



# epiphany

## HEALTH

*Affordable Direct Primary Care*

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DOCS4  
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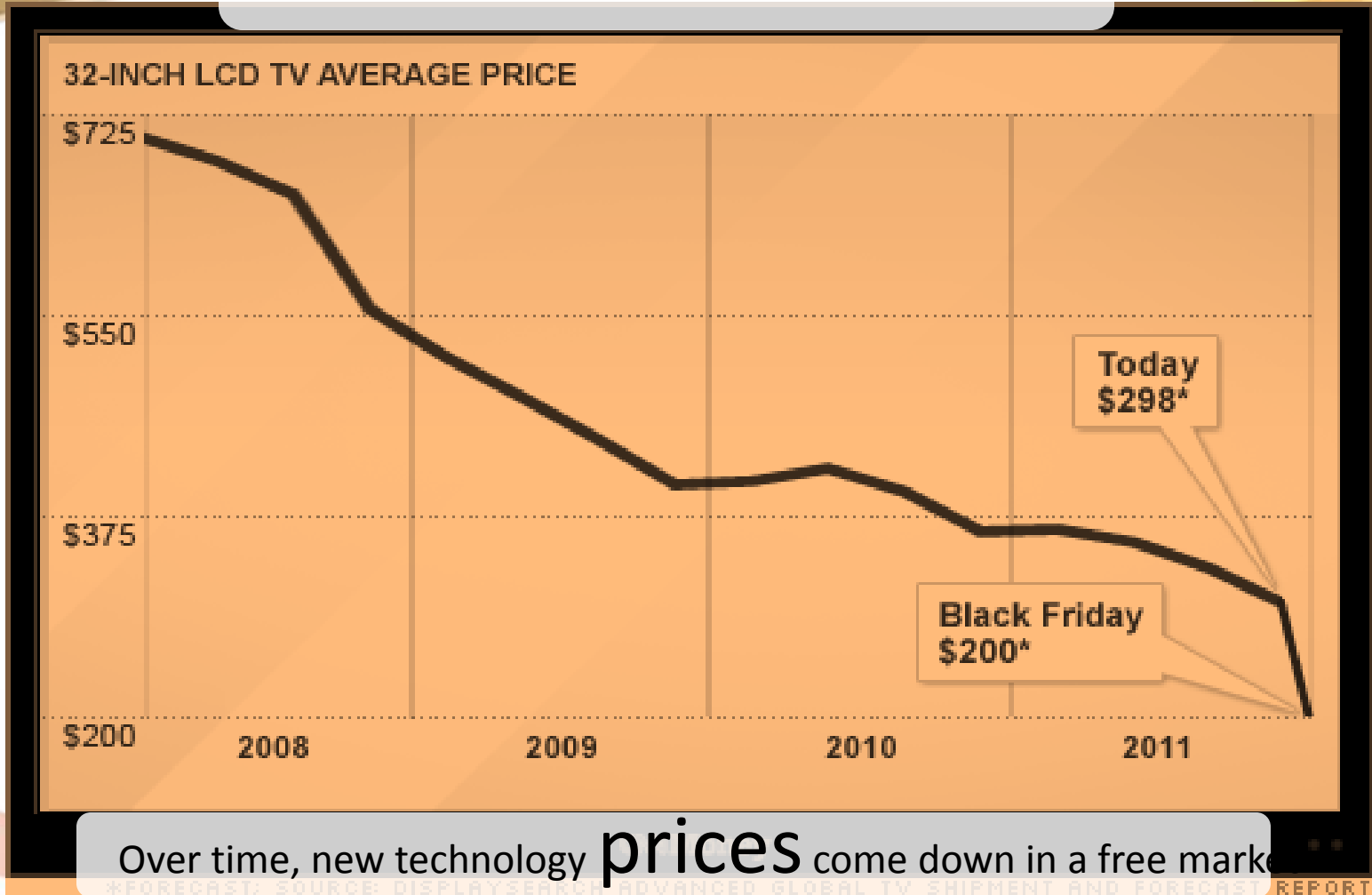
# What was the Epiphany?

