

Cliff Robertson  
Government, Military, and Veterans Affairs Committee – Room 1507  
Testimony LB 1119  
February 7, 2018

Good afternoon Mr. Chair and Members of the Committee.

I am Dr. Cliff Robertson (R-O-B-E-R-T-S-O-N).

I'm the CEO of CHI Health. CHI Health is a regional health network consisting of 14 hospitals, 2 stand-alone behavioral health facilities, a free standing emergency department, more than 150 employed physician practice locations and more than 12,000 employees in Nebraska and Southwest Iowa serving communities from Corning, Iowa to Kearney, NE.

My testimony in support of LB 1119 today is on behalf of CHI Health and the Nebraska Hospital Association and I want to thank Sen. Riepe for the bill's introduction.

We were pleased to work with Sen. Riepe on legislation that was adopted by the legislature in 2016 that clarified (as most states have already done) that direct primary care is not an insurance product, but rather an innovative new approach catering to the patient and helping to reduce health care costs for families and employers.

Since that time, CHI Health has been pursuing direct primary care both as a provider and an employer by starting one of the first physician practices dedicated solely to providing direct primary care and one of the first employee benefit structures offering the benefit to our employees.

We did so because we believe health care is too expensive in our country and also believe that, as providers, we need to help lead the way to lowering costs.

So I wanted to briefly share our experiences with both of these efforts to date since they are very similar to what is being proposed in LB 1119:

In Mid-2017, we decided to do something that would assist our own employees with the cost of care and, more importantly, provide them with what has been shown to be a better experience.

So we started offering employees and their dependents the option of a direct primary care plan. While they also have the option of a more traditional PPO plan, hundreds of our employees and their dependents took advantage of the direct primary care plan and in our most recent enrollment period more than a thousand signed up.

They get the direct primary care benefit that provides them primary care services much like the optional medical benefit plan in LB 1119 proposes, with no co-pays, no deductible and all the access they need to their primary care team for as long as they need.

While the effort is still relatively new and our evaluations are not yet complete, we believe it will be in line with our move to cost effective value-based care and in line with outside data that suggests this model of primary care can reduce total costs by 5 to 15 percent.

From the physician perspective, our doctors at our first practice dedicated solely to direct primary care at 132<sup>nd</sup> Center in Omaha will also tell you it has been a successful transition and it continues to grow.

Dr. William Lowndes used to manage about 3,600 patients between two clinics and now is able to focus on 1,200 patients more intently which in turn provides patients better access.

In the old fee for service world, the only way to make the economics work was to see more and more people for shorter and shorter visits. But the fee-for-service “treadmill” meant Dr. Lowndes wasn’t able to spend the time he wanted with patients or to address health issues thoroughly. Under the current system, a typical doctor might see a patient for an average of 10 minutes while the direct primary care provider spends the time that is needed by the patient and is available to the patient 24/7 through office visits, emails, phone calls or various other forms of communication.

So based on our experiences with both our employees and our physicians, I believe you are on the right track with LB 1119 and that you’ll see positive benefits for the state employees and also for your health care costs as a large employer by offering the option of Direct Primary Care.

Lastly, I believe you’ll be hearing from an organization called America’s Agenda today so I wanted to mention that I’m a board member and have been supportive of their work. It’s been their mission to bring together national and international labor unions, businesses, health care providers, and government leaders who share a common commitment to the mission of guaranteed access to affordable, high quality health care for every American. I know they believe, and I believe, that legislation such as LB 1119 can be helpful in achieving the goal of better care at lower costs.

Thank you for your time and your service. I’d be pleased to answer any questions you may have.