



STRADA HEALTHCARE
DIRECT PRIMARY CARE
PILOT PROGRAM REPORT
JULY 1, 2022, through JUNE 30, 2023



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Background

In April 2018, the Direct Primary Care (DPC) Pilot Program Act was passed, which allows for the inclusion of DPC in the Nebraska State Insurance Program for fiscal years 2019-2020 through 2022-2023. The Department of Administrative Services (DAS), along with their health plan vendor, United Health Group, offered two different DPC health plans including a high-deductible option and a low-deductible option for coverage outside of primary care. Strada Healthcare was selected to oversee the provision of DPC by select primary care providers in locations across Nebraska.

DPC allows teammates and their families who are enrolled in one of the DPC health plans unlimited access to their selected Strada primary care provider without copays or deductibles. As members, teammates and their families can visit their DPC provider in the office or access them via phone, text, or video chat. By eliminating the barriers of cost and access, DPC lowers overall costs and utilization. (Busch, Grzeskowiak, & Huth, 2020).

The primary care services covered by DPC membership include:

- Annual physicals including establishing lab work
- Assessment of health risks
- Medical care to prevent diseases and illnesses
- Medical care for short term and long-term diseases and illnesses
- Treatment of simple skin disorders
- Treatment for depression, anxiety, and stress management
- School, sports, and workplace physicals
- Assessment and support for sleep disorders
- Treatment of sprains, simple wounds, and minor injuries
- Lesion removal
- Weight management
- Women's health, (excluding mammograms)
- Well checks for infants and children, (excluding vaccinations)
- EKGs
- Same-day or next-day appointments based on medical need
- Communication with Providers through email, text, video, and phone

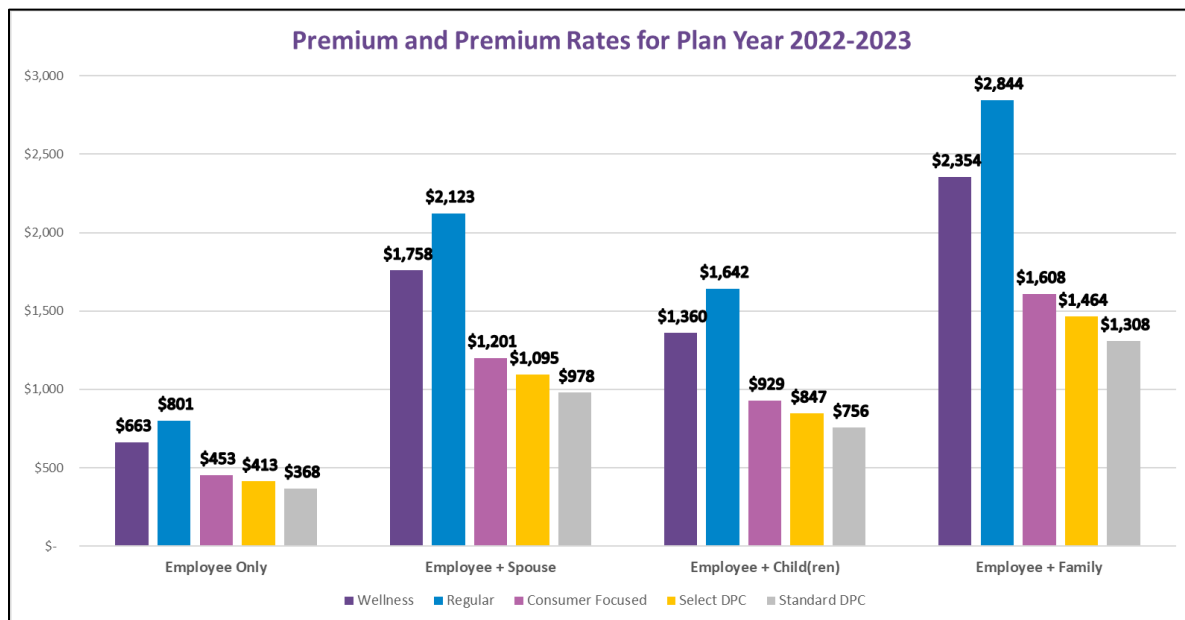
DAS offered Nebraska teammates in-person education about the DPC health plan options prior to open enrollment for the 2019-2020 fiscal year. Video education was provided for fiscal years 2020-2021 and 2021-2022 due to COVID-19 restrictions on in-person gatherings. In-person education regarding health plan options was again made available for the fiscal year 2022-2023.

