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Concierge Practice From a Pediatric Perspective

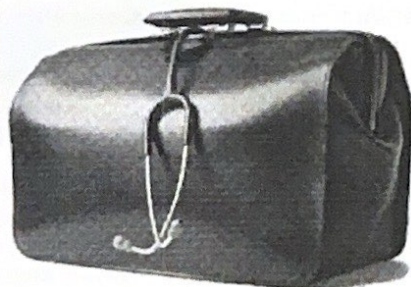
November 22, 2011 By [Brandon](#) [Leave a Comment](#)

Today's guest post comes by Jill Fahy. Jill does a fantastic job of reporting from the pediatric front lines. In this article, she talks about the concierge model, but from a pediatric perspective. We always read about concierge practices, but hardly ever do we hear the issue addressed from a pediatric practice management perspective.

I think the article provides very good insight into this growing trend. I hope you do too.

Two years ago, Jessica Lucia, a mother of three young boys, was invited by her pediatrician, Dr. Gayle Smith, to join Dr. Smith's new solo practice – [Partners In Pediatrics](#).

The decision – an enthusiastic 'yes' – should have been easy to make, said Lucia, referring to the strong rapport Dr. Smith had built with her and her husband, Dan – a Richmond, Va. neurologist – and their children, Griffin, now 8, Reese, 5 ½, and 3-year-old Xander.



Further, membership in Dr. Smith's new practice would include hour-long appointments, no waiting time, same-day appointments, 12-hour-a-day and after-hours telephone coverage and interactive educational workshops.

But the Lucias had concerns. Dr. Smith was switching from a traditional primary care practice to a concierge practice. The model, which first appeared in the mid-1990s, caters to hundreds instead of thousands of patients and allows for highly personalized care. But it costs. Members of concierge, or retainer, practices pay a fee for these personalized services – usually somewhere between \$1,200 and \$15,000 annually.

Dr. Smith's monthly fee is on the low end of the spectrum, and the Lucias could afford it, but the couple was torn. "(Dr. Smith's) new model of care – more time for each patient, more personal care – is what I believe

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every patient should have, and what I hope the future of health care holds, but it felt uncomfortable purchasing it for my children when it's not available to all children, due to limited availability and financial concerns.”

In the end, the Lucias opted to stay with Dr. Smith.

“Dan and I chose to join her practice because she is an excellent physician for our children, the option is available to us, and we believed that staying with her in her new practice model is the best choice for our sons.”

While the ethical debate continues over whether concierge medicine leads to the abandonment of patients through downsizing and caters to the wealthy, an increasing number of families like the Lucias, who want to play an active role in their children's health care, are joining pediatric concierge practices.

Dr. Scott Serbin, acknowledged by the American Academy of Pediatricians as the country's first pediatrician to open a concierge practice, says the number of pediatricians practicing as concierge physicians in the last few years has grown considerably, relatively speaking. “Concierge physicians in the U.S. measure in the thousands,” Dr. Serbin said.

“Pediatricians practicing concierge medicine measures in the dozens. On a percentage basis, our numbers are still small.”

Currently, more than 66 percent of current U.S. concierge physicians operating practices are internal medicine specialists, according to findings from a late 2009 study conducted by The Concierge Medicine Research Collective.

Pediatricians may be slower to enter concierge medicine, Dr. Serbin suggests, because charging a fee-based model for preventive medicine, the value of which can be less obvious to potential patients, can be “more of a tough sell.”

But many pediatricians like Dr. Serbin who gravitate to concierge medicine are frustrated by the impersonal nature of a large practice, where one provider may see 40 patients a day for six minutes each. “I had my own practice for about 15 years and I grew weary of the harried nature of things,” he said.

“It was rush, rush and returning phone calls, and I wasn't enjoying what I was doing.”

The tipping point, Dr. Serbin recalled, came more than seven years ago, during his father's battle with cancer. “I saw it from the other side,” he said. “I saw the rushed nature of medical care. They didn't have time to be compassionate. They were trying to do their job as quickly as they could, and it was a real eye-opener.”

Since switching in 2004 to his concierge practice, Pinnacle Pediatrics, in Pittsburgh, Pa., Dr. Serbin sees about 300 patients, down from 3,000. He has more time to spend with patients in the office and he makes house calls for well- and sick visits. There is also no waiting time for appointments, which are scheduled days, evenings or weekends – at the convenience of the patient.

“Concierge slows the pace of a practice down,” Dr. Serbin said.

“It affords the patient time and it gives me the time to research and ask appropriate questions. I have time to do an exam and I have time to listen to a parent.”

