



# DIRECT SPECIALTY CARE

SEAN M. KELLEY  
TEXAS MEDICAL MANAGEMENT

Select the best.  
Eliminate the unnecessary.  
Deliver the unexpected.

# DIRECT CARE

Employer bypasses traditional access-based networks

Contracts directly with medical providers for plan members services

Mostly Direct Primary Care with a flat monthly subscription fee

Also used in Episodic Surgery Bundles, Cancer Care, and other

Leads to relationships between employers and local providers

Keys are collaboration, transparency, fast-pay, & lower admin costs

# SPECIALTY CARE: TODAY

## **THE WHY:**

### **The Cost of Complexity:**

- Overhead/admin burden, & middleman interference (networks, insurance, health systems).

### **Specialist Employment:**

- Employed specialists are incented to refer to expensive hospital sites of care.

### **Patient Barriers:**

- HOPD pricing, long wait times, brief, impersonal visits and costly hospital funnels.

## APPLY THE DIRECT PRIMARY CARE (DPC) PHILOSOPHY TO SPECIALTY CARE

# THE SOLUTION: DIRECT SPECIALTY CARE (DSC)

### Transparent Pricing:

- Clear, upfront costs for consultations and procedures.

### Direct Access:

- Removal of "gatekeeper" delays.

### Time:

- Longer appointments (30-60 minutes) for complex DX workup.

### Referral Control:

- DSC will refer via Care Nav or to employer's choice

### Member Incentives:

- \$0 out of pocket

### Stand-Alone or Run in Parallel:

- Mandatory or Alongside Network

# DIRECT SPECIALTY CARE (DSC)

## Defining DSC:

A Model where specialists contract directly with employers bypassing third-party payers.

	Traditional Network Model	Direct Specialty Care
Payment	Complex billing/coding	Direct invoicing predefined services
Pricing	Hidden until the EOB arrives	Published and predictable
Focus	Volume and RVUs	Outcomes and patient time
Wait Times	Often weeks or months	Usually days
Referrals	Costly hospital funnel	Use Care Nav or Employer Choice

*Local Private Practice specialists are best fit for employer and patient.*

# DSC: BENEFITS TO PATIENT & EMPLOYER



## **Reduced Wait/Longer Visits:**

Direct access via  
Care Nav and  
upfront pricing



## **Better Outcomes:**

Employer  
narrows selection  
based on quality  
and NPS.



## **Lower Costs:**

Plan Incentives  
make most care  
\$0 out of pocket.

