




D P C
SUMMIT



RUNNING A THRIVING DPC WHILE MAKING "BAD BUSINESS DECISIONS"

Charles Opperman, MD, FACP

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- ▶ Navigate to <https://aafp1.cnf.io/> and tap the session titled "Running a Thriving DPC Business Making 'Bad Business Decisions'"
- ▶ OR just point your phone's camera at the QR code to join directly



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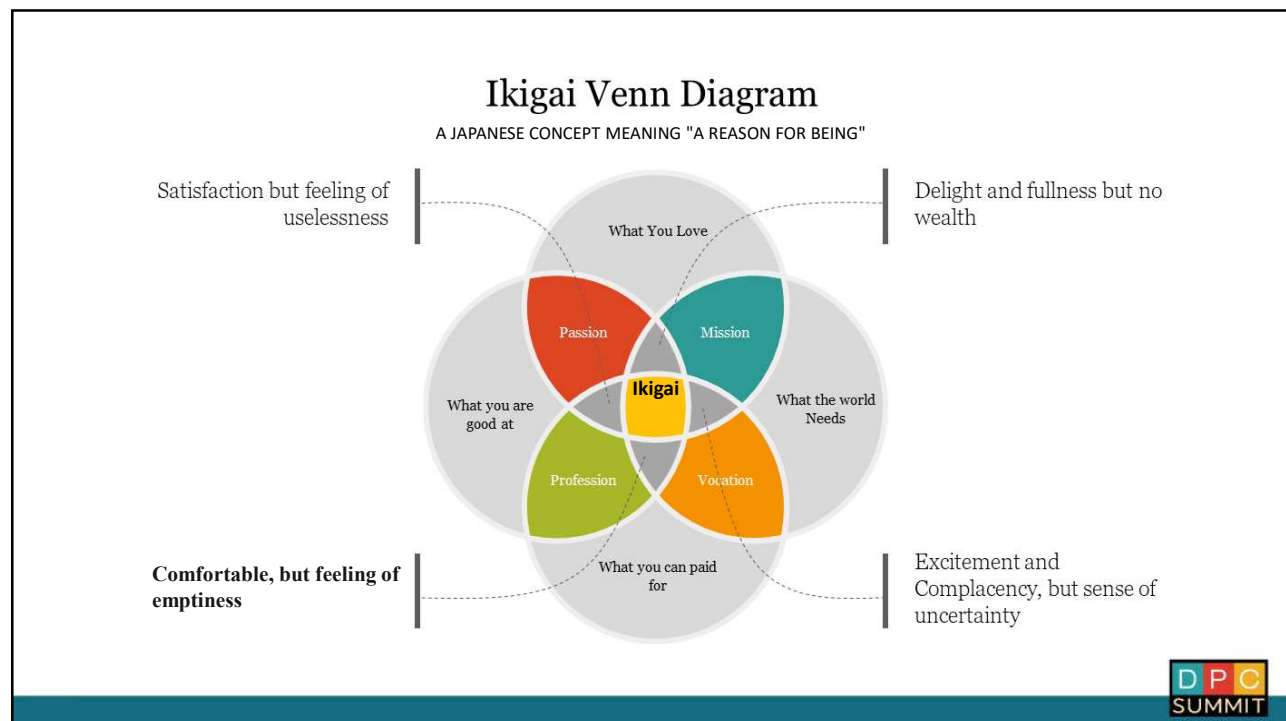
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Learning Objectives

1. Describe how generosity and relationship-centered approaches can create value for patients, physicians, and practice sustainability within direct care models.
2. Apply relationship-centered strategies to strengthen practice culture, enhance patient engagement, and reduce patient attrition.
3. Evaluate practice success using a balanced framework that integrates financial performance with connection, purpose, and long-term sustainability in family medicine settings.



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Our Vision

To redefine healthcare by cultivating a practice where compassion, integrity, and human connection come first. We want every patient to feel like family, every employee to feel valued, and every action that we make to deliberately move the world toward a kinder, healthier future.

Our Mission

At Simplicity Health DPC, we are committed to going above and beyond for our patients—always doing what’s right, never what’s easy. We believe that healthcare should be personal, not transactional, and that kindness, respect, and teamwork are the cornerstones of exceptional care.

We put people before profits, offering support without conditions. This may look like: gifting a membership to someone in need, celebrating a growing family with a thoughtful gesture, or simply being a genuine friend through life’s challenges.

Our team is our foundation. We invest in hiring the best, rewarding them generously, and fostering a workplace where pride in one’s purpose replaces the phrase “not my job.” Every member of our team ends their day knowing they made a real difference and that they belong to something meaningful.



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Core Focus: Radically Improve the Healthcare Experience in Dayton, Ohio



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If you zone out for the next 44 minutes...

