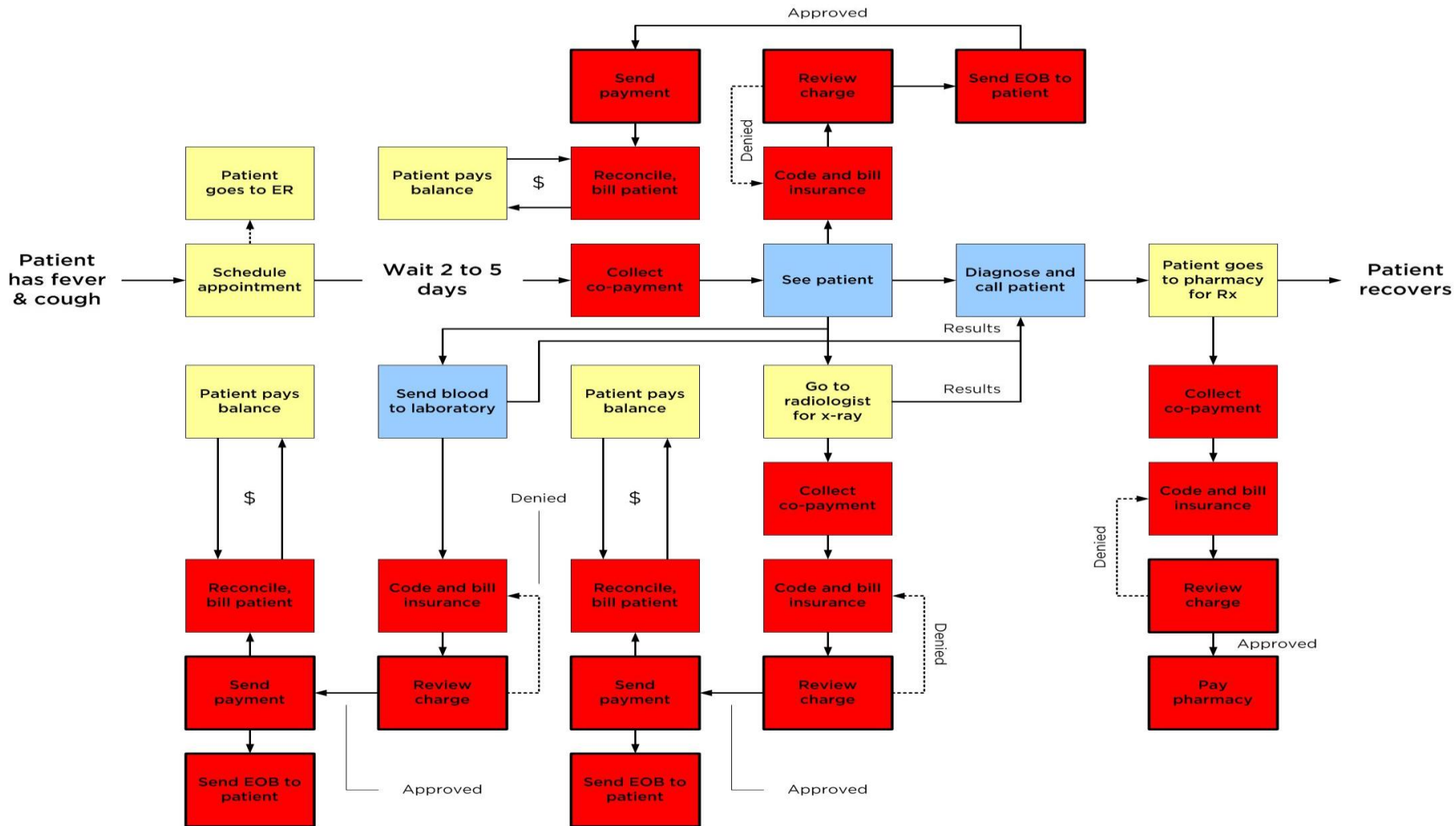
**But Primary care is:**

- frequent
- highly predictable
- readily affordable
- to be encouraged

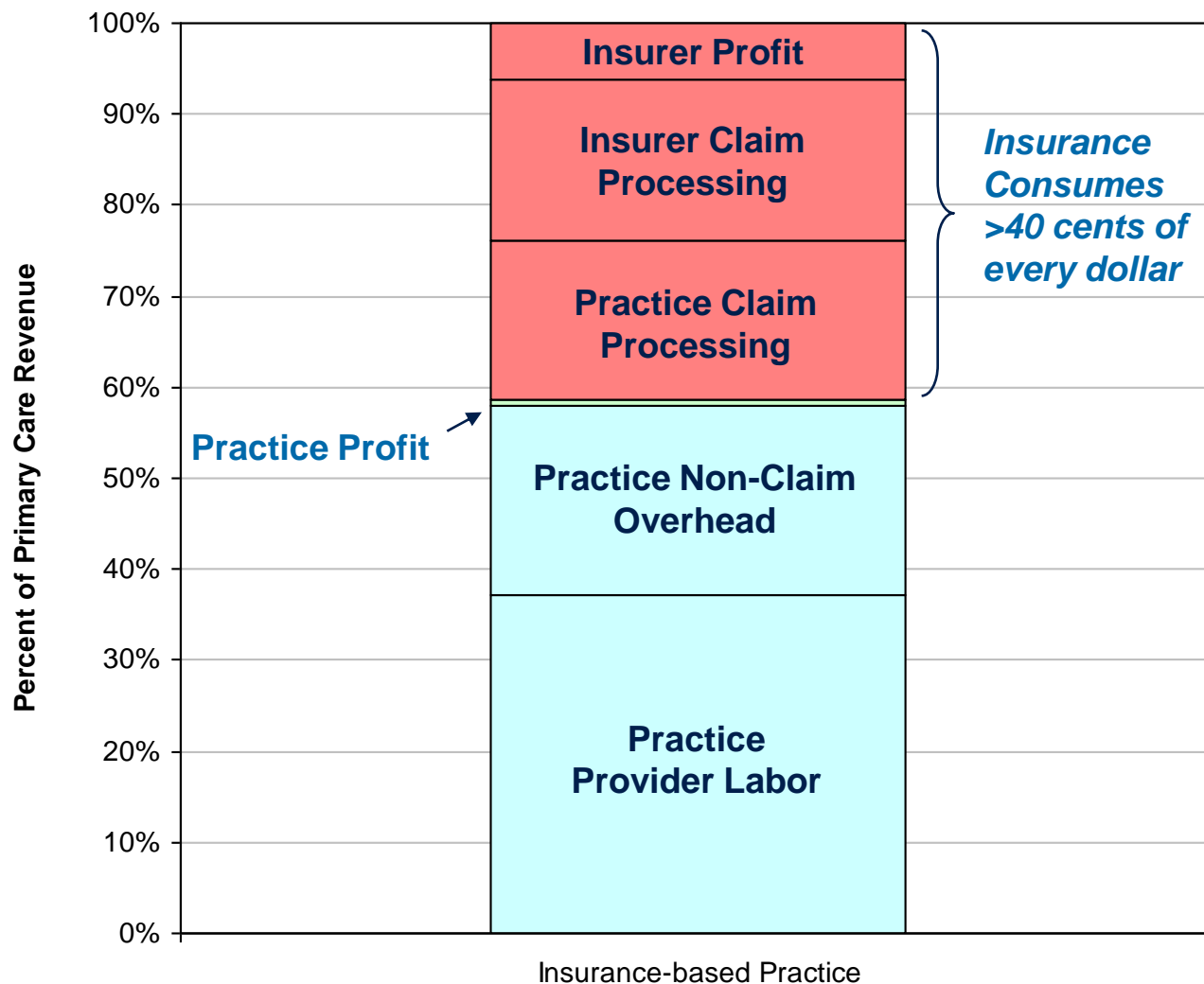
***Insurance is a critical element in the health care of Americans – for catastrophic, unpredictable events. It creates significant problems when used as a payment system for primary care.***

