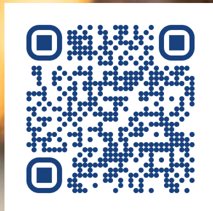
OPENWELL · RESOURCE BRIEF

PRACTICE MODELS

How to Start a Direct Primary Care Practice

Start a DPC practice: form your entity, price the membership, set a 400–800 patient panel target, decide your Medicare position, and enroll founding members.



SCAN TO BOOK A CALL

openwellhealth.com/book-a-call

Updated June 2026 · ~9 min read

PRACTICE MODELS

To start a direct primary care practice: form a professional entity (PC or PLLC), get your EIN and NPI, bind malpractice coverage, set a membership price and panel target, decide your Medicare position, choose software built for recurring membership billing, put HIPAA safeguards and patient agreements in place, and enroll members. **Because DPC skips insurance credentialing entirely — a 90–150 day wait for commercial payers — a DPC practice can open in weeks rather than months.**

BY THE NUMBERS

400–800	weeks	flat fee
typical DPC panel target	to open — no payer credentialing	monthly membership, no insurance billing

What is direct primary care?

Direct primary care is a membership model: patients pay you a flat monthly fee directly, and you bill no insurance for primary care. No claims, no CPT/ICD coding for payment, no payer contracts. In exchange, members get longer visits, same-day or next-day access, and direct messaging with their physician.

The model has moved well past the experiment stage. Per the AAFP, the share of surveyed family physicians operating a DPC practice reached roughly 9% by 2023, and the DPC Frontier mapper counts roughly 3,000 DPC practices nationwide. The same AAFP survey work found 94% of DPC physicians satisfied with their practice versus 57% of non-DPC peers, and 49% of DPC physicians reporting no burnout versus 14% of non-DPC physicians.

This article covers a from-scratch DPC launch. If you have an existing insurance panel you want to convert, that is a different project — see How to Transition From Insurance-Based to Direct Primary Care.

They treat DPC as "my old practice minus insurance."

FROM THE BRIEF

What are the steps to launch a DPC practice?

The sequence below is specific to DPC. Steps 1–3 can run in parallel; steps 4–5 are the decisions that determine your economics; steps 6–8 get you live.

1. **Form your entity and get your IDs.** Set up a PC or PLLC per your state's rules for physician-owned entities, get an EIN, and confirm your individual and organizational (Type 2) NPI. State entity rules and corporate-practice-of-medicine doctrine vary — see How to Set Up the Legal Entity for Your Medical Practice (PC, PLLC, and the CPOM Problem).
2. **Bind malpractice coverage.** Before any patient contact. DPC's smaller panel and longer visits can affect your risk profile — raise the model explicitly with your carrier.
3. **Open business banking.** Separate checking, a payment processor that handles recurring charges, clean bookkeeping from day one.
4. **Set your membership price and panel target.** This is the economic core of the practice — covered in detail below.
5. **Decide your Medicare position.** Opt out, stay enrolled with restrictions, or decline Medicare beneficiaries. Also below; this decision is easy to get wrong and expensive to unwind.
6. **Choose DPC-ready software.** You need scheduling, fast charting, secure messaging, and — critically — recurring membership billing, which insurance-era EHRs were never built to do. Common choices and how to pick are in Best EMR for a Small Independent Practice (and How to Choose).
7. **Handle HIPAA and patient agreements.** Risk analysis, encryption, a Business Associate Agreement with every vendor touching patient data, Notice of Privacy Practices, plus a DPC membership agreement that states plainly what the fee covers, what it doesn't, and that the membership is not insurance. Some states regulate DPC agreements directly, including required disclosure language. Have a healthcare attorney licensed in your state review the agreement. Day-one compliance details: HIPAA Compliance for a New Clinic: What You Actually Need on Day One.

8. **Brand and enroll.** Name, a simple high-trust website with online enrollment, and your first members — who usually come from your community and existing relationships, not ads. See How to Get Your First Patients for a New Practice.

How do you price the membership?

Price from your cost structure first, the market second, and your fear never.

Step 1 — Build the floor. Add your monthly overhead (software, malpractice, rent if any, processing fees, supplies) to your target take-home, then divide by a realistic full panel. That's your price floor. If the floor comes out above what your market plausibly bears, the fix is usually overhead (telehealth or hybrid instead of a build-out, no staff early), not a lower income target.

Step 2 — Check the market. Look at what DPC practices in comparable markets actually charge for your patient mix — adult, pediatric, family tiers. Current market pricing ranges should be pulled from live data rather than quoted from memory.

Step 3 — Resist underpricing. Setting the fee low out of fear is one of the most common launch mistakes — it fills a panel that can't sustain the practice, and raising prices on existing members later is far harder than starting right.

How does the panel math work?

DPC revenue is one line: membership price × number of members. DPC panels commonly run 400–800 patients — a fraction of the 2,000+ panel typical in insurance-based primary care, which is what buys the 30–60 minute visits.

The table below is pure arithmetic to show how the two levers interact. The prices are illustrative inputs, not market benchmarks.

EXHIBIT

MONTHLY FEE (ILLUSTRATIVE)	PANEL	ANNUAL GROSS REVENUE
$60	400	$288,000
$75	600	$540,000
$90	800	$864,000

Two things make this math more favorable than the gross suggests. First, overhead is structurally lower than an insurance practice — no billing staff, no revenue-cycle software — so more of the gross reaches you. Second, revenue is recurring and predictable, which fee-for-service never is.

The catch is the ramp: you earn the full number only when the panel fills, and most physicians model a 6–18 month build to a sustaining panel. Plan personal runway accordingly. Full cost detail lives in How Much It Costs to Start a Private Medical Practice (Real Numbers).