Margin creates freedom

- We earn the right to be generous because thin margins pressure decisions
- Profit is **not** greed - it's optionality
- Without margin, kindness = burnout

Relationships are an asset

- Doesn't show up on the profit/loss
- Positive reviews = reputational capital
- "Stopping the churn" is cheaper than acquiring new patients
- Loyalty compounds quietly

Staff happiness is a good investment

- Overpaying is cheaper than replacing
- Leniency buys loyalty
- Patient experience = Perceived high quality

Make "patients for life"

- Small gestures create lifelong value
- 1 powerful review > 1,000 paid ads
- Bad-fit patients cost more than they pay

Relationships > Spreadsheets



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Membership Tier Comparison

Features	Under 40	Gold	Platinum	Diamond
Monthly Fee	\$49	\$79	\$129	\$199
30 Minute Appointments	✗	✗	✓	✓
60 Minute Appointments	✗	✗	✗	✓
After-Hours Appointments	✗	✗	✗	✓
24/7 Cell Phone Access	✗	✗	✓	✓
Friends and Family care	✗	✗	✗	✓
Annual Visit	✓	✓	✓	✓
Additional Visits	\$50/visit	\$50/visit	Included	Included
Telehealth Visits	\$50/visit	\$50/visit	Included	Included
Urgent Appointments	Next Day	Next Day	Same Day (Usually)	Same Day (Priority)
House/Work Calls	\$300/Visit	\$300/Visit	\$200/Visit	4 Incl., \$100/Add'l
Standard Labs*	Discounted	Discounted	Discounted	Included
Non-Standard Labs*	Discounted	Discounted	Discounted	Discounted
In-House Pharmacy	Discounted	Discounted	Discounted	Most Included

Illustrative example for teaching only - not a pricing or financial recommendations



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November 23, 2025

IM-PCP. It seems like most DPCs have pricing tiers based on age. Thoughts on a different tier system like the attached pic (modified the info from an already established DPC). Older pts who are healthier may feel better about reduced price while younger pts who wants more attention can do the higher tier. "Friends and Family Care" includes visitors who needs acute visit who are in town for <1 month.

Thanks!

Membership Tiers				
Features	Under 45	Gold	Platinum	Diamond
Monthly Fee	\$49	\$99	\$149	\$199
Annual Visit	✓	✓	✓	✓
24/7 Cell Phone Access	✗	✗	✓	✓
30 minute appointments	✗	✗	✓	✓
60 minute appointments	✗	✗	✗	✓
After-Hours Appts	✗	✗	✗	✓
Friends and Family Care	✗	✗	✗	✓
Additional Visits	\$50/visit	\$50/visit	✓	✓
Telehealth Visits	\$50/visit	\$50/visit	✓	✓
Standard Labs*	discounted	discounted	discounted	✓
Non-Standard Labs*	discounted	discounted	discounted	discounted
Urgent Appointments	next day	next day	same day (usually)	same day (priority)
House/Work Calls	\$300/visit	\$300/visit	\$200/visit	4 incl, \$100/add'l
In-House Pharmacy	discounted	discounted	discounted	most included

*CBC, CMP, lipid panel, HbA1c, PSA, TSH.

23 97 comments

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"Kinda defeats the point of the DPC concept."

"24/7 care? Then call yourself concierge and charge a ton for it. Period. Do not provide 24/7 care for \$200 a month."

"This is going to burn you out."

"I think you are mixing up dpc and concierge. I would not promise people same and next day appointments. To be successful, you need to underpromise and overdeliver."


"Keep it very simple. If you think you can predict complexity and time consumption by age, you will be wrong."

"Simple is better. Just charge one price for everything. Who's gonna keep track of this when there's 300+ patients? Tip: Imagine a staff member explaining this to a potential patient over the telephone. This sounds incredibly confusing, in my opinion. Simplicity scales."

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**"If you've seen one DPC,
you've seen one DPC."**

-Vance Lassey



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Wine Price Experiment

Participants were told they were tasting 5 different Cabernet Sauvignons.
In reality, only 3 wines were used.

Wine	Label	Price	Description
1	RIDGEVIEW CABERNET SAUVIGNON CALIFORNIA 2010	\$5	Wine A — real price
2	RIDGEVIEW CABERNET SAUVIGNON CALIFORNIA 2010	\$45	Wine A — same wine, fake higher price
3	STONEHILL CABERNET SAUVIGNON NAPA VALLEY 2010	\$90	Wine B — real price
4	STONEHILL CABERNET SAUVIGNON NAPA VALLEY 2010	\$10	Wine B — same wine, fake lower price
5	SILVER OAKS CABERNET SAUVIGNON PASO ROBLES 2012	\$35	Wine C — distractor wine, real price

Same underlying wine (Wine A) Same underlying wine (Wine B) Distractor wine (Wine C)

Displayed prices influenced how much participants said they enjoyed the wine.

