

RESULTS FOR A MID-SIZED SAN ANTONIO EMPLOYER

CASE STUDY

Since November 2018, Direct Med Clinic has delivered **Direct, Accessible, Transparent, and Affordable**, high-quality care at a lower cost for a self-insured employer member in San Antonio,

Texas, saving approximately **\$1.7 million annually** on workers' compensation claims with a **97% savings in the six most common lab tests** alone for its workforce of over 600 members.

THE CLIENT

The company is involved in the design, engineering, and manufacturing of beverage dispensing systems and accessories worldwide. The company is headquartered in San Antonio, Texas.


THE CHALLENGES

- Reduce healthcare expenses (hospitalization rates, emergency department usage, unnecessary radiology, and diagnostic tests, and specialist care).
- Health maintenance of over 600 employees, many with chronic conditions.
- Maintain healthcare delivery and operations during COVID-19.

DIRECT MED CLINIC'S SOLUTION

Through an onsite clinic, Direct Med Clinic provided regular comprehensive wellness exams (biometric screenings) and Direct Primary Care that **reduced non-primary costs such as urgent care visits, emergency visits, and totally avoided many workers' compensation claims.** As part of the direct contracting agreement, Direct Med Clinic counseled and advised the employer

throughout the COVID-19 pandemic. **While many people lost access to their doctor's during the pandemic, Direct Med Clinic increased access to employees and their dependents with the tools of virtual care already in place.** Thus, relieving fears of the disease, mitigating its spread and maintaining operations as much as possible.

TOP 6 LABS	NUMBER OF TESTS	TRADITIONAL COST	TOTAL CHG	DMC COST	TOTAL CHG	SAVINGS
Lipid Panel	164	\$86.25	\$14,145.00	\$2.50	\$410.00	97%  \$93,111.75
Comp Metabolic Panel	158	\$115.00	\$18,170.00	\$2.80	\$442.40	
CBC w Diff	151	\$40.50	\$6,115.50	\$2.00	\$302.00	
TSH	151	\$87.15	\$13,159.65	\$2.50	\$377.50	
Hem A1C	142	\$162.50	\$23,075.00	\$2.25	\$319.50	
Vit D	136	\$160.25	\$21,794.00	\$11.00	\$1,496.00	
			\$96,459.10		\$3,347.40	

Direct Primary Care (DPC) is a new and innovative approach to delivering primary care that is distinct from other health care models in several ways. Direct Primary Care providers:

- Charge a regular, periodic fee that is typically monthly
- Do not bill third-party on a fee-for-service (FFS) basis for services rendered
- Direct Primary Care is Not Insurance

DATA DRIVEN HEALTHCARE DELIVERY

DIRECT CARE

The Direct Primary Care model allowed a direct doctor-patient relationship at a fixed cost before insurance claims were generated. **Work injuries were also treated in this model thus lowering the utilization of the employer's work comp insurance.** From treating work injuries to managing chronic disease (asthma, bronchitis, diabetes, high blood pressure, high cholesterol, etc.), Direct Med Clinic delivered direct care to maintain an active, productive workforce.

ACCESSIBLE CARE

With the onsite clinic and the direct care model, employees had better access to healthcare providers. **This improved access allowed longer-than-average visits and more frequent visits.** The member's employees' average encounters double the national average in frequency. For chronic conditions, the member's visits triple the national average.

The visits also double the national average in time.

AVERAGE ENCOUNTERS PER PATIENT



1.6

(?) National AVG



2.65

Member's Employee



5.37

Member's Employee with Chronic Conditions

AVERAGE TIME PER PATIENT



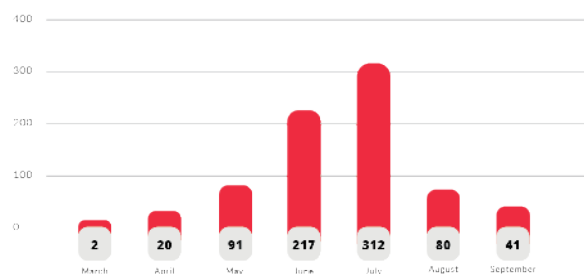
13 MINUTES
National Average



30 MINUTES
Direct Primary Care

Employees were also able to have immediate virtual access for respiratory complaints (important in early COVID detection), important follow-up visits, next-day appointments, and **were also able to text or videocall the provider after hours through Direct Med Clinic's secure mobile app even after hours.**

PCR TESTING 2020



COVID-19 TESTING 2020 MARCH - SEPTEMBER 18TH



TRANSPARENT CARE

The employer was given data for services provided and additional charges were provided as a pass-through.

AFFORDABLE CARE

By directly contracting with the clinic the employer puts the clinic in a position to extend **wholesale pricing for labs** and takes advantage of the capability of the provider to find economical drugs. The employer realized a 97% savings in just the top 6 most common labs alone totaling a savings of **\$93,111.75**. The direct model allows employees and their families to access providers for only \$10 per in-office visit and \$0 for virtual care via the clinic's mobile app.

OUTCOMES AND DISCUSSION

The national average cost for all workers' comp claims combined in 2017-2018 was \$41,003. ("Costs," 2020) By treating injured workers on a pre-claim basis Direct Med Clinic **saved the employer approximately \$1.7 million in worker's compensation claims avoided.** Direct Med Clinic helped the employer to lower utilization of urgent care and emergency care services while increasing utilization of primary care services, even in the midst of the COVID-19 pandemic.

Directly contracting with Direct Med Clinic is financially desirable for employers who are self-funding their health benefit plans because **1) Workers' Compensation claims are avoided 2) Urgent care and emergency room care are avoided 3) Membership increases utilization of healthcare services at a fixed cost and avoids large downstream medical costs.** Direct Med Clinic's Direct Primary Care model led to overall

cost savings for the employer, best demonstrated over time. Using Direct Med Clinic's membership model gives employees and their dependents increased access to primary care and urgent care services, from the same provider at a fixed cost, and provides access to no-cost or low-cost basic labs and prescription drugs as well.

The frequency of an employee's access to quality primary care can have significant impacts on downstream costs and patient health outcomes. Direct Primary Care (DPC) allows greater access to providers with a significantly lower cost via a direct contract model. This case study highlights the value of directly contracting with a doctor or clinic and demonstrates that insurance is not healthcare. **Does your self-funded benefits program have a Doctor's Program with a direct relationship with a doctor?**

\$1.7 M
AVOIDED ON WORKERS'
COMPENSATION CLAIMS



MORE THAN
\$93,000 SAVED
IN LAB TESTS ALONE



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Reference: Costs. (2020, September 10). Injury Facts.
<https://injuryfacts.nsc.org/work/costs/workers-compensation-costs/>