DAS submitted an electronic report to the Nebraska legislative website per the statute evaluating the clinical and financial performance of the pilot for fiscal years 2019-2022. This report serves as an update to include fiscal year 2022-2023.

Premium and Premium Rates

The State of Nebraska’s health insurance program consists of five self-insured health plans: the WellNebraska Plan, the Regular Plan, the Consumer-Focused Health Plan, and two DPC plans. The WellNebraska Plan and the Regular Plan are traditional copay medical plans. The Consumer-Focused Health Plan provides an option for teammates to set aside pre-tax funds in a Health Savings Account. The two DPC plans are offered in conjunction with two high deductible plans, The Standard Plan with a \$5,000 deductible and the Select Plan with a \$3,500 deductible. These plans provide preventive and DPC services at no additional charge beyond the monthly membership fee. Services outside of the preventive and primary care spectrum are subject to the high deductible component of the plans.

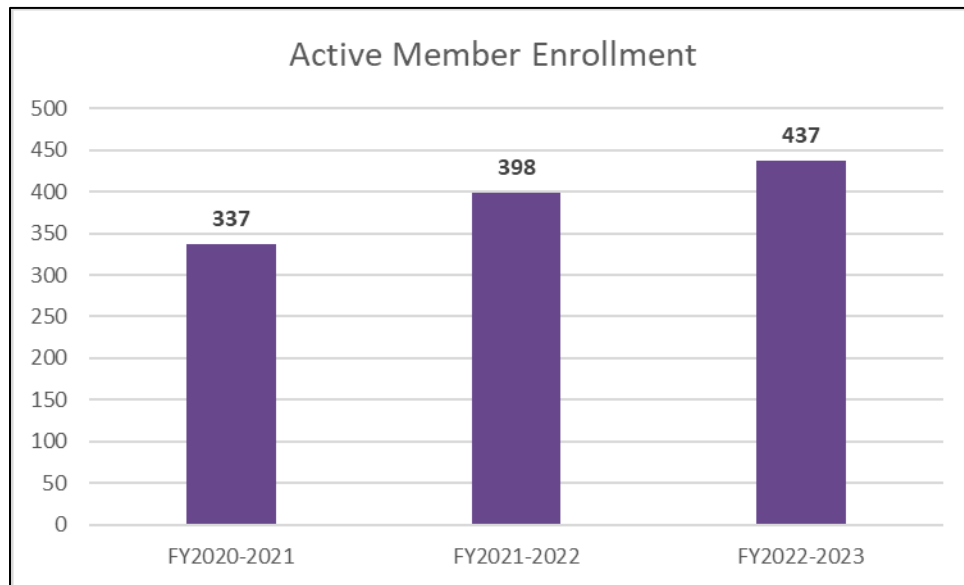
For active, full-time teammates the State contributes 79% of the total cost for both health plan premiums and DPC membership rates. Teammates pay 21% of the total cost. The charts below represent the total monthly premium for each plan, with DPC membership rates broken out for the Standard and Select DPC plans.



DPC Pilot Program Participation and Demographics

The DPC plans were most popular among younger teammates who elected employee-only coverage. The average age of teammates enrolled in all State health plans was 46. The average age for those enrolled in a DPC plan was 35.5.