# DSC: BENEFITS TO SPECIALISTS



## **Lower Overhead:**

Reduce the need for extensive billing & coding



## **Improved Revenue:**

Faster direct pay, less patient collections



## **Relationship Medicine:**

Clinical decisions are made by the doctor and patient, with local oversight

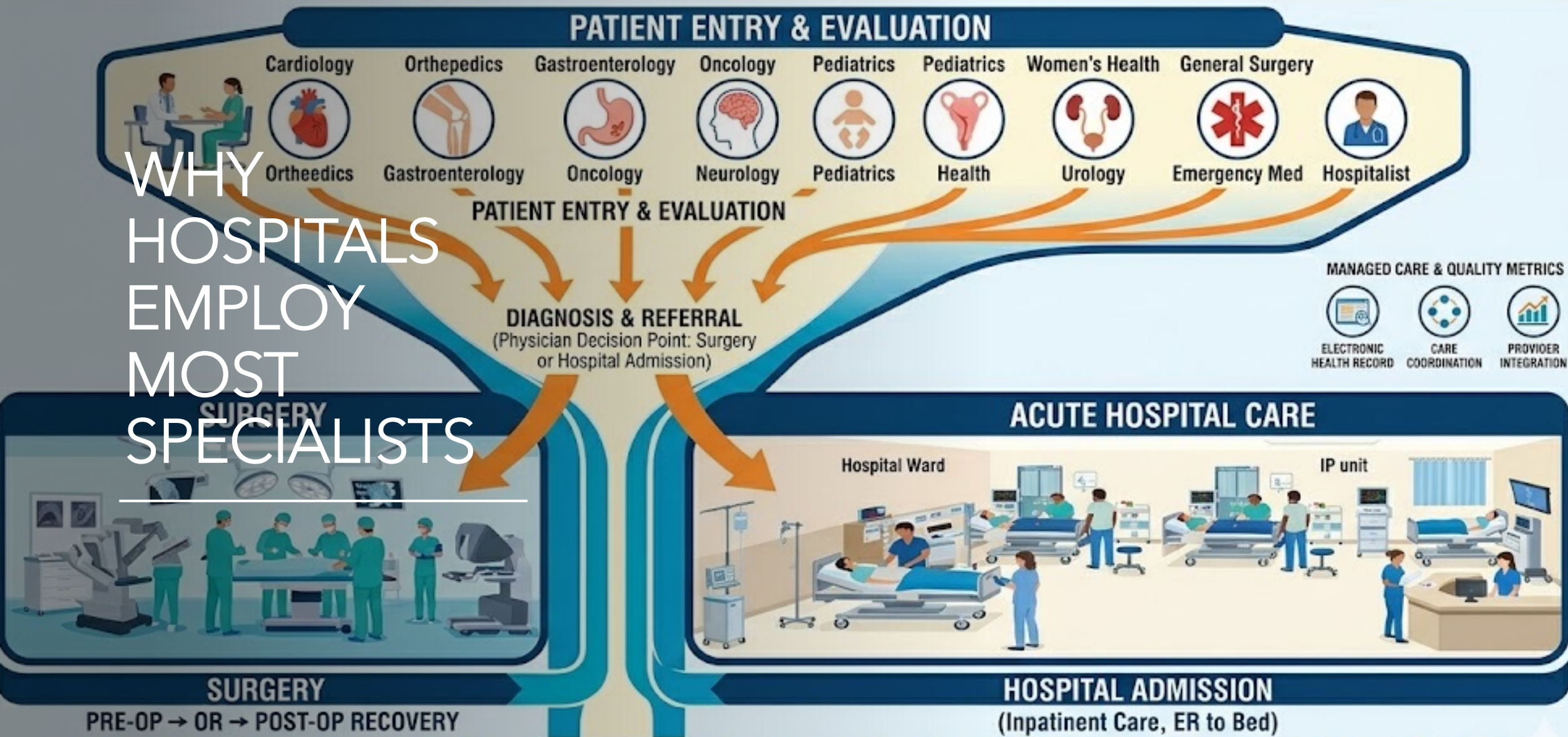


## **Fulfilling Vocation:**

More time improves outcomes and satisfaction

# HOSPITAL-OWNED PHYSICIAN FUNNEL: SPECIALTY TO ACUTE CARE

WHY  
HOSPITALS  
EMPLOY  
MOST  
SPECIALISTS



# HOSPITAL-OWNED PHYSICIAN FUNNEL: SPECIALTY TO ACUTE CARE

# WHAT IS QUALITY?

---

Safety is not Quality.

---

In nearly all settings, the physician and their team are the chief determinant in a quality outcome.

---

Data show that quality physicians do not tolerate poor quality facilities.

---

Quality is best achieved when a physician has a relationship with the patient

---

Quality is measured in terms of patient outcomes

---

Patient experience is also important to a health plan & measured with an NPS

# DSC: BENEFITS TO CONSULTANTS AND TPAs



## **Build Unique Networks:**

Each client brings local knowledge & contacts



## **Reduced Plan Costs:**

Better renewals



## **New Revenue Sources:**

Care Nav extends Medical Management



## **Faster Pay:**

Challenges existing workflows.

# ACCESS & NETWORK ADEQUACY

---

## Direct Care space

- we avoid using the term 'Network'

