

Concierge Practices

Are They the Wave of the Future?

By Liz Meszaros

Imagine decreasing your patient load and having more time to spend with each patient. Imagine same-day appointments and unhurried exams. Imagine carrying a “black bag” and making house calls.

For some physicians, the draw of concierge practices — also known as retainer or boutique practices — is undeniable. For others, the problems with insurance and Medicare coverage, as well as financial feasibility make a concierge practice less than desirable.

Concierge practices charge patients a monthly or annual fee in exchange for physician services and care under the terms of a contract. Two internal medicine physicians established the first concierge practice in Seattle in 1996. This practice and those modeled after it do not expect reimbursement from health plans for the care they provide, but other types of concierge practices are being followed as well throughout the country. A second model of concierge care charges a fee for the expanded access to the physician, but also bills health plans for the medical services that they provide to their patients. A third model seeks reimbursements from health plans for medical services and charges patients for each physician visit. Estimates hold that currently, roughly 250 concierge practices exist in the United States.

IS IT ELITIST?

Perhaps the central objection critics of concierge practices raise is that this type of practice contradicts the professional principle of providing equal access to health care for all. In a nation where approximately 45 million individuals do not have health insurance, this type of “high-end” practice may serve to make matters worse, according to many. In short, the concern is that concierge care may be elitist — only the

“healthy wealthy” can afford this type of care while the rest of the patient population cannot.

Proponents of concierge care report that the care they provide to the patient is better because they have more time to spend with each patient and they are more accessible to their patients. In addition, they counter, the conversion of an individual prac-

tice to the concierge model does not represent any threat to the access of care because in most areas, hundreds of physicians are available to patients. In June 2003, the American Medical Association (AMA) adopted new ethical guidelines for physicians who chose to practice concierge care.

According to the AMA, running a concierge practice does not absolve physicians of their duty to provide urgent care, when necessary.

“Retainer practices provide an opportunity for patients to develop a more personalized relationship with their physician,” noted Leonard Morse, M.D., Chairman of the AMA’s Council on Ethical and Judicial Affairs. “But physicians should also make sure that all patients, including those who do not pay retainer fees, continue to receive the same quality of care.”

Some of the highlights of the AMA’s guidelines on concierge care include the following:

1. When entering into a retainer contract, both parties must be clear about the terms of the relationship and agree to them.
2. Concern for the quality of care received by patients is the physician’s first consideration.
3. Physicians who convert to retainer practices must help all participating patients transfer their health care to other physicians.
4. Physicians are ethically required to be honest in billing for reimbursement to patient health care plans for medical services, and must observe relevant laws, rules and contracts.
5. Physicians have a professional obligation to provide care to those in need, regardless of ability to pay, particularly to those in need of urgent care. Physicians who engage in retainer practices should seek specific opportunities to fulfill this obligation.

THE REALITY OF A CONCIERGE PRACTICE

In Pittsburgh, Scott Serbin, M.D., became the first physician to open a concierge practice. He is also the first pediatrician to open a concierge practice in the United States. After 18 years of practicing pediatrics, Dr. Serbin has chosen to operate a concierge practice because of his frustrations with the state of medicine today.

“The main reason is that I was very dissatisfied with my practice. Pediatrics is extremely high volume. It’s a constant rush-rush-rush. You’re seeing a tremendous volume of patients each day, trying to get through labs and everything else. I guess I got tired of it. I felt too rushed. I wasn’t enjoying what I was doing. I didn’t feel I could practice as high a quality of medicine as I would have liked to because I was just constantly rushed,” he told *M.D. News*.

He looked at a number of other possibilities and found an article in the *New England Journal of Medicine* about concierge care, and, said Dr. Serbin, a light literally went off in his head.

Concierge practices give both physicians and patients the luxury of home visits and patient-centered care.



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He initially sent out an exploratory letter to some of his patients to test the water, and received enough positive feedback to decide to go with the transition. Most of his patients, however, dropped out of the practice.

Surprisingly, he said, many of the families that chose not to continue with his practice were understanding of his choice. "I was expecting more anger and frustration and I heard very little of that. Literally 90 percent of the comments that I got were understanding, compassionate and encouraging," he said.

Some commiserated with the decreased reimbursement, the increased workloads, but also stated that this type of practice did not solve the problem. "My answer to them is that it does not solve the problem for everyone. It solves the problem for a small group. I do not pretend that this is a global solution to the numerous health care woes of our society. A lot of other things have to happen to do that. In the meantime, however, it does solve a lot of the problems that a lot of people are facing," said Dr. Serbin.