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Patients' Perceptions Of Generic Medications:

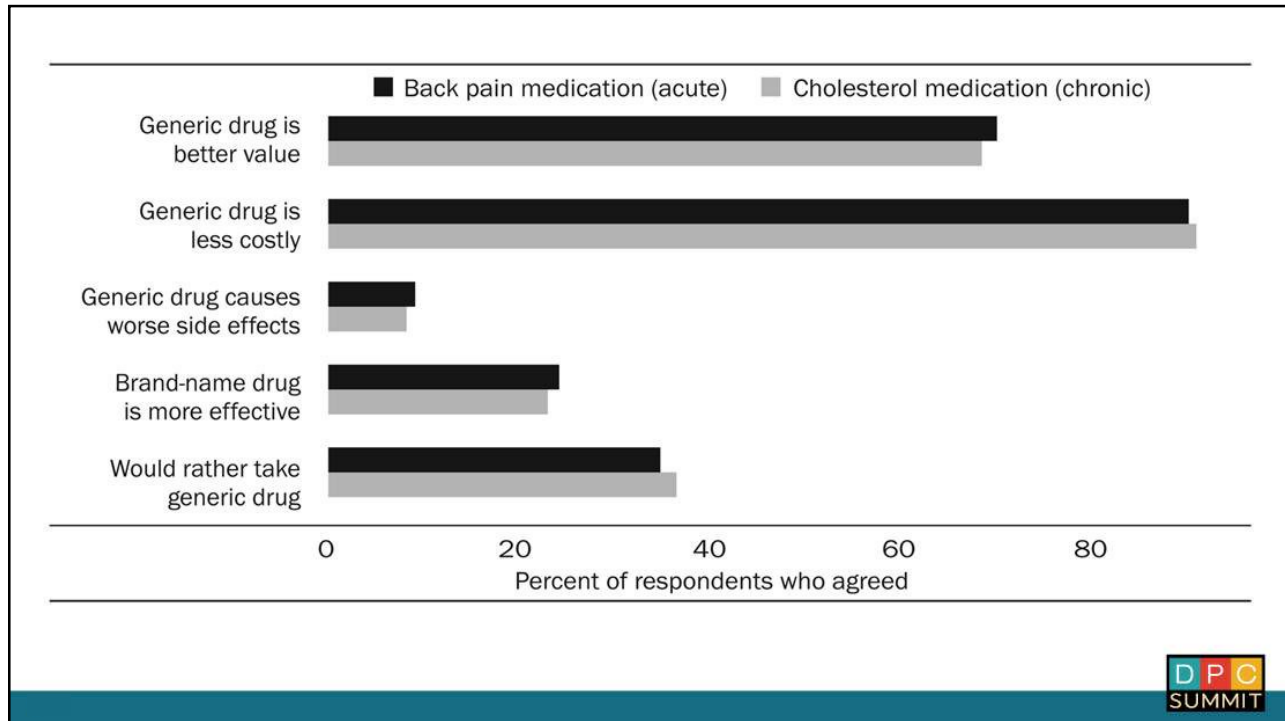
Although most Americans appreciate the cost-saving value of generics, few are eager to use generics themselves

William H. Shrank, Emily R. Cox, Michael A. Fischer, Jyotsna Mehta, and Niteesh K. Choudhry
William Shrank (wshrank@partners.org), Michael Fischer, and Niteesh Choudhry are assistant professors in the Division of Pharmacoepidemiology and Pharmacoeconomics, Department of Medicine, at Brigham and Women's Hospital/Harvard Medical School in Boston, Massachusetts. Jyotsna Mehta was an instructor in that division; she now works at MedImmune in Gaithersburg, Maryland. Emily Cox is senior director of research at Express Scripts in St. Louis, Missouri.

Abstract



Insurers and policymakers encourage the use of generic drugs to reduce costs, but generics remain underused. We conducted a national survey of commercially insured adults to evaluate their perceptions about generic drugs. Patients agreed that generics are less expensive and a better value than brand-name drugs, and are just as safe. However, although 56 percent reported that Americans should use more generics, only 37.6 percent prefer to take generics. We discuss perceptions about communicating with practitioners about generics, generic substitution, and policymakers' role in influencing generic use. These findings underscore the challenge that providers, insurers, and policymakers face in stimulating the cost-effective use of medications.

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Do I tell you how to spend your money?

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Relationship Based Business


Customer Lifetime Value (CLV)



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"Never miss the opportunity to make a patient for life."

