



May 7, 2021

## LEGISLATIVE TESTIMONY

House Bill 176

Direct Health Agreement: Not Insurance

House Labor & Commerce  
Representatives Spohnholz & Fields, Chairs  
Representative Schrage, Member  
Representative Snyder, Member  
Representative Nelson, Member  
Representative Kaufman, Member  
Representative McCarty, Member

Chairs Spohnholz & Fields, & Members of House Labor & Commerce,

Alaska Policy Forum first began educating Alaskans about direct health care agreements [in 2015](#). We worked with a former bill sponsor on this issue, and we are pleased that this innovative model of health care has been growing around the country.

I can *personally* attest to the benefits of this model because I receive my primary care from a DPC provider. I can text him at this very moment and get an immediate, personal response from someone who is truly invested in my well-being. My access to him is unlimited, so the healthier he keeps me, the time he has for fishing. I pay \$75 per month, and all care decisions are strictly made between the two of us: he does not bill insurance for any of my care.

While I have primary care through him, other providers are beginning to use versions of the direct care model for specialty care such as [dental](#), [surgery](#), and [cardiac](#) care.



The benefits of the direct health care model for both patients and providers are too many to enumerate during this short testimony, so let me highlight just a few studies—these were all conducted in the primary care specialty.

[One study](#) found that when county government employees were offered a direct primary care health benefit option, there was a 99 percent satisfaction rate among DPC participants, and monthly costs were 26 percent less per member than employees covered by the alternative plan. DPC members reported spending almost double the time with their physicians than with their traditional plan physicians, and 79 percent of employees reported their health has improved since participating in DPC.

A [2020 case study](#) by Milliman for the Society of Actuaries found an over 40 percent reduction in emergency department usage by employees using a DPC option compared to employees at the same company who used a standard model, when controlling for differences in age, gender and health status between DPC and traditional cohorts.

[Another study](#) found that DPC slows patient costs and improves overall care of patients with chronic diseases such as diabetes or asthma.

Patients like knowing that their transparent, monthly fee includes clinical, laboratory, and consulting services. This type of comprehensive care means patients save money, get more access and better care because they develop a true relationship with providers.

Providers using the direct care model get more time to devote to patients. Many practices were opened by physicians who were burned out by the traditional insurance-driven system which leads to 15-minute appointment times. [One report](#) states that DPC practices claim to reduce administrative overhead by approximately 40 percent. That allows providers to truly practice medicine, not be administrators.

Clearing the way for the direct health care model in Alaska has the opportunity to truly transform our health care landscape.

Thank you for the opportunity to testify.



Bethany Marcum, CEO