Participation in the DPC plans represent 1.60% in Fiscal Year 2022-2023 which is consistent with the prior Fiscal Year. (It is worthy to note, the overall total members has increased in Fiscal Year 2022-2023)



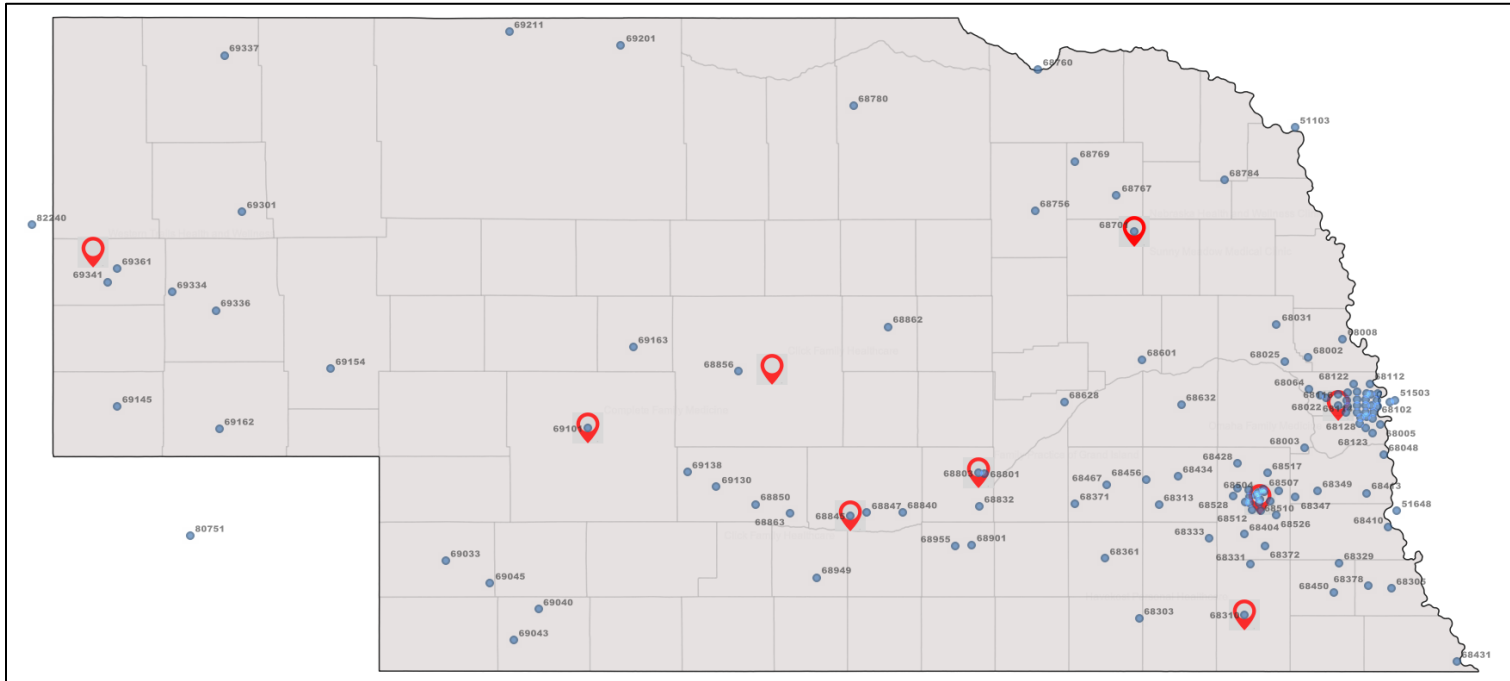
Factors that may contribute to increase in member enrollment year over year:

- The DPC Plans continue to offer the lowest premium of any State of Nebraska plan.
- The DPC Plans allow members to access Strada DPC clinics without out-of-pocket costs while also offering access to high deductible insurance plan.
- The DPC Plans give members same or next-day access for office visits along with virtual connectivity to their care team.

Factors that may contribute to lack of participation in the DPC Plans:

- The DPC Plans have the highest deductible and out of pocket costs to the member.
- The value and resultant popularity of the WellNebraska plan that offers:
 - The lowest deductible (\$800 Individual/ \$1,600 family) and annual out-of-pocket maximums (\$2,700 Individual and \$5,400 family; Rx \$2,000 Individual/4,000 family).
 - Additional benefits not included in the DPC Plans, such as:
 - The first \$500 of all non-preventative lab and pathology work is covered.
 - Maternity hospital charges at in-network hospitals are covered at 100% after a \$500 copay.
 - All colonoscopies and mammograms are covered 100% (diagnostic included)
 - 24/7 Virtual Visits covered at 100%

- Participant Zip Code Distribution



The blue dots on the map represent teammates who selected a DPC plan. The red pins represent DPC provider locations.