-Me



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Cancellation Category Guide

Plain-language definitions for consistent attrition tracking

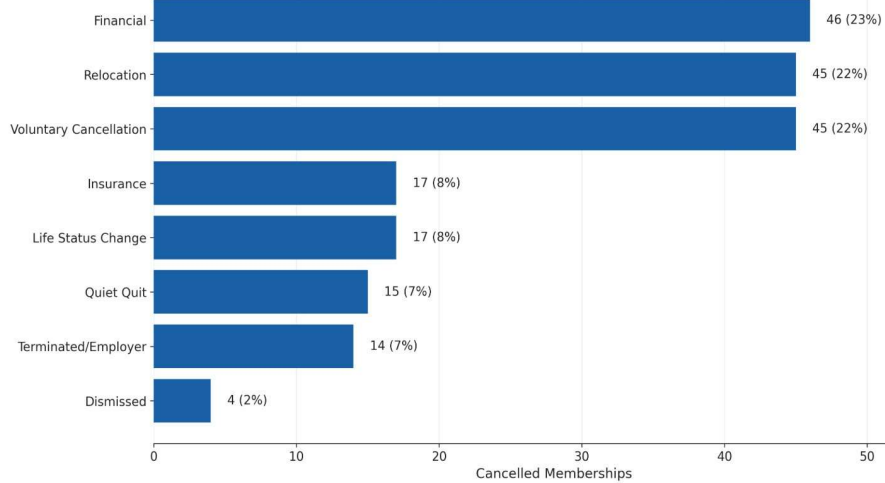
<p>Dismissed</p> <p>Practice-initiated separation</p> <ul style="list-style-type: none"> Poor fit Abusive Boundary issue Practice initiated 	<p>Quiet Quit</p> <p>Silent disengagement</p> <ul style="list-style-type: none"> Disappeared Non-payment 	<p>Financial</p> <p>Cost-related departure</p> <ul style="list-style-type: none"> Too expensive Unable to pay Financial troubles 	<p>Life Status Change</p> <p>Major health/life transition</p> <ul style="list-style-type: none"> Hospice Moved to LTC Death
<p>Voluntary Cancellation</p> <p>Patient-choice / experience related</p> <ul style="list-style-type: none"> Unhappy with care / expectations not met Philosophy mismatch Trust / loss of confidence Personality mismatch Low value / utilization 	<p>Insurance</p> <p>Coverage-driven change</p> <ul style="list-style-type: none"> Medicare / Medicaid VA Private insurance 	<p>Relocation</p> <p>Geographic move</p> <ul style="list-style-type: none"> Patient moved away from geographical area 	<p>Terminated from Employer</p> <p>Employer-sponsored benefit ended</p> <ul style="list-style-type: none"> Employment or employer-sponsored membership ended



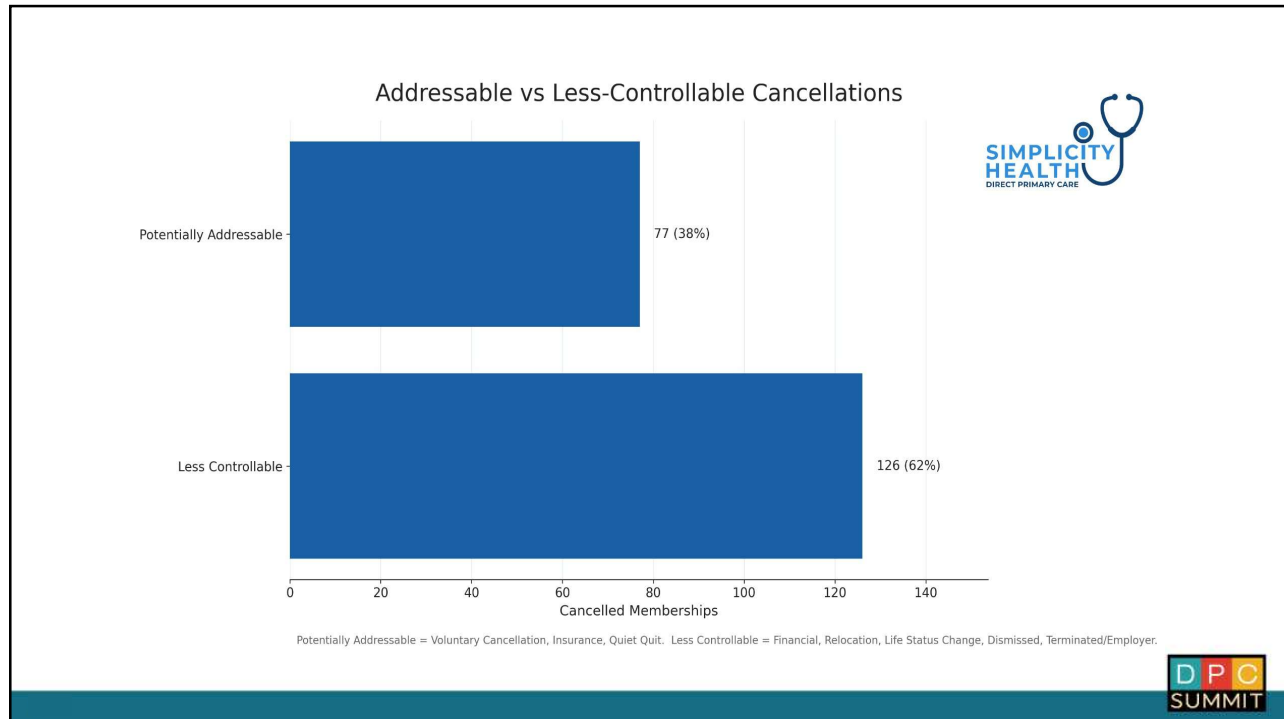
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Cancellation Data Since Opening (Sept 2020)