## 'Network'

- has come to mean something entirely different

## Legal Complexity

- Lots of regulation at play

# HOW MANY ARE ENOUGH?

## Large Networks

- Emphasize Access over Quality and Cost

## Catchment Populations

- Are surprisingly large numbers

## Quality, Service, Cost and Collaboration

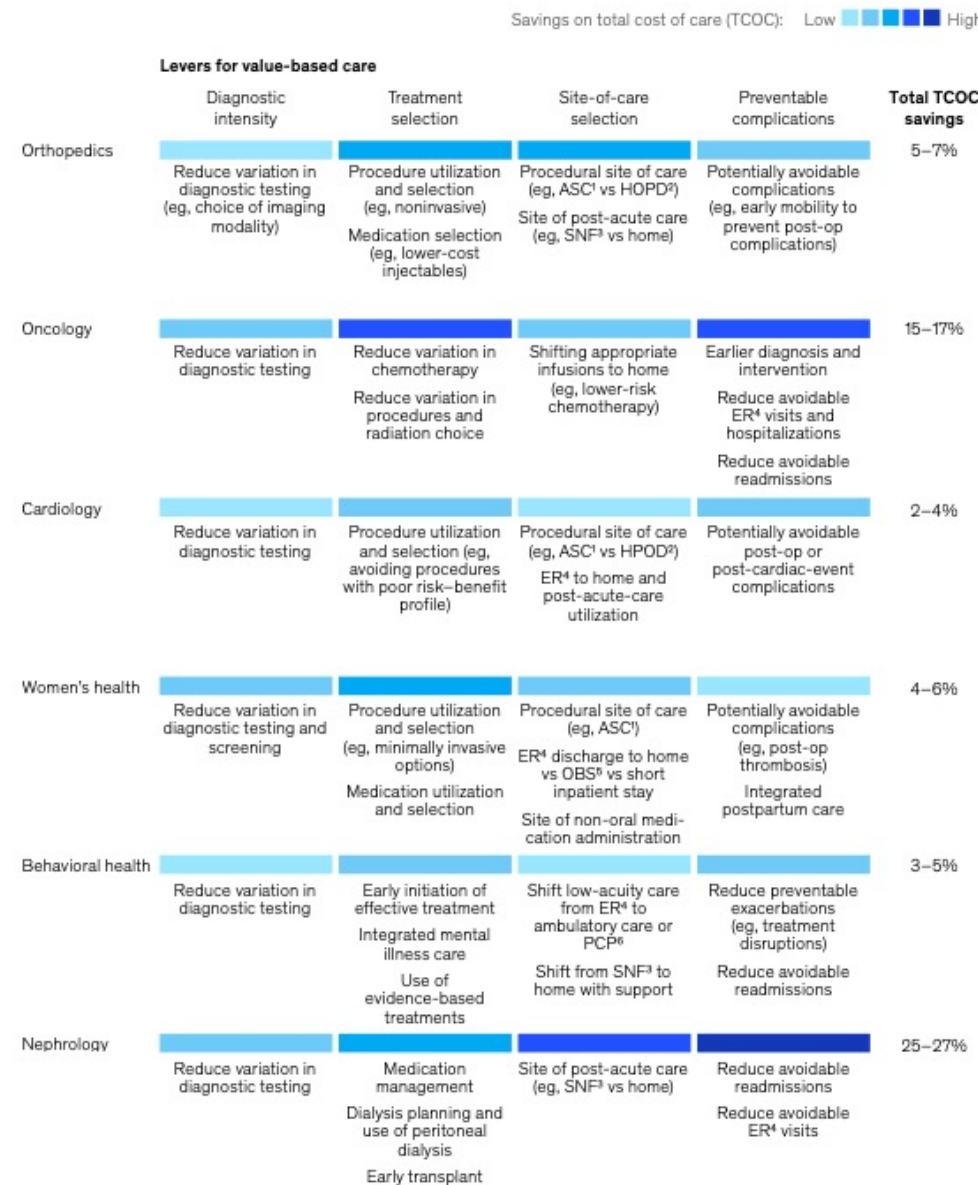
- Pick a costly disease or specialty and find a local partner

## Incentives eat 'Access complaints' everyday

- Plan incentives that eliminate member OOP costs

# ANALYZE DATA AND PRIORITIZE

## Levers to achieve savings in value-based care vary by specialty.



Note: All shifts in care refer to diagnostics, therapies, or care delivery options with equal or greater clinical efficacy and quality than current observed practice patterns, to be implemented only when clinically appropriate and indicated.

<sup>1</sup>Ambulatory surgery center.

<sup>2</sup>Hospital outpatient department.

<sup>3</sup>Skilled-nursing facility.

<sup>4</sup>Emergency room.

<sup>5</sup>Hospital observation status.

<sup>6</sup>Primary care physician.