***What would happen if car insurance covered new tires, batteries and oil changes?***

# Insurance-based Visit: Possible Pneumonia



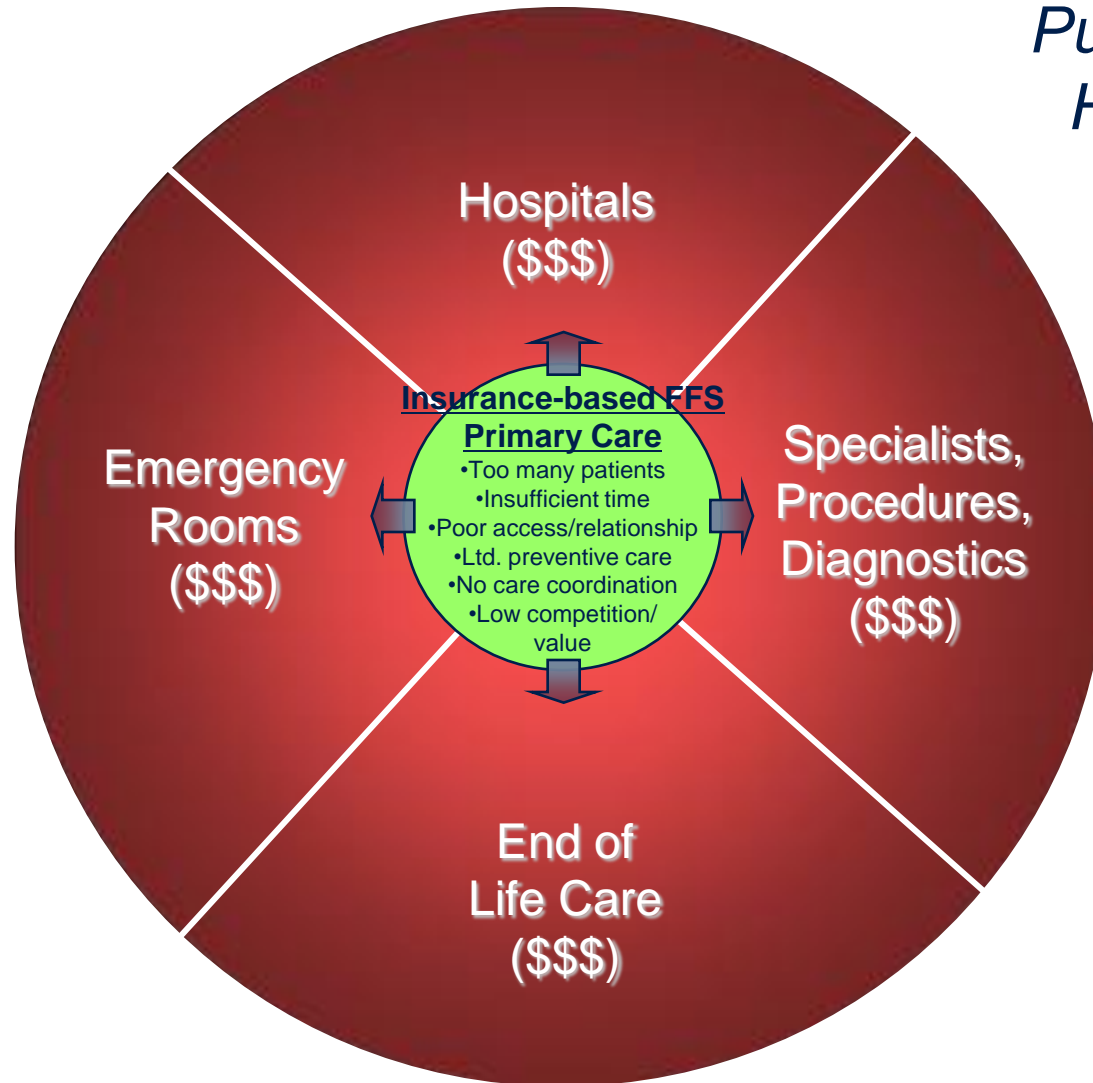
# Insurance Burden on Primary Care



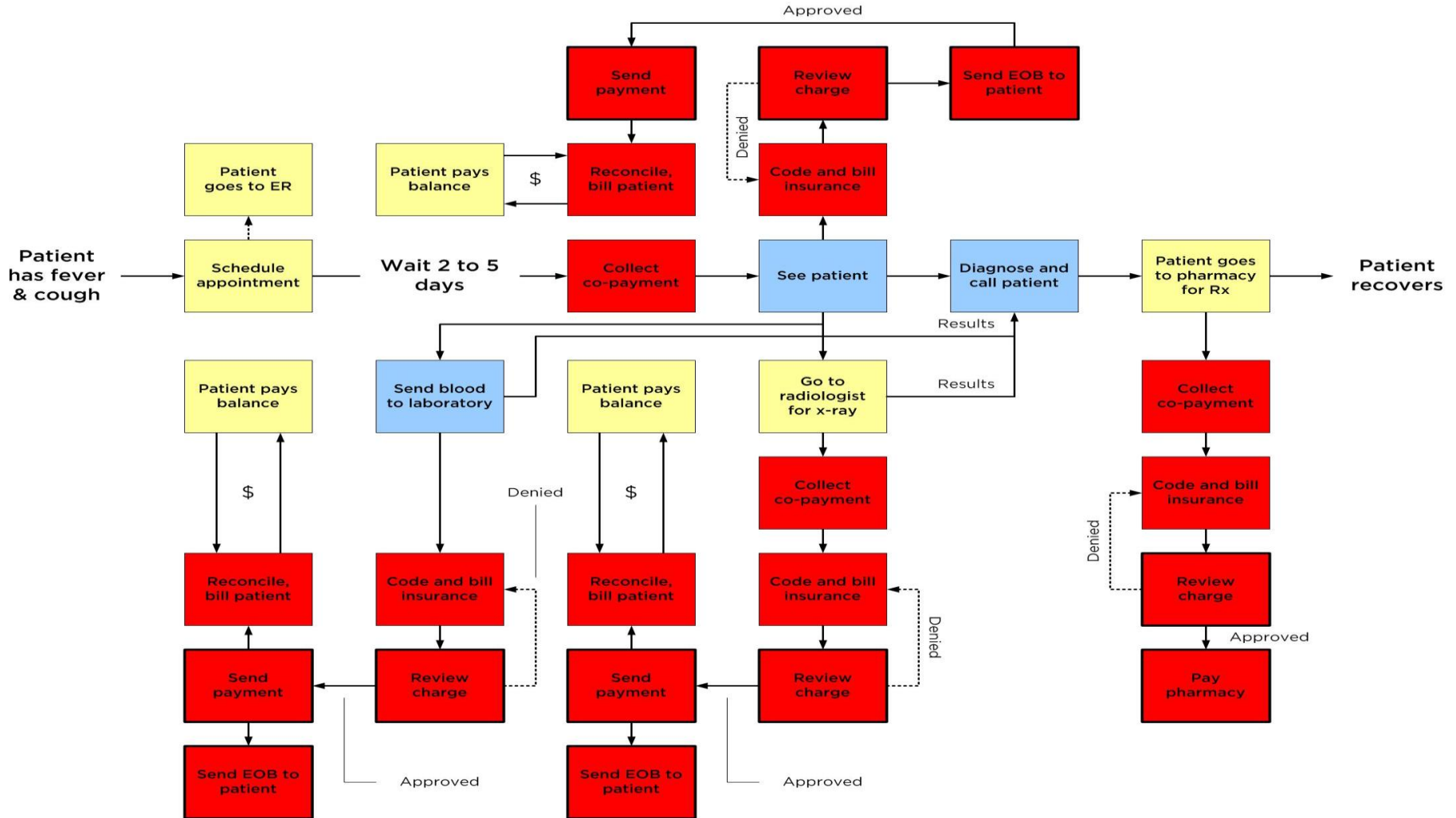