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Attrition Rate as of May 1, 2026

- Total panel size = 1153
 - 203 total attrition over 68 months (5.5 years)
- All cause = 2.99 members/month
 - 0.26%/month or 3.12%/year
- Rate of addressable attrition = 1.13 members/month
 - Voluntary cancellation
 - Quiet quit
 - Insurance
- Rate of attrition due to “voluntary cancellation” = 0.66 MPM
 - Not a good fit
 - Unhappy with service

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“Street Cred”

Google reviews
 Online forum discussions
 Word-of-mouth referrals
 High employee satisfaction/staff pride
 Relationship capital
 Brand differentiation - less commoditization

Marketing cost per acquired patient

- 2020-2022 (opening) = \$142
- 2023-2024 (growth) = \$129
- 2025-2026 (maturity) = \$109
- 2026 - present = ~\$0 (waiting list)

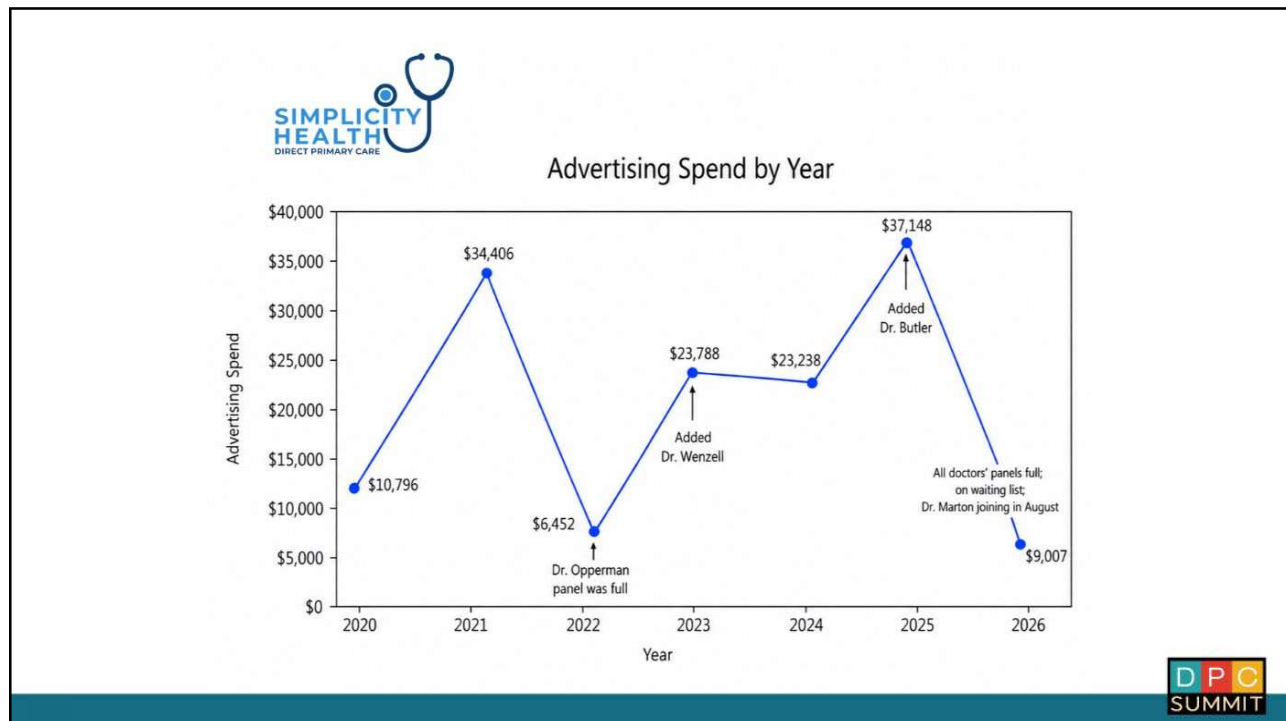
Our average cost per member = \$99/month

Higher patient retention
 Lower marketing dependency

Is it better to retain patients rather than replace them?



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Practical Retention ROI

Real-world examples at \$99/month and \$142 acquisition cost



Replacement penalty per patient = \$142 acquisition cost + \$198 lost revenue from a 2-month gap = \$340

Avoid Cancellation	12-Month Revenue Preserved	36-Month Revenue Preserved	Replacement Penalty Avoided
5	\$5,940	\$17,820	\$1,700
10	\$11,880	\$35,640	\$3,400
20	\$23,760	\$71,280	\$6,800
30	\$35,640	\$106,920	\$10,200

Example: preventing 10 avoidable cancellations preserves \$11,880 in annual recurring revenue, \$35,640 over 3 years, and avoids about \$3,400 in replacement friction.