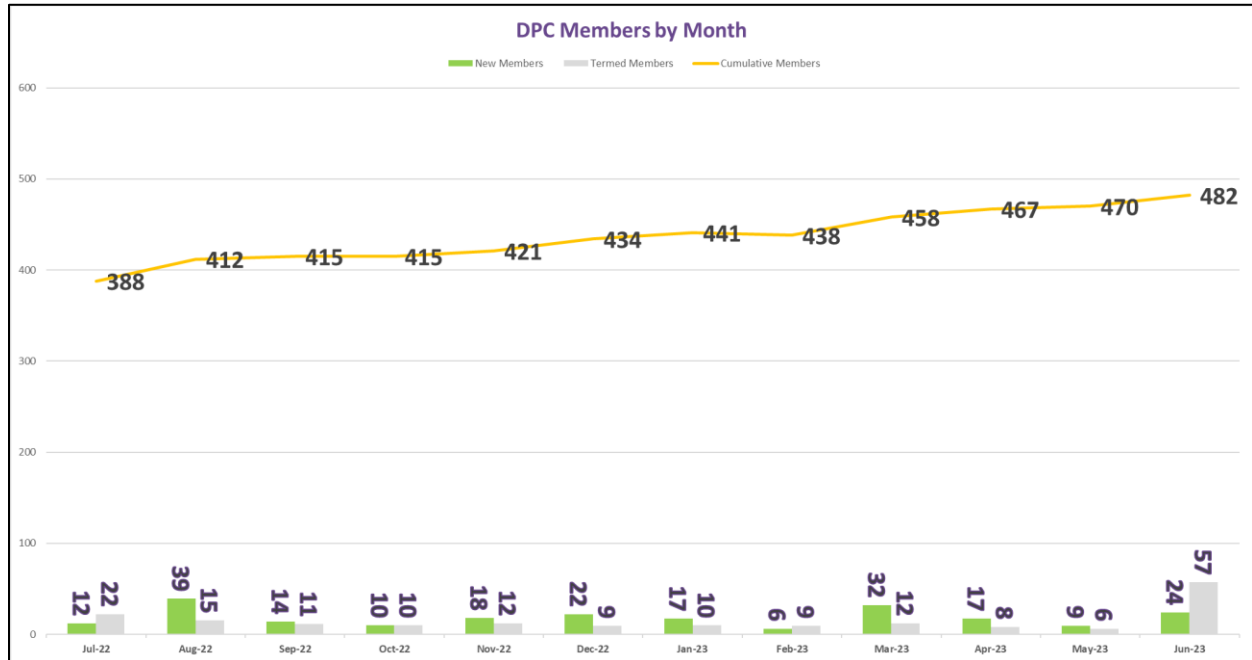
To simplify the map, the Omaha and Lincoln metro area clinics are not all displayed with individual pins. For complete information on all clinic locations, reference page 26 of the Options Guide.

The DPC Pilot began in 2019 with twenty-six providers in eight Nebraska cities and one in Iowa. Cities included Bellevue, Gretna, Kearney, Lincoln, Norfolk, Omaha, Papillion, Scottsbluff, and Council Bluffs. Grand Island and North Platte locations were added for Fiscal Year 2020-2021 to include forty-one providers in eleven cities. Provider locations were added in Beatrice and Broken Bow at the beginning of Fiscal Year 2022-2023 as Strada continues to add locations across Nebraska to promote growth of the program and access to Teammates across the State.

The DPC program offers low cost, convenient access to innovative health care services for teammates outside the Omaha/Lincoln metro areas. Teammates with limited geographic access to primary care established with a DPC provider and continued their care through telemedicine.