# Insurance-based, FFS Primary Care: System Impact

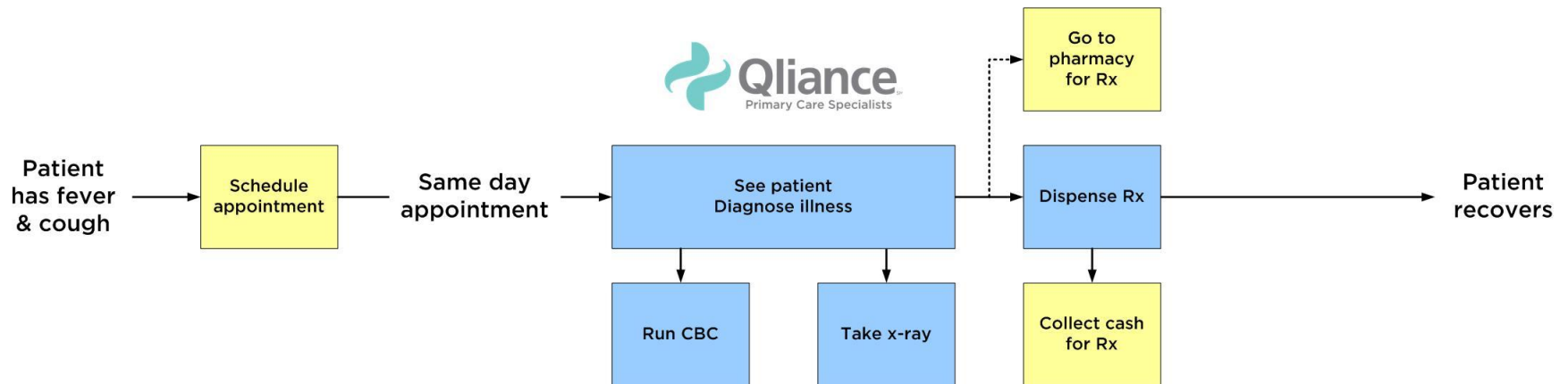