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Retention vs. Replacement

Why keeping a patient is more valuable than replacing one

Scenario	Patient retained	Patient lost and replaced
Monthly revenue	Continues at \$99/month	Stops until replacement
Marketing cost	\$0	\$142 proxy CPA
Staff/admin burden	Low	Higher: outreach, onboarding, payment setup, first visit
Relationship value	Preserved	Starts over
Referral potential	Continues	Unknown
Financial result	Compounding recurring revenue	Delayed recovery



Key takeaway: Retention protects recurring revenue immediately. Replacement creates delay, acquisition cost, and a reset in the patient relationship.



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Relationship Based Business

More “Bad Business Decisions”

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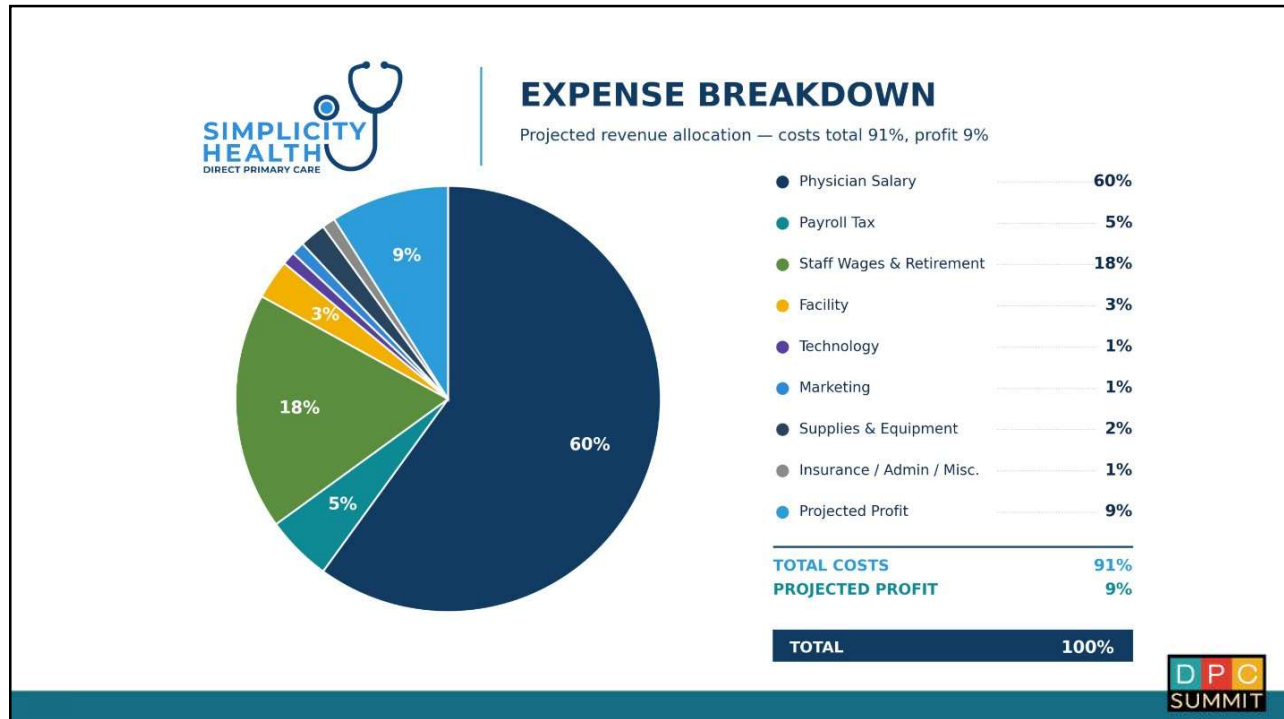
Author All-star contributor

Charlie Opperman Thanks for your response. I am glad it is working out for you. However, please explain to me why you feel the 60/40 is fair and why you are willing to make less than your new hires? None of us are doing DPC for the big bucks, but I feel there is huge value in the practices we have built. If you are only taking 40% of revenue and your overhead is near 35% (still pretty lean), you are essentially generating no revenue from your employee despite a) taking the financial hit when you hire them b) taking the financial risk should they leave you and c) as owner assuming all responsibility/liability. Nice to have a colleague and nice to have coverage, but don't you feel that you should be able to generate some revenue from the fruits of your labor?

1y Like Reply 2

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Creating Our Culture

- Staff feel like they have ownership
- Overpaying staff - we invest in keeping long-term employees. Not worth the hassle to replace/retrain and the time/cost associated
- Go home early often, never complain about staying late
- Bring kids to work
- Protective of our culture
- Overexpressing gratitude and being thoughtful about criticisms/disciplinary actions

Core Values for Employees:

1. Dependable- show up every day and on time
2. Team Player - willing to help in any way possible
3. No drama
4. Customer service focused
5. Skilled/efficient

Culture is impossible to fake.