In return for these personalized services, members of Pinnacle Pediatrics pay a monthly membership fee: \$100 for children ages 0 to 7 and \$50 for children 7 and older.

Unlike a typical primary care practice, which receives the majority of its revenue from insurance billings and co-pays, and/or capitated agreements, the concierge practice operates entirely or partially on monthly or annual fees paid by the patient.

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Concierge or retainer fee practices usually fall somewhere in the range of two basic business models. The first does not take insurance. All of a member's primary care is covered under an annual flat fee, but patients need to carry insurance to cover specialist referrals, hospitalizations, x-rays, prescriptions and labs. The second model accepts insurance and also charges a fee to cover education, consulting and other types of preventive services that are not covered by the patient's insurance policy.

"There is no cookie-cutter model," said Dr. Serbin, whose practice does not participate in insurance plans. All his services are covered under Pinnacle's monthly fee. Patients are encouraged to carry health insurance for non-covered services, such as specialist referrals, labs, x-rays and hospitalizations. "There are lots of different ways to do this, and I'm impressed with the creativity that goes into this," he said.

Dr. Gayle Smith, the Richmond, Va. pediatrician who treats the Lucia family, also practices under a hybrid version of concierge, in which she accepts most major insurance plans and charges a monthly fee that is "less than a cell phone or cable bill."

Now in her third year as a concierge pediatrician, Dr. Smith says a great deal of demographic research and brainstorming went into devising the clinical and financial model for her practice.

Included in the conversations were parents from diverse socio-economic backgrounds. Ultimately, it was these parents and market research that determined the fee Dr. Smith has likened to a monthly cable bill. "Some markets are ready for 'rock star' medicine, as I call it, but our market research said there are not enough parents who are willing to sign on for that particular model over a period of five years in any demographic region of the city."

Added Dr. Smith: "I do think it's a myth that only wealthy folks would choose this particular model. In my third year, I've seen more high-deductible, HSA-type families, and folks ask, 'how much does this or that cost?'"

And while the ethical debate over access rages on, recent data points to concierge medicine as a choice for more than just the wealthy few. Top-level executives account for less than four percent of U.S. patients searching for concierge health care, according to an August 2010 survey of patients conducted by [The Concierge Medicine Research Collective](#). More than 50 percent of concierge medicine patients, the survey says, make a combined household income of less than \$100,000 per year.

Even in Marin County, California, which boasts the fifth highest income per capita in the United States, [Child's Light Pediatrics](#) prices its concierge fees low enough to accommodate most people interested in joining, said practice partner Dr. Oded Herbsman. "The bulk of our practice are working professionals who really appreciated the time-saving and exceptional access to doctors," he said.

Child's Light charges a per-family, monthly fee of \$135, which covers the house call-based practice's 24/7 direct physician telephone and email access. In addition, it charges fees per service, which typically range from \$100 to \$350 per visit. Many of these services, however, may be reimbursed under the patient's insurance coverage.

"If you think about the worst case scenario," Dr. Herbsman said, "A patient may pay, out-of-pocket between \$2,000 and \$3,000 a year, and that's not a majority of our patients."

For Jessica Lucia, whose children are treated by Dr. Smith, the price covers the type of immediate, non-rushed care her family was unable to receive from traditional practices. "When I have questions, I can email or call and almost always get a direct response from an unhurried person," Lucia said.

"For health-related questions, I am always able to speak to Dr. Smith within an hour, usually much less, sometimes immediately."

For Dr. Smith, switching to a concierge practice also allowed for a slower pace and the opportunity to focus on ways to share her interests in nutritional and exercise health with patients. "I'm able to make more time for

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patients who are interested in augmented evaluations services, and now I can set aside a whole hour for families with special needs children.”

Chronic patients represent between 10 and 20 percent of families who belong to Dr. Herbsman’s San Francisco Bay area practice. The concierge physician, he says, is always available to “be a quarterback and make sure all the loose ends get tied” for these patients, whose asthma or diabetes demands on-going management.

The concierge practice, Dr. Herbsman suggests, is the solution to a flawed traditional system, in which there are too many patients, not enough resources or time, and little or no continuity of care.

Pittsburgh’s Dr. Serbin agrees. “It’s not like I have 3,000 patients. I know these patients intimately. I know what their houses look like, I know their parents and I know their past histories,” he said. “When I see practices that don’t make it, their biggest mistake is not understanding the level of commitment they’re having to give. The bottom line is that you’re asking these people to pay a lot of money, and they need to get something for that money.”

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