TPAs &  
CONSULTANTS:

BUILDING DSC  
IS A PROCESS

Specialty care now drives the majority of U.S. healthcare costs. In 2023, patients in six key specialties — orthopedics, oncology, cardiology, women’s health, behavioral health and nephrology — 68% of commercial and Medicare spending and 38% of direct medical costs.

McKinsey  
& Company

Specialty:	MDs	Solution: DSC
Orthopedics	8	1-2
Women’s Health (OB/GYN)	14	1-2
Cardiology	8	1
Behavioral Health (Psychiatry)	3	Sep agreement
Oncology	4	Sep agreement
Nephrology	3	1

OUR CULTURE  
EATS STRATEGY  
FOR LUNCH...  
EVERY DAY.

AVOID THIS COMMON MISTAKE

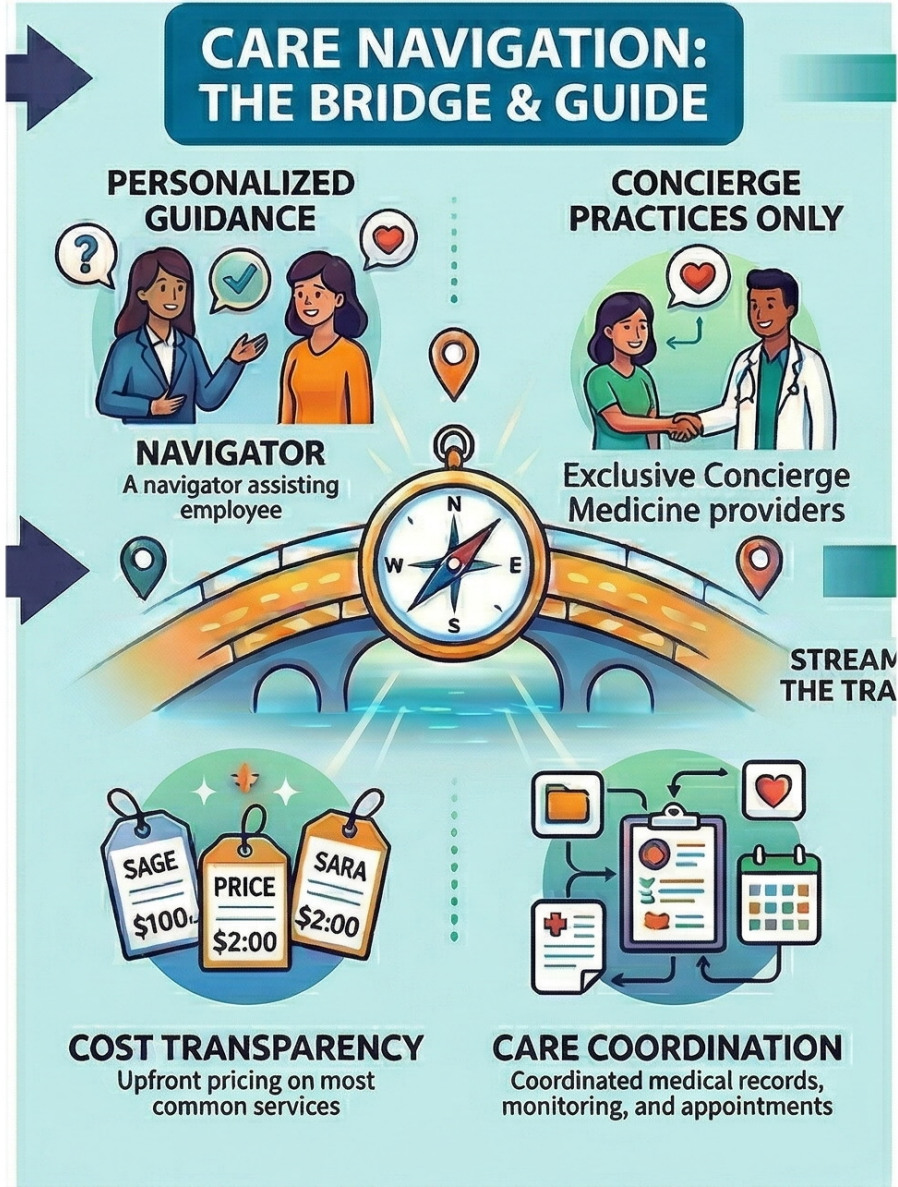


# HOW CARE NAVIGATION IS THE KEY TO CHANGING YOUR EMPLOYER-SPONSORED HEALTH PLAN

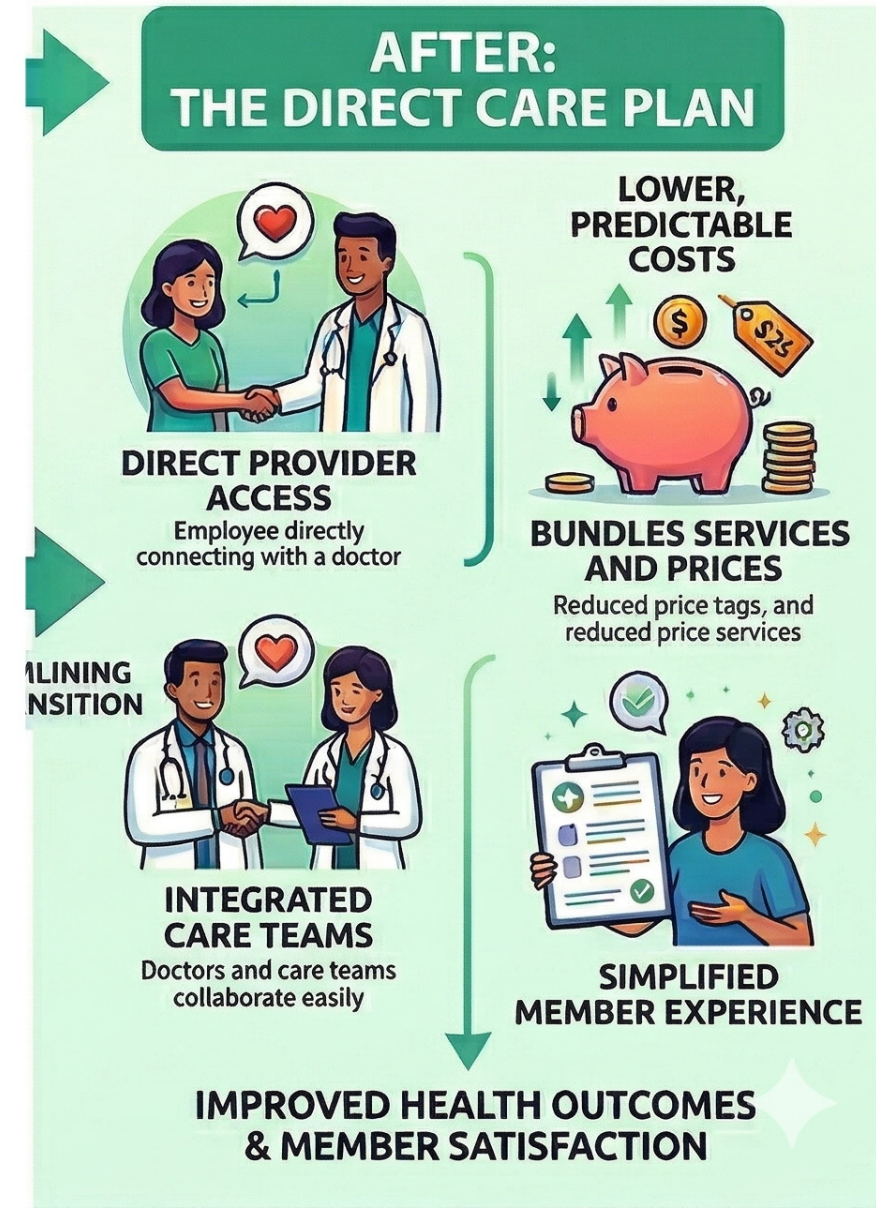
**BEFORE:  
THE LEGACY PLAN**



# HOW CARE NAVIGATION IS THE KEY TO CHANGING YOUR EMPLOYER-SPONSORED HEALTH PLAN



# HOW CARE NAVIGATION IS THE KEY TO CHANGING YOUR EMPLOYER-SPONSORED HEALTH PLAN



# HOW CARE NAVIGATION IS THE KEY TO CHANGING YOUR EMPLOYER-SPONSORED HEALTH PLAN

## BEFORE: THE LEGACY PLAN



## CARE NAVIGATION: THE BRIDGE & GUIDE

A central illustration shows a bridge with a compass on top, spanning across a gap. The bridge is flanked by location pins. Below the bridge are three price tags: 'SAGE \$100', 'PRICE \$2:00', and 'SARA \$2:00'. To the right is an icon for 'CARE COORDINATION' showing a folder, clipboard, and calendar.