Membership Growth

New teammates are added throughout the year when they become eligible for coverage and select one of the DPC plans. If a major life event occurs (birth of a child, divorce, etc.), teammates can add/delete participants on the health plan they have selected. Teammates can select a different health plan only during open enrollment. Terminations throughout the year reflect teammates who have left State employment.



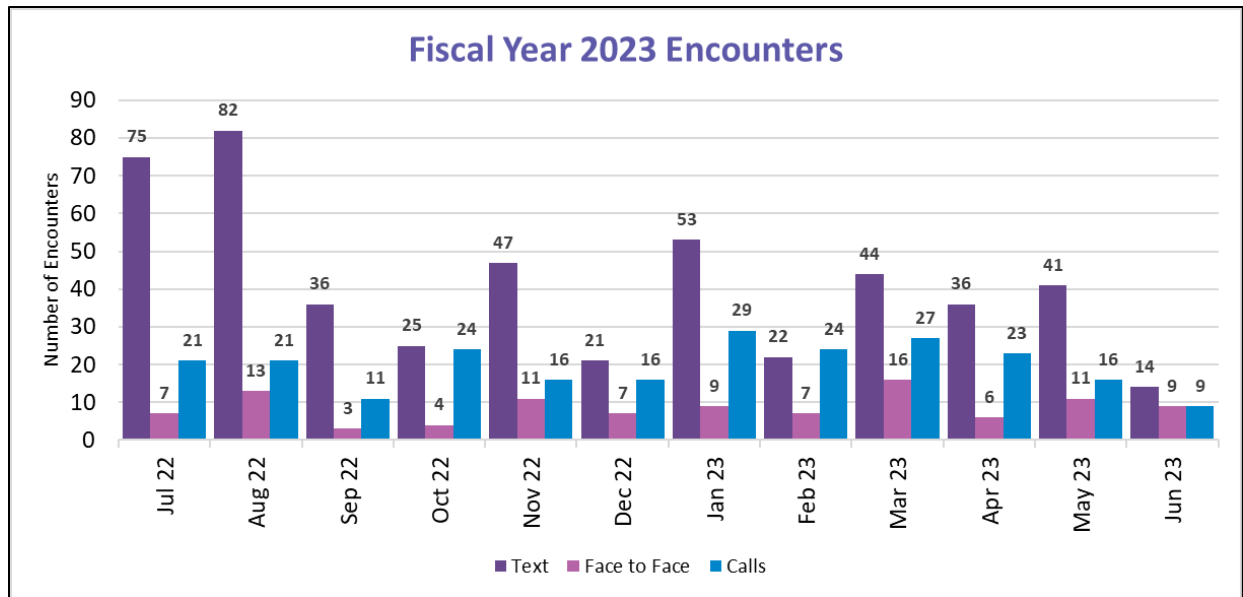
DPC participants were contacted by Strada Healthcare to complete satisfaction surveys between May, 2023 through July, 2023. However, due to minimal participation we were not able to provide data from those surveys. Survey questions included:

1. Overall, how satisfied are you with your Strada Healthcare experience?
2. How long were you a Strada Healthcare member?
3. How often did you or your family use your Strada Healthcare membership?
4. Would you recommend Strada Healthcare to a friend or family member?
5. How likely are you to continue or re-join Strada Healthcare in the future?
6. If you are no longer a Strada Healthcare member, what was the reason for canceling your Strada membership?

Member Engagement

Upon enrollment in a DPC plan, Strada contacts each state teammate to explain the DPC program, assist in provider selection, and answer any questions about the program. The provider’s office also contacts the participant to schedule visits to establish care. Encounters are ultimately driven by the member, and they can choose whether or not to engage with the clinic. Strada is working with United Healthcare on additional ways to contact members to increase future utilization.

