

This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers visit <https://www.djreprints.com>.

<https://www.wsj.com/articles/cut-out-the-medical-middlemen-11558294424>

OPINION | COMMENTARY

Cut Out the Medical Middlemen

Direct primary care provides high-quality basic services for a flat, low monthly fee.

By John Carlson

May 19, 2019 3:33 p.m. ET

Health-care policy is often portrayed as a fight between government and insurance companies. But one of the most effective cost-saving measures is to cut out both and allow patients to deal directly with doctors.

If Todd Gibbons from Poulsbo, Wash., has an aching shoulder or needs a physical, he can call and schedule an appointment on a day's notice, maybe the same day. His physician is also available for phone consultations and even makes house calls. It all costs Mr. Gibbons \$150 a month to cover his family of five.

Costs are so low and coverage so good because the Gibbons family goes to Vintage Direct Primary Care—a medical practice that treats patients for routine care and procedures for a monthly membership fee. Virtually every routine service—from electrocardiograms and pap smears to stitches and physicals—is included. There are no office-visit fees or copayments. All physician services and procedures offered at Vintage are covered, and all without the use of health insurance.

Without third parties taking money and adding overhead, Vintage can offer medications and lab tests not covered by the monthly fee at wholesale prices. A cholesterol blood test is \$3.20 for a Vintage member, but \$22 at other in-network providers, according to Fair Health Consumer. Drugs are cheaper. Vintage buys directly from three national wholesalers, which compete to provide medications at the best possible price for any given patient, and Vintage resells them at cost. A 30-day supply of the generic equivalent of 40 mg Lipitor for cholesterol is \$3.30 at Vintage. At Walmart it's \$9. Sildenafil, the generic for Viagra, is 37 cents a pill. The next cheapest option in Poulsbo is Safeway at \$2.13. Over-the-counter drugs are also cheaper and



A doctor making a house call. PHOTO: GETTY IMAGES

available in-house at Vintage. Cetirizine allergy pills (the generic version of Zyrtec) are 6 cents a tablet at Vintage, about half the Walmart price.

Costs are low and transparent. The monthly fee, whether paid by employer or individual, is predictable and easy to budget. Patients still need high-deductible insurance or cost-sharing pools to cover nonroutine procedures and care. But complementing a direct primary care plan with one of those two options is still the cheapest coverage.

For example, Atlas MD in Wichita, Kan., works with more than 100 small companies that have formed partnerships with Allied National insurance to create plans based on clinics coupled with catastrophic-care policies. Josh Umbehr, owner and medical director at Atlas, says these companies save 30% to 60% by switching from traditional health insurance plans.

Tax incentives currently discourage employers from switching to direct primary care plans. One possible fix would allow patients to use health-savings accounts to pay for membership. The IRS could make this change by redefining a direct primary care membership as an eligible HSA expense.

Cutting the middlemen out of daily health care won't solve all of the medical system's problems. But altering the tax code to encourage employers to use direct primary care could help control or even shrink costs. Most important, it would improve the quality of care by letting doctors spend less time filling out paperwork for reimbursement and more time helping patients.

Mr. Carlson, a co-founder of Washington Policy Center, hosts a morning radio show in Seattle on 570 KVI.