**PERSONALIZED GUIDANCE**  
A navigator assisting employee

**CONCIERGE PRACTICES ONLY**  
Exclusive Concierge Medicine providers

**COST TRANSPARENCY**  
Upfront pricing on most common services

**CARE COORDINATION**  
Coordinated medical records, monitoring, and appointments

## AFTER: THE DIRECT CARE PLAN

A person in a green shirt shakes hands with a doctor in a white coat. Below them is an icon for 'DIRECT PROVIDER ACCESS' showing a person shaking hands with a doctor.

**DIRECT PROVIDER ACCESS**  
Employee directly connecting with a doctor

**LOWER, PREDICTABLE COSTS**  
BUNDLES SERVICES AND PRICES  
Reduced price tags, and reduced price services

**IMPROVED HEALTH OUTCOMES & MEMBER SATISFACTION**

**INTEGRATED CARE TEAMS**  
Doctors and care teams collaborate easily

**SIMPLIFIED MEMBER EXPERIENCE**

# DIRECT PAY SUCCESS

## OVER COMMUNICATE & DIRECT LIAISON

- Keep it simple, the payoff is for the provider & patient

## FEE SCHEDULES

- Regularly update and do check-ins

## FAST PAY

- Makes fast friends

## REWARD SUCCESS

- Terminate those who don't follow the rules

# PLAN FOR SUCCESS

## TIE IN STOP-LOSS

- Enlightened will give declination

## FOCUS ON UTILIZATION

- Behavior change is hard; monthly mtgs w HR

## PAY FOR TRAVEL

- Sometimes it make sense

## EXTRA INCENTIVES FOR BIG CASES

- Make sure plan allows for use of EXTRA \$\$

# SITE OF CARE STRATEGIES

---

IMPORTANT TO MANAGING HIGH-COST CLAIMS

---

FACILITY VARIATION CAN BE 8X. NOT EVERY ASC IS A VALUE.

---

Direct Specialty Care refers to Care Nav for \$0 OOP care. Physicians and their staff are more concerned with their patients OOP cost than any network strategy.

---

Once established, introduce DSC providers to your Surgery CoE or Bundled Surgery Partner.

# HIGH-COST FACILITY UTILIZATION

---



## **ACUTE CARE IS DIFFERENT**

RBP, cost containment solutions or networks



## **ELECTIVE CAN BE CONTROLLED**

DPC/DSC & Care Nav will control referrals to CoE or Bundled Providers



## **PLAN INCENTIVES ARE KEY**

Physicians will always determine site of care; patients will go for \$0 OOP

MAKE IT EASY  
FOR  
MEMBERS

---

Find a Care Navigation partner

---

Make or Buy on Direct Care payment

---

Monthly reporting

---

Set goals & accountability

---

Aim for early wins

---

Add something new each year

---

Measure/improve member experience



# QUALITY BUNDLED SURGERY

TEXAS MEDICAL MANAGEMENT  
1001 S. Mays St, Ste 205  
Round Rock, TX 78664

512.275.6471

[TexasMedicalManagement.com](http://TexasMedicalManagement.com)









## Serving Texas

A growing network of bundled care, built for Texas.

Since 2016, TMM has expanded carefully and deliberately, partnering with employers and providers who share a commitment to quality and accountability.

Today, its direct-contracting model brings bundled surgery across Texas in:

-  Austin
-  Dallas
-  Fort Worth
-  Houston
-  Rio Grande Valley
-  San Antonio

HELPING PATIENTS SAVE ON QUALITY CARE AND  
SUPERIOR SERVICE SINCE 2016.

*SERVING CENTRAL TEXAS | HOUSTON | DALLAS |  
FORT WORTH | SAN ANTONIO | RIO GRANDE VALLEY*