*Pushes Focus to  
High Cost Care*



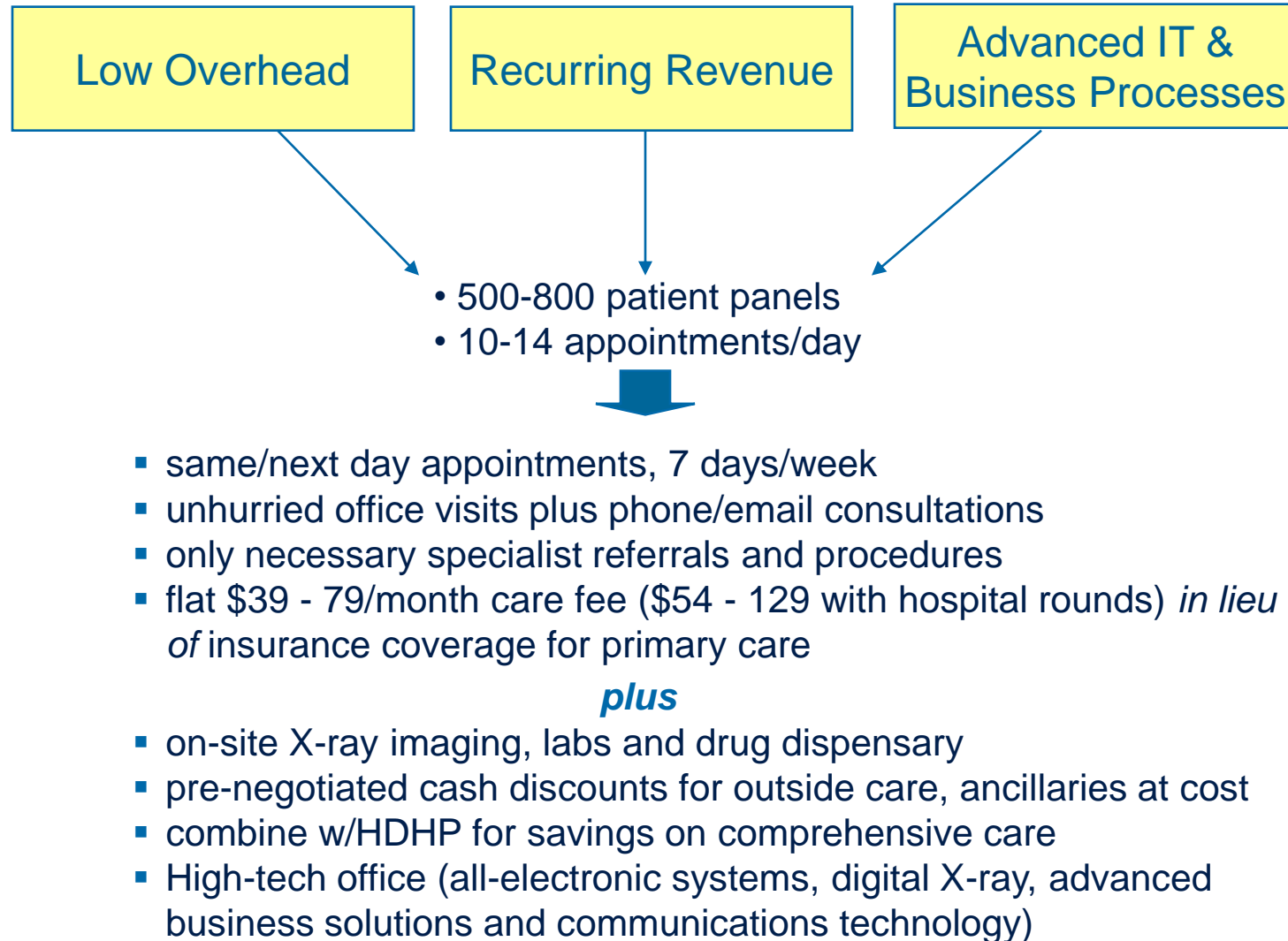
# Insurance-based Visit: Possible Pneumonia