- **Primary care SHOULD be affordable!**
- Why is basic health care so expensive?
- Third party disconnect from cost makes it expensive.
- Outside factors drive cost
  - Hospital
  - Administrative costs
  - Pharmacy
  - Imaging
  - Labs
  - Specialty care
  - Physical Therapy

# What is Epiphany Health?

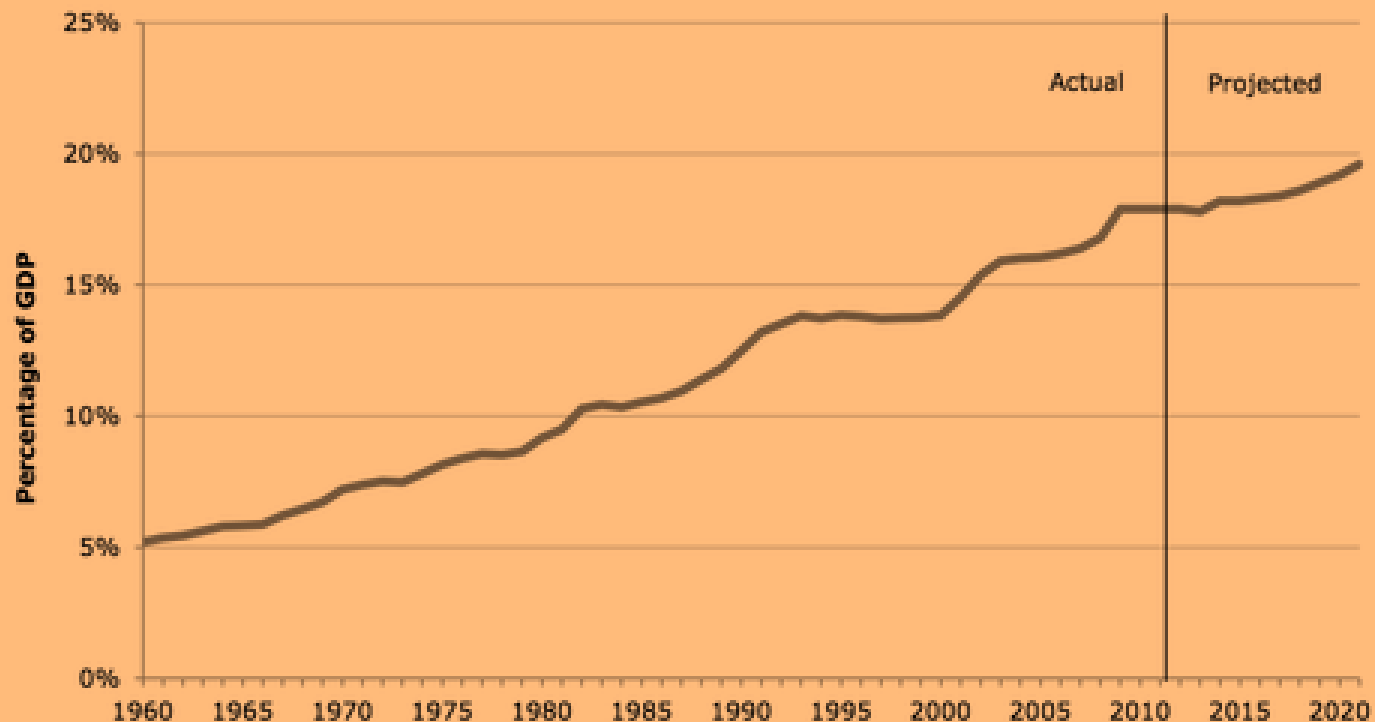
- Direct Primary Care
  - Membership Based Patient-Centered Medical Home
- Includes:
  - Comprehensive primary care and wellness services
  - Access to a steeply discounted network of labs, imaging, specialty care, physical therapy, pharmacy and more.