Should you opt out of Medicare?

This is the regulatory decision specific to DPC, and you should make it before enrolling your first Medicare-eligible member. You have three positions:

1. **Opt out of Medicare.** Opting out lets you enter private contracts with Medicare beneficiaries and charge them your membership fee for covered services. It is a formal affidavit process with a fixed, renewing term, and while opted out you cannot bill Medicare for any patient. This is the common position for DPC physicians who want Medicare-age members — often the patients who value the model most.
2. **Stay enrolled, restrict what the membership covers.** If you remain enrolled (or are a non-participating provider), charging Medicare beneficiaries a fee for services Medicare already covers creates compliance exposure; memberships for these patients must be structured around clearly non-covered services. This is the narrowest path and the easiest to get wrong.
3. **Decline Medicare beneficiaries entirely.** Operationally simplest, but it excludes a large and loyal segment, and in many markets it caps your panel.

Most from-scratch DPC launches that want older members choose opt-out. Whatever you choose, document it, build it into your membership agreement, and have a healthcare attorney licensed in your

state confirm the structure — the rules here are federal, but agreement and marketing requirements vary by state.

What do people get wrong about starting DPC?

They treat DPC as "my old practice minus insurance." It isn't — it's a subscription business attached to a medical practice. The knowledge files' competitive research shows the most common operational failure is tooling: physicians bolt membership billing onto a claims-era EHR or stitch a billing tool to a separate charting system, then spend their week reconciling systems instead of seeing patients. The billing problems in DPC are subscription-commerce problems — recurring charges, failed payments, dunning, cancellations — not claims problems. Choose the stack for the model you're actually running.

The second-most-common error is the pricing mistake above: underpricing out of fear, then discovering the full panel doesn't cover the practice.

How long does it take?

Weeks, not months, for the operational launch — the single biggest reason is that you skip commercial payer credentialing, which runs 90–150 days and blocks revenue for an insurance practice the whole time. The administrative steps (entity, IDs, malpractice, banking, software, HIPAA) can run in parallel rather than sequentially. What takes longer is the panel: enrollment ramps over months, which is a revenue question, not a launch question. Full timeline breakdown: How Long It Actually Takes to Open a Private Medical Practice.

Reality check

Honest costs and failure modes, because the satisfaction statistics only apply to practices that survive:

- **Local demand is the real unknown.** The model works nationally; whether enough patients *in your zip code* will pay a monthly fee for your care is the assumption worth testing before you bet your income on it. A reversible side-launch while still employed is the cheapest test — see How to Test Your Own Practice Without Quitting Your Job.

- **The ramp is long and income is variable during it.** Plan 6–12 months of personal expenses in reserve even for a lean launch. A 6–18 month build to a sustaining panel is normal, not a failure signal.
- **You are now a small-business owner.** Pricing, retention, churn, marketing, bookkeeping. If you want zero administrative ownership and a fixed salary, DPC will not make you happier, whatever the survey data says about physicians who self-selected into it.
- **The satisfaction data has a selection effect.** The AAFP's 94%-vs-57% figure is real and large, but DPC physicians chose the model; it doesn't promise the same result for someone who drifts into it.
- **The Medicare decision and the membership agreement carry real compliance risk.** These are the two places to spend money on a healthcare attorney licensed in your state, not the places to economize.

Frequently asked

How many patients does a DPC doctor need to make a living?

It depends entirely on your fee and overhead, but DPC panels commonly run 400–800 members. Run the floor calculation — (overhead + target income) ÷ realistic panel — rather than borrowing someone else's number.

How much does a DPC membership cost patients?

Pricing varies by market and age tier, and current ranges should come from live market data. The right question for a founder is what your cost structure requires, then whether your market supports it.

Do DPC patients still need health insurance?

A DPC membership is not insurance — it covers primary care only. Most practices advise members to carry coverage for hospitalization, specialty, and emergency care, and say so explicitly in the membership agreement.

Can I start a DPC practice while still employed?

Often yes, if your employment contract's non-compete and moonlighting clauses permit it — many physicians build the foundation and a small evening/weekend panel before resigning. Check the contract first. See How to Test Your Own Practice Without Quitting Your Job.

How fast can a DPC practice open?

The operational launch can be done in weeks because there's no payer credentialing (90–150 days for commercial payers) to wait on. Filling the panel takes months — typically a 6–18 month ramp to sustaining membership.

Is DPC the same as concierge medicine?

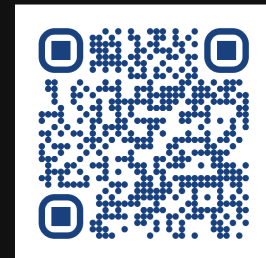
No. Both are membership models, but DPC is typically lower-priced with a 400–800 panel and no insurance billing, while concierge charges a higher retainer for a smaller panel and sometimes still bills insurance alongside the fee.

This article is general information, not legal or financial advice. Consult a healthcare attorney licensed in your state on your membership agreement and Medicare position.

HOW OPENWELL CAN HELP

Done-for-you, end to end.

If you'd rather not assemble the launch yourself — entity, licensing, membership billing, HIPAA, and enrollment — Openwell builds and runs cash-pay practices, including DPC, as a done-for-you launch on one integrated platform. Model your own membership price and panel first; the numbers should make the decision.



SCAN TO BOOK

Book a call → openwellhealth.com/book-a-call

RELATED OPENWELL BRIEFS

- How to Test Your Own Practice Without Quitting Your Job
- How Long It Actually Takes to Open a Private Medical Practice
- How Much It Costs to Start a Private Medical Practice (Real Numbers)
- How to Set Up the Legal Entity for Your Medical Practice (PC, PLLC, and the CPOM Problem)