# Direct Practice Visit: Possible Pneumonia



# Qliance Direct Primary Care



# Qliance Patient-Centered Medical Home Model

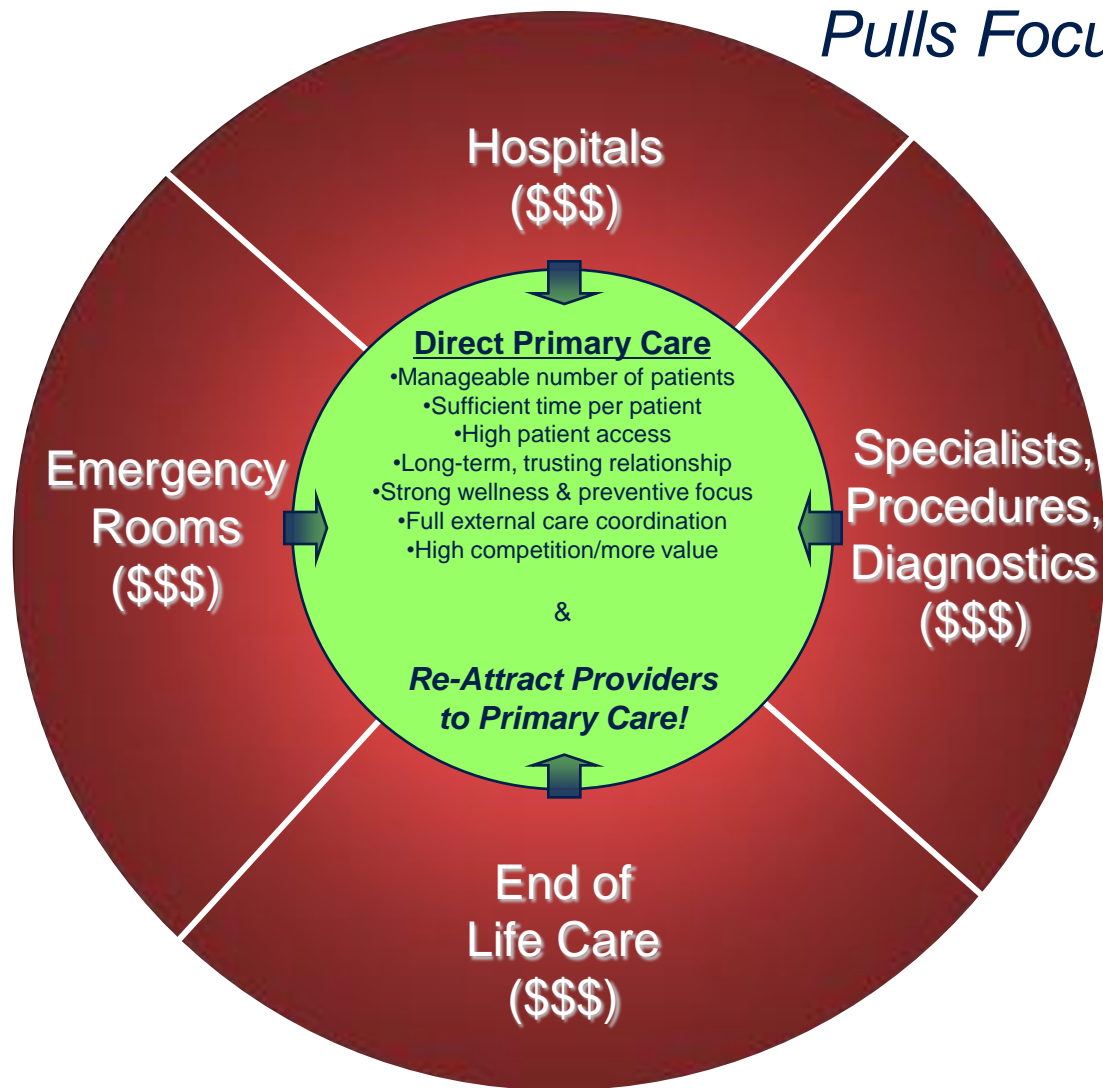
- Wellness care
- Preventive care
- Chronic disease management
- Urgent care
- Mental and behavioral health care
- Coordination of specialist and hospital care
- Other care (e.g. family planning, travel medicine)



- Significant potential impact on wellness and downstream health costs
- Reserves insurance for what it was meant to do (i.e. protect people from catastrophic medical expenses)
- Aligns patient and provider incentives (providers have no incentive to “upsell” procedures or tests, can focus on what the patient really needs and wants)
- Encourages the building of relationships and trust between patient and provider

# Direct Primary Care: System Impact

*Pulls Focus to Low Cost  
Primary Care*



# Qliance's Innovations

1. Eliminate the role of insurance in primary care → have patients (or their employers) pay directly to the practice → providers work directly for their patients, incentives are aligned
2. Eliminate the fee-for-service model → eliminates barriers to primary care, encourages utilization of low-cost, preventive care rather than pushing people to use higher level, more expensive and reactive care
3. Provide exceptional access (24/7 access to physician, 7 day a week clinics with extended hours most days, long appointments, smaller patient panels) → patients get the care they want and need, when they want and need it (there is no substitute for TIME in the primary care relationship)

## The result?

Excellent, accessible, low-cost, patient-centered primary care in a medical home setting that promotes wellness, patient empowerment, rational use of resources.

# Contact Info



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