# Free Market Model



# What about health care prices?

**Figure 2: U.S. National Health Expenditures as a Share of GDP, 1960-2021**



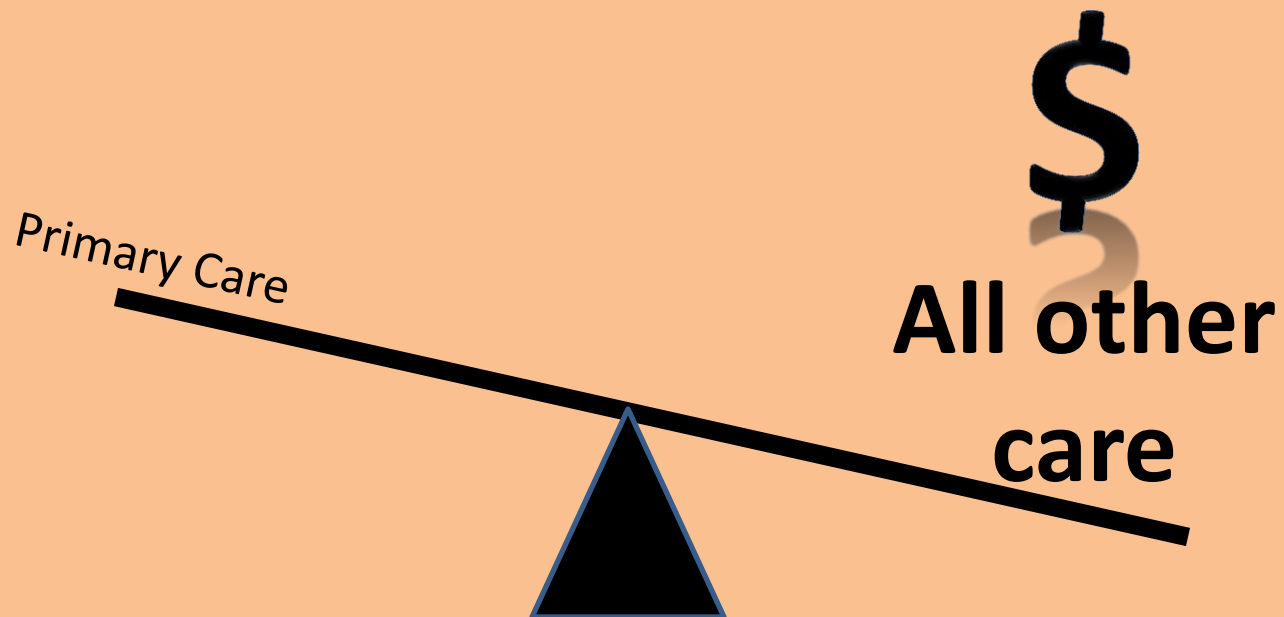
Source: Centers for Medicare and Medicaid Services.