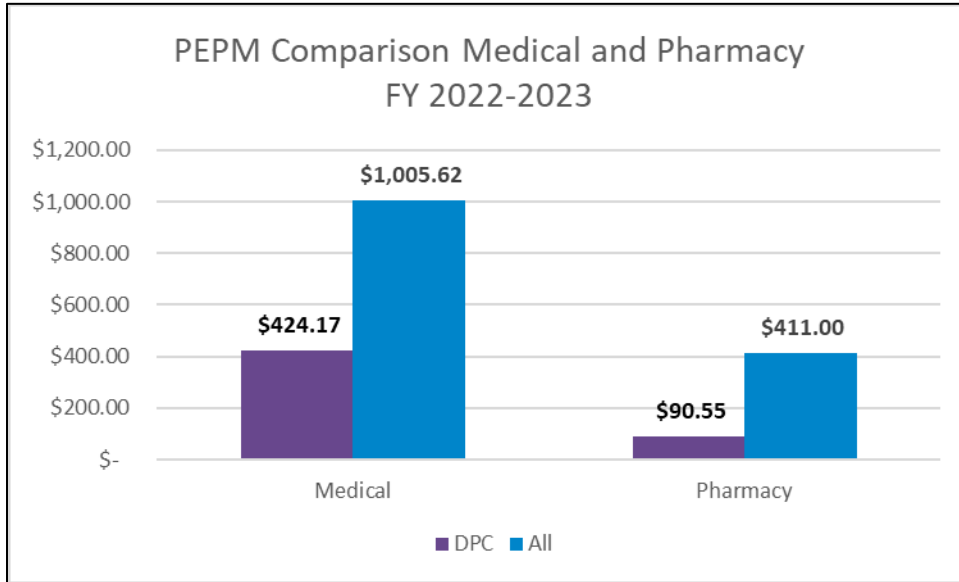
The charts below represent calls, face to face visits, and text interactions between members and their DPC provider. A text interaction is defined as a series of messages between a patient and the provider within a 24-hour timeframe.



- Text = series of messages between a patient and the provider within a 24-hour timeframe
- Face to Face = patient visit with the provider in the office
- Calls = audio phone calls between the patient and the provider

Cost Metrics

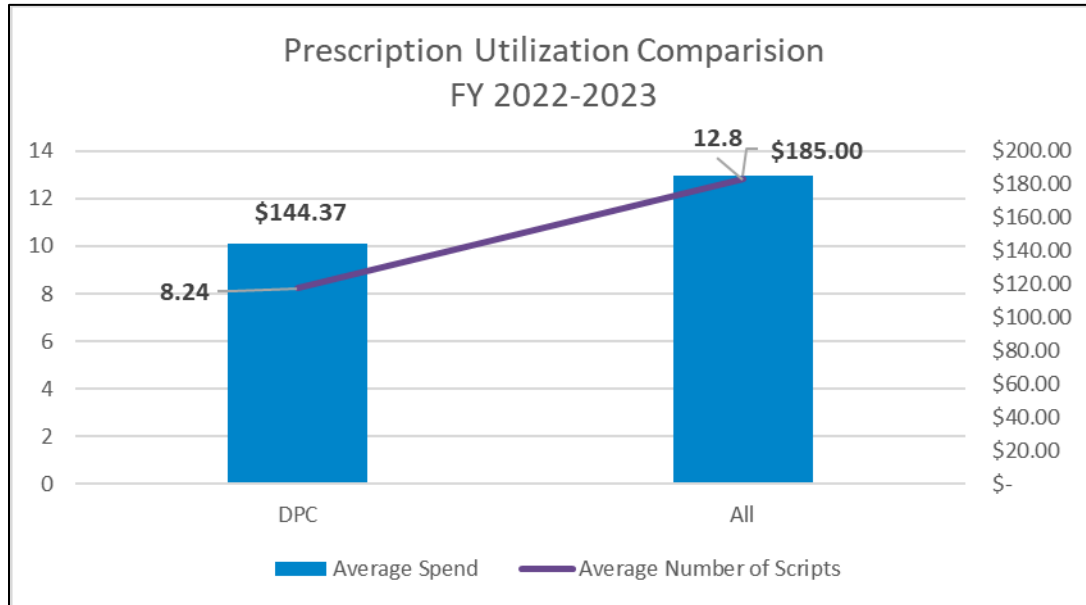
The chart below shows the cost differences between all teammates enrolled in any State-sponsored health plan (“All”) and those in one of the two DPC health plans (“DPC”).