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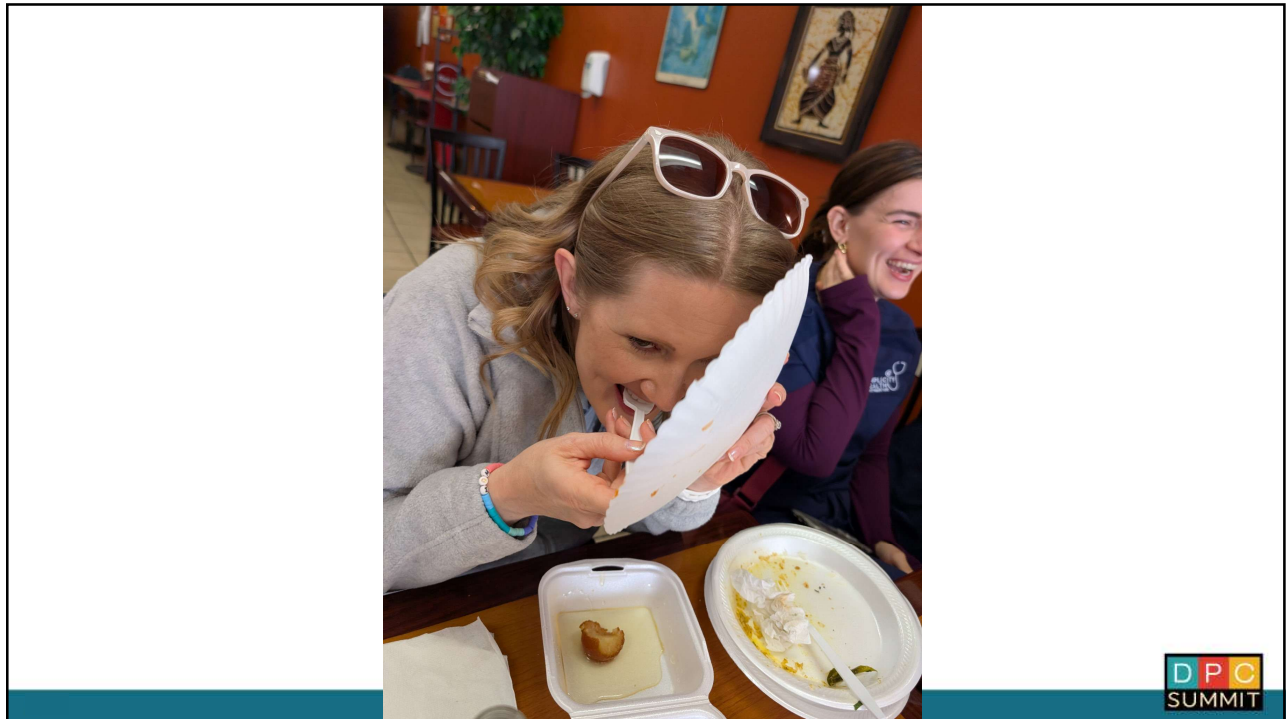
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10 Reasons We Spoil Our Staff

1. Staff are part of the “product.”
2. Better staff create better relationships and increases Customer Lifetime Value
3. Patient retention from premium service makes up for extra cost spent
4. Staff retention is cheaper than replacement
5. Happy staff protect our doctors’ time and energy
6. Spoiled staff are more likely to spoil patients
7. Current staff become “culture carriers” and are protective of the culture
8. Staff feel ownership in the practice and go the extra mile
9. Feels different than corporate FFS medicine for both staff and patients
10. It’s the right thing to do



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"Hire slow, fire fast."



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“High-Road” Employment Strategy

A high-road employment strategy is an economic approach focusing on long-term sustainability by investing in workers through high wages, quality benefits, training, and safe working conditions

Efficiency Wage Theory - paying above-market wages or offering above-market working conditions can increase productivity, loyalty, and accountability beyond what the extra compensation alone would predict. When people feel well-treated, trusted, and fairly compensated, they are less likely to disengage, leave, or do the bare minimum. In a DPC practice, this means you are not just buying labor; you are reducing turnover, preserving institutional knowledge, and encouraging staff to protect the culture.

Recognition Economics - the idea that meaningful recognition creates value beyond the financial cost of the reward. A personalized gift, thoughtful thank-you, public praise, or memorable experience can be more motivating than a generic cash bonus because it signals, “I see you, I know what matters to you, and your work is valued.” The Greece gift is not just compensation; it is a loyalty signal. In a market where good physicians and staff have options, that kind of recognition becomes a powerful retention tool.

Social Capital Investment - deliberately investing in trust, goodwill, loyalty, and informal relationships that make the workplace function better than the org chart alone. In a DPC practice, the “soft stuff” is not soft. When staff feel known, valued, and protected, they communicate better, cover for each other, treat patients more warmly, and stay longer. That trust becomes an invisible asset.

T-shaped Workforce - building a team where each person has deep expertise in their core role, but enough broad understanding to help across the practice when needed. A nurse may have clinical depth, but also understands patient experience, billing friction, scheduling bottlenecks, and the emotional tone of the office. This creates flexibility, reduces “that’s not my job” behavior, and makes the practice feel seamless to patients.