# Why is health insurance so expensive?

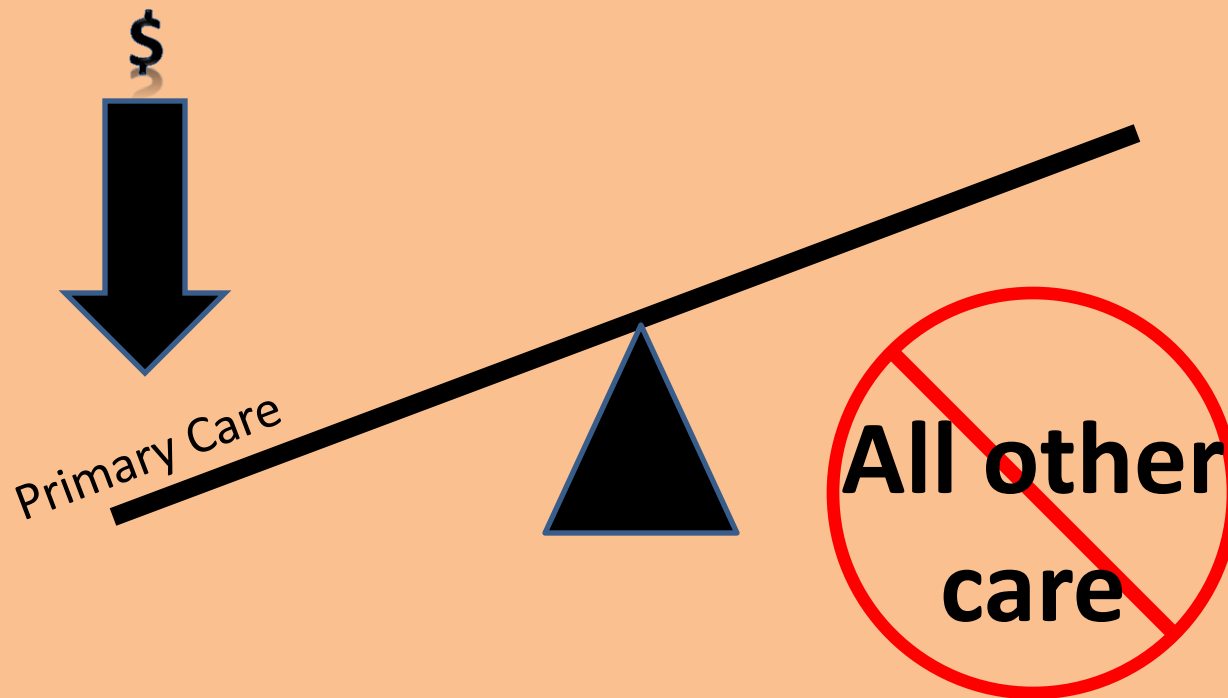
- It's not insurance, it's health maintenance
- Traditional insurance is for catastrophic care, not first dollar coverage
  - What would homeowners' insurance cost?
    - Light bulb replacement
    - Landscape maintenance
    - Housekeeping
    - Routine repairs
  - Third party coverage drives up costs
    - "I'm paying for it, I'm going to use it."
    - Administrative costs



# Balancing the cost of care



# Remove the cost drivers





# Direct Primary Care

- Most patients can be cared for at the primary care level
- How does it work?
  - Separates routine from catastrophic care
  - Monthly membership fee for primary care
  - Clearly defined package of services
  - Fixes the cost of routine care
  - Catastrophic insurance becomes a true safety net again
  - Not fee for service
  - Total price transparency
  - Network of discount providers

# What Does It Cost?

Member(s)	Monthly Fees
Individual	\$50
with Spouse / Domestic partner	\$100
Family of 4	\$135

# What's Included?

MEMBER BENEFITS		
	Typical Fee	You Pay
Annual wellness exam	(\$200)	\$0
25 additional Dr. visits	(\$2500)	\$0
Annual Pap test	(\$150)	\$0
Annual PSA test	(\$150)	\$0
Annual Mammo	(\$200)	\$0
Colon Cancer Screen	(\$25)	\$0
Annual Labs	(\$500)	\$0
Electrocardiogram	(\$50)	\$0
Annual flu vaccine	(\$30)	\$0
<b>COPAYMENTS</b>	(???)	\$0
Typical cost of services	<b>\$3,655</b>	<b>\$0</b>

YOUR SAVINGS

**\$3,655!**

# Examples of in-office savings

Service	Typical Charge	Actual Cost in DPC
Additional labs	\$50-350 each	\$10 each
Joint injection (knee)	\$150	\$0
Skin biopsy	\$160	\$0
Drain abscess	\$275	\$0
Laceration repair	\$260	\$0

# Examples of network savings

Service	Typical Charge	Actual Cost in DPC	Savings
Nuclear Stress Test	\$1,470	\$520	65%
CT of the chest w/contrast	\$940	\$211	78%
Carotid ultrasound	\$425	\$120	72%
Colonoscopy	\$4,028	\$1,127	71%
Chest x-ray	\$220	\$22	90%