The PEPM (Per Employee Per Month) costs for DPC plans does not include discounted cash-prices that members could incur in addition to the total PEPM cost referenced above. It also does not include the DPC membership fees.

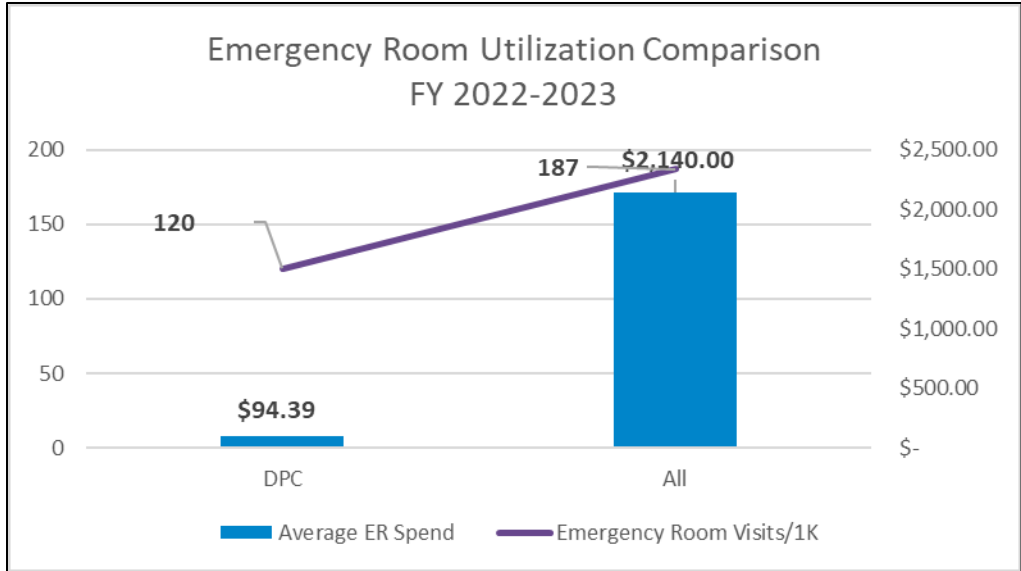
Medical Utilization Comparison

The charts below show the cost and utilization differences between all teammates enrolled in any State-sponsored health plans (“All”) and those in one of the two DPC health plans (“DPC”).



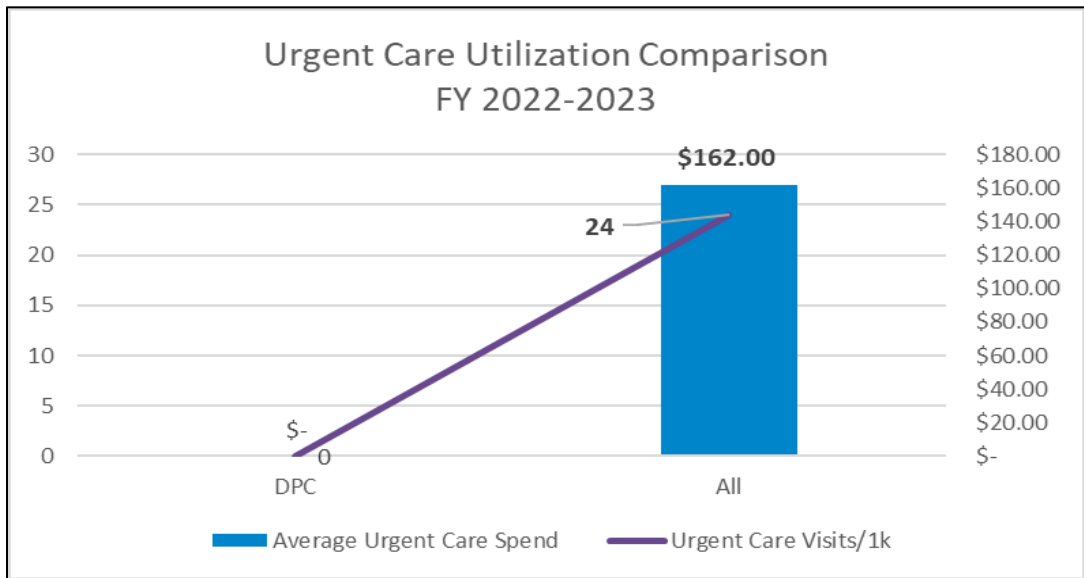
Average Number of Scripts = $\frac{\text{Number of Prescriptions during 2022-2023}}{\text{Unique Number of Claimants during 2022-2023}}$

