How Subscription Medicine Can Benefit Your Patients – and Grow Your Business

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One day last fall, a patient texted Vance Lassey, M.D., while he was at church to say she thought she had a urinary tract infection (UTI). After discussing her symptoms and confirming her suspected diagnosis, Lassey, a Holton, KS, physician and president of the Direct Primary Care Alliance, stopped by his clinic on the way home, filled a prescription for an antibiotic and left it in a lockbox outside. The patient picked it up less than an hour later and quickly had her UTI under control.

“None of that cost her anything except for the medicine itself, which was like 65 cents for the entire weeks’ worth of medication,” he says. “What would that have cost her if she went to the urgent care or something?”

Anecdotes like this one show why the direct primary care (DPC) model (not to get confused with direct patient care) is increasingly popular among clinicians and patients alike. To be sure, subscription medicine, which includes both direct primary care and concierge medicine, is a niche operating model: *Concierge Medicine Today* estimates that between 10,000 and 25,000 clinicians practice this way in the U.S. and abroad. But the magazine also forecasts annual growth of 3% to 7%.

How subscription medicine works

As the name suggests, subscription medicine works much like Netflix, HelloFresh and any number of familiar subscription services. Patients (usually) pay a monthly fee and receive unlimited access to their provider.

“Use it as many times as you want in a month, and you only get charged once,” says Nupur Garg, M.D., who launched a DPC practice in North Haven, CT, in April 2022.

So what is concierge medicine? The big difference is that concierge care providers accept insurance, while DPC providers don’t. As a result, DPC practices tend to charge less per patient and run leaner operations. Most notably, there’s no need to hire office staff members to deal with billing and insurance.

“I only have one businessperson, and it’s my wife, Erin,” says Lassey. “We don’t have to sit there and haggle with insurance companies; we just bill all of our patients a monthly fee. And our EMR is built for this, so it does it for us.”

All told, Lassey’s practice includes 11 total staff members, which includes five clinicians (that’s three nurse practitioners, one physician assistant and Lassey himself). He figures he would need about 30 staff in a traditional medical office. “We would probably need double the nursing staff, at least double the medical assistant staff and at least triple the front office and business office staff,” he says. “But we’d also be taking care of four times more patients.”

Smaller panels, longer appointments

That distinction highlights a key feature of subscription medicine. The fees patients pay allow clinicians to drastically reduce the size of their patient panels. And fewer patients means more personal attention.

“If you use the fee-for-service model, then you end up having this need to fill your time slots with as many people as possible because then you can bill for each one. So it ends up prioritizing quantity over quality,” Garg says. “But if you use the direct primary care model, you can have a lot fewer patients and spend a lot more time with each one. It’s quality over quantity.”

Garg believes this approach benefits physicians and patients alike. “You’re both incentivized to keep the patient healthy,” she says. “Because the healthier they are, the fewer issues they’ll have. And then the less work you have to do. Whereas with fee-for-service, the model actually incentivizes keeping the patient unhealthy because you get paid per visit.”

For his part, Lassey came to DPC as much to improve his own mental health as to improve his patients' physical health. Within a year of starting his first job at a hospital, he became disillusioned with the system's "ability to make me hate the thing I loved."

He spent nine years researching DPC, paying off loans and preparing to launch his own practice, which he did in 2016. "I was full by 2018, and I started a waiting list," he says. "I hired my first partner, Daniel Jones, a couple of years ago, and he took over the waiting list and filled up in a couple of years, and so on. Then, in the last two years, we've gone to 11 employees."

Who does subscription medicine serve?

For Garg, subscription medicine and lifestyle medicine go hand in hand. The model gives her the space to make lifestyle prescriptions, host cooking classes and even sponsor her patients in local fitness events like 5K races.

But you don't have to practice lifestyle medicine to embrace subscription medicine. According to *Concierge Medicine Today*, a variety of physicians use a subscription model. Here's their breakdown of the top five types of practices:

- Family medicine: 32%
- Internal medicine: 23%
- Osteopathic medicine: 11%
- Cardiology: 8%
- Pediatrics: 5%

In terms of patient demographics, concierge medicine practices often cater to high-income individuals, which both the prices they charge and the sorts of ancillary services they provide reflect. DPC, meanwhile, tends to serve a wider range of patients.

"Our model is affordable for everyone," says Lassey. "I take care of some of the poorest people in town, as well as the wealthiest." He says his panel skews younger than he expected at the outset, probably because many older patients have become conditioned to only see doctors who accept Medicare. Garg's panel is also mixed. "I have a lot of hardworking, self-employed people making an honest living, including insured patients who choose not to use their health insurance because DPC actually saves them money," she says.

Going beyond office visits

To some extent, the benefits of subscription medicine end at the office door. If patients need lab tests, imaging or surgery, they'll still need insurance or the ability to self-pay.

However, physicians like Lassey and Garg often negotiate with labs, imaging centers and surgery centers to bring patient costs down. For example, Lassey and other DPC doctors have a deal with a Kansas City imaging center that lets them get MRIs for $200 to $300, CT scans for $200 and X-

rays for $35, including readings by a radiologist. “I send all my imaging there,” Lassey says. “They bill me at the end of the month, and then I just bill a patient whatever their imaging costs.”

Garg, meanwhile, gets substantial discounts through a group purchase organization, including low-cost labs. “The blood panel that I send is a comprehensive blood panel because it covers my lifestyle medicine stuff,” she says. “That’s $892 with insurance, but it’s $56 with my contract.”

She also refers patients to a growing number of direct-pay offices in the area for everything from dental care to dermatology. “Some of them are hybrid, where they have an insurance side plus a self-pay rate, and some of them are literally just direct-pay,” she says.

Never going back

Lassey and his colleagues in the DPC Alliance like to use the hashtag #NeverGoingBack on social media. “There’s no way you would ever see me go back and work for a hospital again,” he says. “I’d quit medicine altogether and farm or something before I would ever do it.”

Many subscription medicine patients feel the same way. Garg keeps a tissue box handy when she meets with patients, and it gets plenty of use. “They often come in crying, talking about how it’s the first time they felt heard in the doctor’s office,” she says. “I know my colleagues are not mal-intentioned; they’re not bad people. But the system isn’t set up for them to be the kind of doctors I think they all want to be.”

How to learn more about direct primary care & concierge care

Here are three resources for learning more about subscription medicine:

- Direct Primary Care Alliance (https://dpcalliance.org/) runs the annual DPC Summit with the American Academy of Family Physicians and other groups.
- American Academy of Family Physicians (https://www.aafp.org/) publishes a DPC toolkit (https://www.aafp.org/family-physician/practice-and-career/delivery-payment-models/direct-primary-care.html)
- *Concierge Medicine Today* (https://conciergemedicinetoday.org/) runs the annual Concierge Medicine Forum