# Example of Itemized Hospital Bill

E OF VICE	BATCH REF	F DEPT S	PROC	NDC/CPT-4/ HCPCS	QTY	SERVICE DESCRIPTION	CHARGES
<u>300-LABORATORY</u>							
511	15B201	0736	686912	36415	1	VENIPUNCTURE	38.14
						SUBTOTAL:	38.14
<u>301-LAB/CHEMISTRY</u>							
511	15B201	0736	679184	83880	1	NATRIURETIC PEPTIDE	149.44
511	15B201	0736	684162	80053	1	COMP METABOLIC PANEL	739.61
511	15B201	0736	684452	80061	1	LIPID PANEL	527.63
511	15B201	0736	684457	83735	1	MAGNESIUM BLD	323.29
511	15B201	0736	684574	84100	1	PHOSPHORUS BLD	51.85
511	15B201	0736	684439	83615	1	LDH (LD)	279.06
511	15B201	0736	684170	82550	1	CREAT KINASE (CK) TOTA	565.75
511	15B201	0736	684150	82553	1	CK MB	452.90
511	15B201	0736	684764	84484	1	TROPONIN QUANT	434.61
						SUBTOTAL:	3524.14
<u>305-LAB/HEMATOLOGY</u>							
511	15B201	0736	684130	85025	1	CBC PLATELET AUTO DIFF	789.92
511	15B201	0736	684611	85610	1	PROTIME	390.67
511	15B201	0736	684616	85730	1	PTT	602.36
						SUBTOTAL:	1782.95
<u>307-LAB/UROLOGY</u>							
511	15B201	0736	684772	81003	1	UA W O MICRO AUTO	231.79
						SUBTOTAL:	231.79
<u>324-DX X-RAY/CHEST</u>							
511	15B204	0728	680263	71010	1	XR CHEST 1 V	490.94
						SUBTOTAL:	490.94
<u>352-CT SCAN/BODY</u>							
511	15B204	0726	704848	74176	1	CT ABD&PELVIS W/O CONT	10955.13
						SUBTOTAL:	10955.13
<u>450-EMERG ROOM</u>							
511	17B363	0780	675003	9928425	1	EMER DEPT LEVEL 4	2700.18
						SUBTOTAL:	2700.18



# Hospital Charges vs. DPC Charges

## Hospital Charges

Service	Charge
Lab charges	\$38.14
Chemistry	\$3524.14
Hematology	\$1,782.95
Urology	\$231.79
Chest x-ray	\$490.94
CT scan	\$10,955.13
ER Level 4	\$2,700.18
<b>TOTAL:</b>	<b>\$19,723.27</b>