Average Spend = $\frac{\text{Total Amount Paid for 2022-2023}}{\text{Number of Prescription for 2022-2023}}$



Average ER Spend= $\frac{\text{Total Amount Paid for 2022-2023}}{\text{Number of ED Visits for 2022-2023}}$

ED Visits per 1k= $\frac{\text{Number of ED Visits}}{\text{Member Months}} * 1000 * 12$



Average UC Spend= $\frac{\text{Total Amount Paid for 2022-2023}}{\text{Number of Urgent Care Visits for 2022-2023}}$

UC Visits per 1k= $\frac{\text{Number of Urgent Care Visits}}{\text{Member Months}} * 1000 * 12$

Key Takeaways

- Lower premiums offered in the DPC plans allow teammates to reduce their monthly out-of-pocket insurance costs, while providing unlimited access to primary care services through their Strada provider.
- The DPC plans continue to be most popular among younger teammates.
- Provider locations continue to be added to allow participation by teammates across the state.
- Teammates who live in geographic areas with limited primary care resources have unlimited access through telemedicine to their chosen Strada provider.
- The DPC population continues to have lower overall costs and utilization, which is consistent with the findings of other DPC models (Busch, Grzeskowiak, & Huth, 2020).
- Emergency room visit frequency and costs were markedly lower, consistent with primary care focused models (Jabbarpour, et al., 2019).
- The value and resultant popularity of the WellNebraska plan reduces participation in the DPC plans.

Analysis Overview

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Date Ranges:

State Fiscal Year 2021	July 2020 - June 2021
State Fiscal Year 2022	July 2021 - June 2022
State Fiscal Year 2023	July 2022 - June 2023

Data Sources:

Medical Claims, RX Claims, Member Eligibility, Telemedicine, Provider Electronic Health Record

	State Fiscal Year 2021	State Fiscal Year 2022	State Fiscal Year 2023
Eligibility			
Number of Active Members	539	530	674
Number of Member Months	5,497	4,291	5,244
Average Member Age	27	30	29
Total Number of Claims			
Medical	2,621	4,158	4,518
RX	1,616	2,640	3,261
Unique Members with a Claim			
Medical	279	456	443
RX	220	361	398
Total Plan Paid Amount			
Medical	\$1,072,190	\$1,091,502	\$2,453,384
RX	\$229,062	\$343,166	\$523,764

Exclusionary Criteria

- This report only contains State of Nebraska employee claims data who participated in the DPC plan.
- Claims files did not contain allowed amounts, thus paid amounts were used. Note that paid amounts will not give an accurate depiction of cost. Other costs, such as, co-pays, deductibles, and coinsurance or network discounts will not be a part of the cost estimates.
- Risk adjustment was not used for this analysis.

Report Notes

- Active Members includes all lives, employees and dependents.

- This report only contains claims data for State of Nebraska teammates and their dependents who participated in a DPC plan.
- PMPM cost were calculated using paid amounts.
- Utilization metrics were aggregated based on United Healthcare's place of service groupings.

References

- Busch, F., Grzeskowiak, D., & Huth, E. (2020). *Direct Primary Care: Evaluating a New Model of Delivery and Financing*. Schaumburg: Milliman.
- Jabbarpour, Y., Greiner, A., Jetty, A., Coffman, M., Jose, C., Petterson, S., . . . Neumann Kane, A. (2019). *Investing in Primary Care: A State-Level Analysis*. Washington: Patient-Centered Primary Care Collaborative.
- Strada Healthcare. (2021, August 30). *Strada Healthcare Direct Primary Care Pilot Program Report*. Retrieved from Nebraska Legislature:
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