








Health Care Without Insurance – \$50/Month?

By Stacy Johnson (<http://www.moneytalksnews.com/author/stacy/>) on November 1, 2010

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Thanks to a little-known provision of the Patient Protection and Affordable Care Act, otherwise known as healthcare reform, beginning in 2014, a new type of medical practice will be allowed to compete within state-based insurance exchanges. They're called Direct Primary Care practices, or "medical homes." As you saw in the video above, by eliminating insurance companies from the health care equation, these practices promise to lower the cost of medical care by up to 40 percent – according to some experts (http://www.huffingtonpost.com/dave-chase/health-insurances-bunker_b_600587.html), the amount sucked up by insurance company profit and overhead.

The way it works

Rather than paying an insurance company every month for health coverage, you cut out them out entirely and pay a doctor or group directly. It's like a gym membership – you pay every month whether you go or not, but you can go as often as you want, whenever you want. No insurance, no deductible, no paperwork, no bill. The cost? \$50 – \$150 per month, depending on your age.

And not only is this idea a money-saver, its proponents claim that it could also radically improve the quality of care you receive, because the doctors will be able to spend time with patients that's now spent on paperwork.

How can the simple act of eliminating an insurance company offer both lower costs and better care? To get an idea, consider your car insurance. Suppose that whenever you needed an oil change, an insurance company was going to pay the bill. You don't care how much an oil change costs – that's the insurance company's problem. But because they're paying, the insurance company only allows you to see a mechanic with whom it has negotiated rates and otherwise approved in advance. When you go to the shop, the mechanic has to keep detailed records of exactly what was done to your car and why. In order to get paid for their services, the mechanic will have to submit the proper forms – different for each insurance company they work with – then await approval. If the insurance company reviews the file and decides your car didn't really need an oil change, the mechanic provided services that may not have been necessary, or there's a deductible in your policy, they'll disallow the payment. The mechanic will then be forced to start over and collect their money from you.








Result? Your mechanic is going to spend a lot more time adhering to insurance company guidelines, filling out paperwork, and trying to collect their money – and a lot less time changing oil. Since they don't get paid for doing paperwork, they'll have to work longer hours, charge more, and/or spend less time with your car. In addition, they may find their job less rewarding, since rather than doing what they think is right, they'll instead be doing only what an insurance company mandates.




The reason you don't have insurance for things like oil changes is that *you don't need it*. An oil change isn't a big enough expense to justify the added hassle, overhead and paperwork of working through an insurance company. Proponents of direct primary care offer the same logic for doctor visits. Forget the insurance – just pay a monthly fee and go see a happier doctor as often as you want. And that's where 90 percent of health care happens: in a doctor's office.



But what about the other 10 percent of healthcare that happens at a specialist's office, an emergency room or in a hospital? For potentially catastrophic costs, you'll still need insurance – just like you do for your car. So in addition to joining a direct primary care group, you'll still need insurance to cover hospital visits. But since that's all that's covered, it's theoretically much less expensive.




Direct primary care isn't for everyone. For example, if you never go to the doctor, maybe you'd prefer to just get a high-deductible policy and skip the \$50-\$100 month cost of a direct primary care practice. There will also be people (or employers) to whom even \$50 a month per person is unaffordable. But this type of innovation could be a partial solution for some employers, as well as the millions who now pay for their own insurance.




If you'd like to see what this kind of health care solution looks like, you don't have to wait. As you saw in the video above, they exist right now. The company we featured, Qliance (<http://www.qliance.com/>), is in the Seattle area. But here's a nationwide list of direct primary care doctors (<http://www.dpcare.org/practices>). And here's a website that has a lot more information (<http://www.dpcare.org/>) on the concept.





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