His patient load was substantially reduced. In his solo practice, Dr. Serbin had 3,000 patients. In his new concierge practice, Pinnacle Pediatrics, he carries between 250 and 300 patients. His maximum capacity is, he estimates, between 400 and 600 patients.

Dr. Serbin's fees are as follows: for children up to the age of 7 years, the monthly fee is \$100. For children aged 7 to 18 years, the fee is \$50 per month. Any services he provides are covered.

Dr. Serbin has dropped his participation with all insurance companies. "They no longer govern any aspect of how I practice medicine. It also makes life easy because I don't have to worry about their referral process or their formularies or about violating their contracts in terms of balanced billing," he said, but added quickly that many physicians have found insurance companies that are "friendlier" to concierge practices.

"I stress to patients that they still need their insurance to pay for labs, X-rays and hospitalization. But I have no relationship to their insurance companies. I still bill the insurance companies as a non-participating physician, as any physician is able to do, and I simply accept what they pay us," he explained.

To these patients, Dr. Serbin has contracted to return all calls made

during office hours within 30 minutes and to deliver care at any and all times, except for four vacation weeks per year and one week-end per month.

Staff requirements are minimal, said Dr. Serbin. "The reality is that I can function with only one other staff person." He kept his current office, but it is already too big; he uses only two of its three exam rooms. But, said Dr. Serbin, he's spoken with several pediatricians who run concierge practices as a home-based practice and do all the exams in the patient's homes.

For now, Dr. Serbin will keep his office. "There's something reassuring to patients, especially to new patients, that there is actually a physical location that they can come to," he added.

More sick visits are done in the home, whereas the well-child visits usually take place in his office. He has purchased the equipment necessary, however, to do anything in the home. For example, he carries his "black doctor bag" with him at all times, an oto-ophthalmoscope, stethoscope and a quick strep throat culture set. He also purchased an infant scale and a compact adult scale for the older children and carries a variety of sizes of blood pressure cuffs.

Now, said Dr. Serbin, he sees between three and six patients per day, as opposed to the six patients per hour that typical pediatric practices demand.

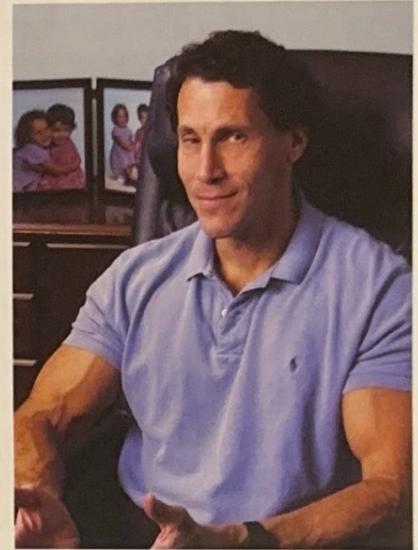
"The single most surprising element of this practice is how long a patient visit actually takes when time is no object. When you're not in a rush to get through the visit, when the parents can ask everything they want to, it's really surprising how long it takes," he told *M.D. News*.

Most home visits are done in the evenings, he said. And being on call 24 hours a day is a big part of what physicians, especially pediatricians, do anyway, he stated.

Dr. Serbin said he's never been happier professionally.

"Concierge practice is really about patient-centered care, providing the best care you can," concluded Dr. Serbin. "One question I hear all the time is: 'Is it a higher quality of care that you can provide?' And the answer is 'yes.' It couldn't help but be a higher quality of care. I'm not a better physician than I was before, but I have been given the luxury of time to spend with my patients. Concierge practices have to provide a greater quality of care simply by their nature." ■

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Before You Decide That a Concierge Practice Is Right for You ...

According to the American Academy of Family Physicians, physicians should consider several points before they undertake the transition to a concierge practice:

- Am I willing to be on call 24 hours a day, 7 days a week?
- Which services will I offer my patients?
- Which health plans will accept coverage for patients who choose my practice?
- Which of the services that I plan to offer are covered or not covered by these insurance plans?
- How much advance notice do these health plans and Medicare require before I transition to a concierge practice?
- How many patients must I keep and how much do I need to charge to meet my overhead costs?
- Will I need another source of income while transitioning to a concierge practice?