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“High-Road” Employment Strategy

Experiential Compensation - using memorable experiences, flexibility, autonomy, gifts, trips, celebrations, or quality-of-life perks as part of the total compensation package. The value is not just financial; it creates stories, gratitude, and emotional attachment. A paycheck is expected. A meaningful experience becomes part of the employee’s identity with the practice.

Relational Contracting - the idea that the real employment agreement is bigger than the written contract. It includes trust, fairness, mutual respect, flexibility, and the belief that both sides will take care of each other when circumstances change. In a small DPC practice, this often matters more than formal policy because culture fills in the gaps where rules cannot.

Psychological Ownership - when employees feel like the practice is partly “theirs,” even if they do not legally own it. They protect the office, defend the culture, look for ways to improve things, and feel personal pride when patients are happy. This is what happens when staff are trusted with responsibility instead of treated like replaceable labor.

Psychological Safety - a culture where staff can speak up, ask questions, admit mistakes, challenge workflows, or advocate for patients without fear of embarrassment or punishment. This is especially important in healthcare, where silence creates risk. When people feel safe, they surface problems early, solve them faster, and protect both patients and the practice.



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Our Tiered Model in Economic Terms

Prestige pricing model:

- **Veblen Good** - a category where higher price signals higher quality, causing demand to increase with price
- **Price Signaling** - by offering multiple tiers, the top tier feels like the premium choice, and some patients self-select into it as a signal of their own values or desire for the best care

Our tiered model:

- **Price Discrimination** - rather than segmenting customers by demographic and charging them differently, we let customers self-sort into the tier that matches their needs. This maximizes consumer surplus (under promising and over delivering).



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How We Create Customer Lifetime Value (CLV)

Picking up the tab at a restaurant:

- **Relationship equity** - focuses on building long-term, trust-based connections with customers to increase loyalty and brand value, rather than just driving immediate, transactional sales
- **Unexpected positive externality**- the patient didn't ask for it, didn't expect it, and will almost certainly tell other people
- **Trust signal** - communicates that our practice sees patients as people, not transactions

Dog blanket for a new puppy:

- **Switching costs** - patients feel deeply known and cared for, the emotional cost of leaving your practice becomes enormous
- **Identity-based loyalty** - connecting with who they are, not just what they need medically.

Gift baskets + free house calls for new parents:

- **Lifecycle marketing** - a customer-centric strategy that nurtures relationships across the entire user journey, from initial awareness to loyalty advocacy (peak-end rule)

Dunder Mifflin T-shirt:

- **Signal theory** - Sent a signal that I remembered a detail about a patient and acted on it. The signal is worth far more than a \$20 T-shirt.

Coffee shop with 90-year old:

- **Radical differentiation** - a strategy aimed at creating substantial and unique value to stand out in crowded markets, often by redefining market spaces rather than competing on incremental improvements



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Key Principles of the Peak-End Rule

- **Peak and End Dominance:** The highest (or lowest) emotional point and the final moments determine the overall retrospective rating.
- **Duration Neglect:** The length of an experience has little impact on the memory of it, as people focus on specific, intense snapshots.
- **Memory Bias:** Negative experiences are often remembered more vividly than positive ones, making the "peak" of a bad experience very influential. [↔ Nielsen Norman Group +5](#)

Applications and Examples

- **Customer Experience (UX):** Companies use this by creating a "peak" moment of joy and ensuring a positive, smooth ending (e.g., unexpected discounts, delightful confirmation pages).
- **Healthcare/Therapy:** Patients recall procedures better if the ending is less painful, even if the total pain duration was longer.
- **Daily Life:** A good vacation is remembered fondly if it had a high point and a great final day, even if other days were mundane. [📍 PositivePsychology.com +4](#)

How to Use the Peak-End Rule

1. **Create a Strong Peak:** Designate a moment of high value, excitement, or positive emotion.
2. **Finish Strong:** Ensure the final interaction is positive, as it is the most recent and memorable part. [📍 PositivePsychology.com +1](#)



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Appendix: Interesting Information

- Churn decreases substantially as practice matures - way more likely to “quiet quit”
- 12 months seems to be magic number where patients become sticky
- Counterintuitively, archived patients had more SMS usage
 - 3.13/month vs 2.3/month
- Attrition increases substantially if no utilization for +6 months
- If we reduce the 77 addressable memberships and reduce churn by ½
 - $38 \times \$99 = \$3,762/\text{month}$ or $\$45,144/\text{year}$
 - Pays for a patient experience coordinator salary?



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Ikigai Venn Diagram

A JAPANESE CONCEPT MEANING "A REASON FOR BEING"



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Live Content Slide

When playing as a slideshow, this slide will display live content

Social Q&A for Running a Thriving DPC Business Making 'Bad Business Decisions'



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QUESTIONS?

- Contact Information
Charles Opperman, MD, FACP
Simplicity Health Direct Primary Care, Dayton OH

Drcharlesopperman@gmail.com



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