## Epiphany Charges

Charge
\$8.00
\$70.79
\$15.00
\$4.50
\$18.00
\$185
\$0
<b>\$278.79</b>

# Savings with Epiphany DPC

Family of 4 = \$ 135 per month

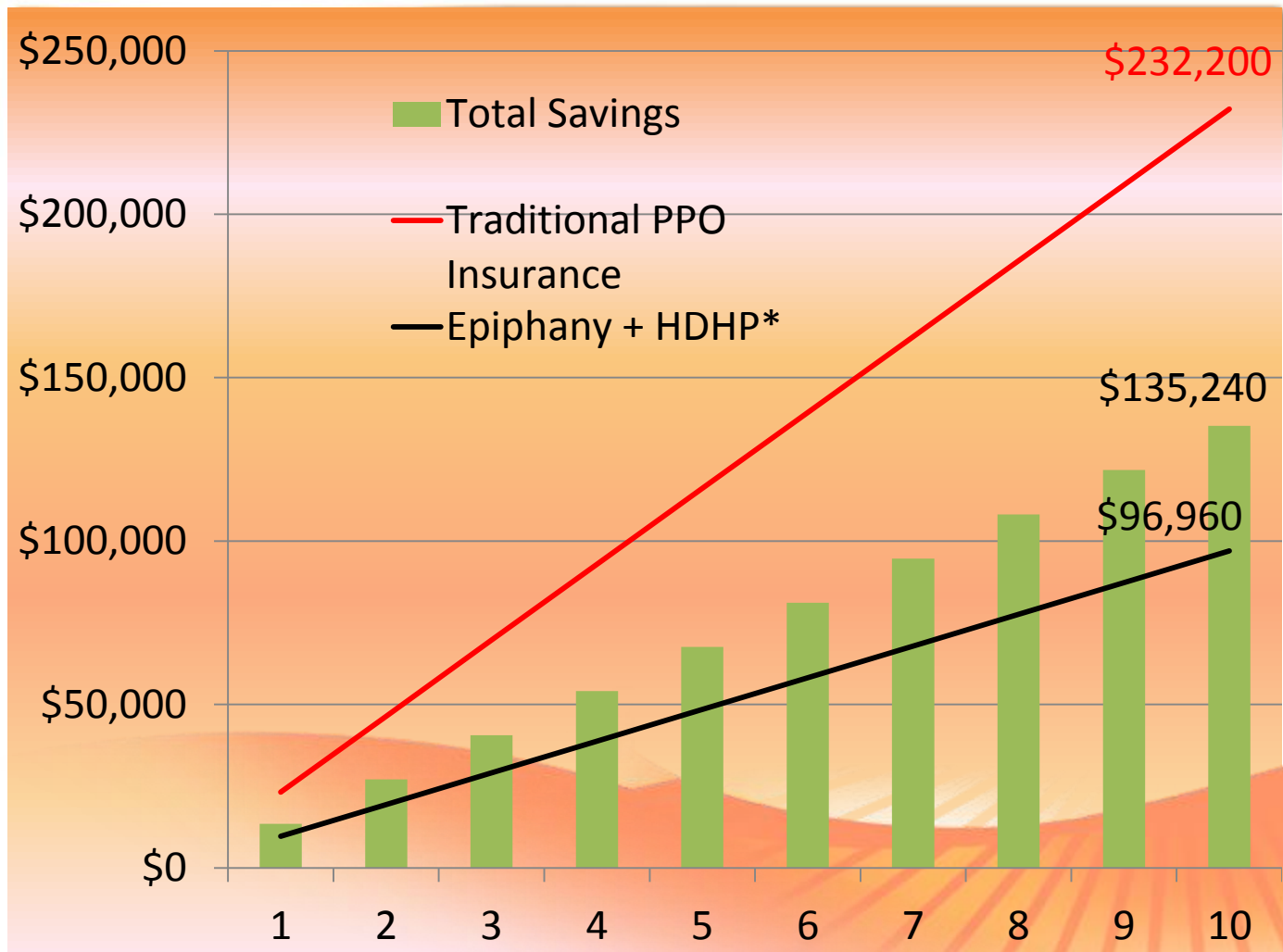
2014 Average PPO Insurance\*

Family of 4 = \$1,935 per month

Difference per year: **\$21,600**

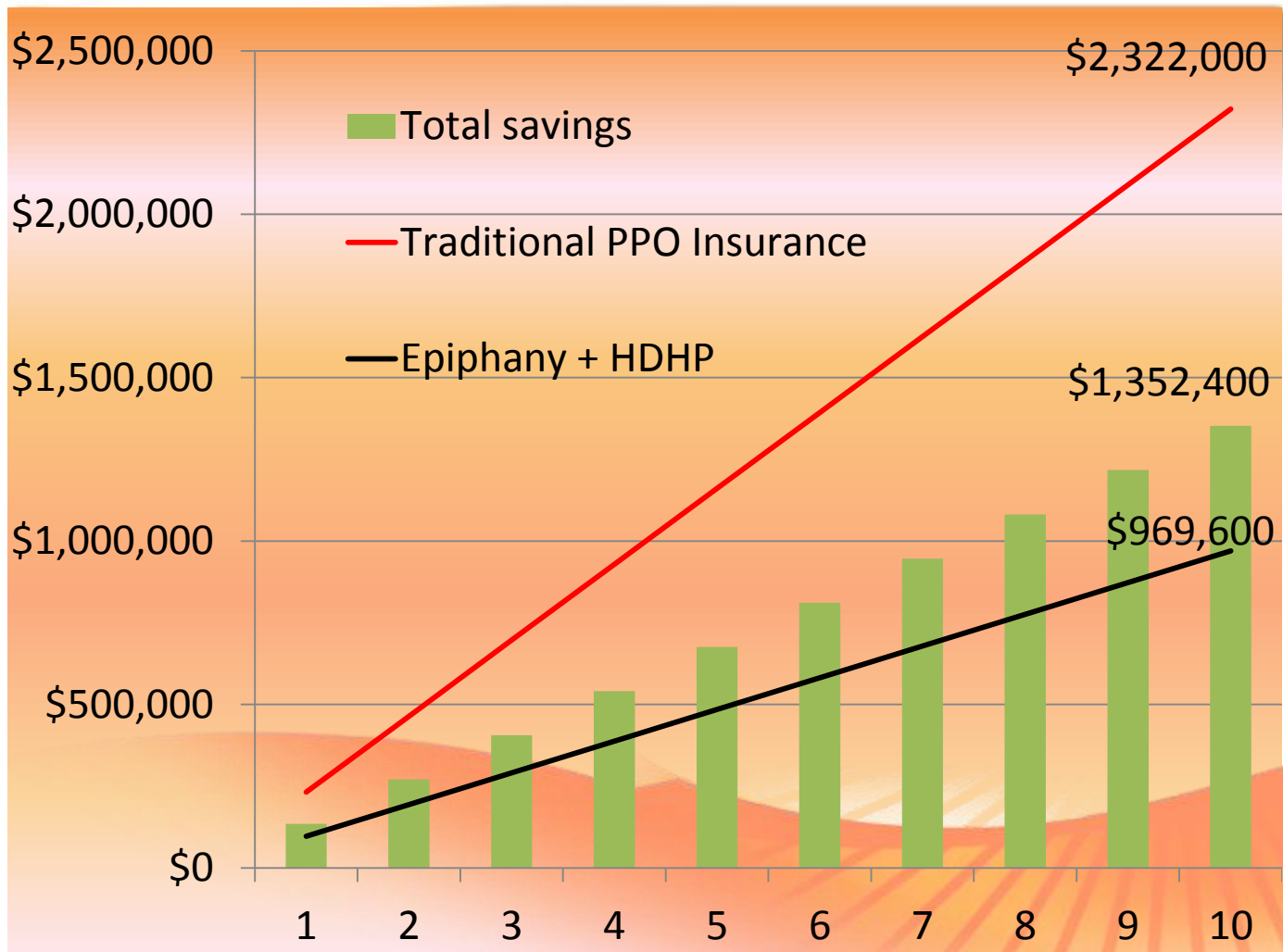
\*2014 Milliman Medical Index

# 10 year projection – Family of 4



\*2015 Aetna Bronze Deductible Only HSA Eligible Savings Plus HMO PD (\$12.6 K deductible, \$673/mos)

# 10 year projection – Employer of 10



Assumes middle aged employees with families of 4

# Saving a profession

- Expenses of guaranteed services are covered with first month's dues
- Net revenue realized with dues over remaining 11 months
- Reduced overhead optimizes net revenue
- DPC model, like Epiphany, can be added to an existing practice
- Potential positive national impacts

# What Can Florida Do?

- Pass DPC protective legislation
  - 2016 HB 37, SB 132
- Allow DPC membership as a benefit for public employees
- Create DPC Medicaid pilot program
- Expand availability of stop-loss coverage for self-funded health plans
- Support passage of 2015 US SB 1989, Cassidy



# Questions?

