Concierge Medicine
The Leader in Continuity of Care
September 26, 2018

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Agenda

► Trends in U.S. Healthcare Industry
► Impact on Physicians/Practices
► Concierge Medicine
► Models of Care
► Benefits
► Criticisms
► Starting a Direct Primary Care or Concierge Medicine Practice
► Challenges
► Future
Trends in Healthcare Industry

- Rising costs
- Scarce resources
- Alternative payment models
- Service delivery reform

Rising Costs

- > 1/3 of physicians believe the greatest barriers to good healthcare are:
  - higher cost of care,
  - higher deductibles and
  - patient cost sharing
  - Government regulations and third-party interference

Source: 8th Annual Physician’s Practice Great American Physician Survey
Trends in Healthcare Industry

Rising Costs

![Graph of U.S. National Health Expenditures as a Share of GDP, 1960-2021](source: Centers for Medicare and Medicaid Services)

Scarce resources

- 33% of practicing physicians in the U.S. are over 55. Many will retire within the next 10 - 15 years.
- Although supply is projected to increase over the next decade, demand will grow more steeply.

![Projected Total Physician Shortfall, 2015-2030](source: HS Markit, April 2017)
Trends in Healthcare Industry

Scarce resources
- Increased Aging Population
  - 50M seniors 65 and older
  - 79M+ within the next 25 years
- Aging Population = Increased Chronic Conditions
  - 85% of older adults have at least one chronic condition
  - 60% have at least two chronic conditions

Trends in Healthcare Industry

Alternative Payment Models
- Shift from volume to value
- Increased risk sharing
- Payment for quality
Trends in Healthcare Industry

Service Delivery Reform

- Emphasis on care coordination;
- Integration of physical health, behavioral health, long-term services and supports; providers partnering, etc.)
Trends in Healthcare Industry

“Triple Aim Plus One”

Impact on Physicians/Practices

Impact on Physician Experience:

- Increase intensity of work
- Ongoing pressure for physicians to practice at the “top of license”
- Increased administrative cost
- Additional non-clinical work; i.e., documentation
Impact on Physicians/Practices

Payment Reform → Service Delivery Reform → Alternative Service Delivery Models

Concierge Medicine

Inherently addresses the IHI’s Triple Aim and the “Triple Aim Plus One”
- Better outcomes through
  - Preventive care promotion
  - Focus on care coordination
- Improved patient experience
- Lower costs
- Improved clinician experience
Concierge Medicine

- A form of “membership” in which doctors provide medical care and enhanced access to patients.

- Often referred to as “retainer medicine” where patients pay a annual fee or retainer to the physician (in addition to other payments).

Concierge Medicine

Services may include:

- Access to their personal physician 24 hrs a day, 7 days a week
- Immediate or same-day appointments
- Physician’s personal cell phone number and e-mail address
- House calls (will even fly to meet patient if patient is away from home)
- Extensive executive-type annual physicals
- Coordination of care with specialists (including visits to the ER)
- Preventive and wellness care services
- Telephone and e-mail consultations
- Un-crowded waiting rooms with upscale decor
- Spa-like amenities
Concierge Medicine

History
- Early 1960’s - Los Angeles cardiologist, Dr. Myron Prinzmetal
- 1996 - Drs. Howard Maron and Scott Hall established MD2 in Seattle
- 2002 - CMS outlines position on concierge care
- 2003 - American Society of Concierge Physicians was founded
- By 2010 there were 2,400 - 5,000 concierge practices in the U.S.
- Number of concierge practices growing at a rate of 3-6% annually

Concierge Medicine

Why?
- Decreased patient time
- Less job satisfaction associated with increased administrative duties
- Less time for preventive care
- Declining income
  - Managed care
  - Decreased reimbursement rates
  - Increased overhead
Concierge Medicine

Demographics of Concierge Medicine Practices

- Types:
  - Small independent practices with varying levels of network affiliation
  - Split practices that are either independent or are dependent on a network for their patients
  - Larger practices that tend to employ physicians and market themselves directly to employers

- Majority are general internists; 20% are medical subspecialists; 20% are family practitioners

Concierge Medicine

Demographics of Concierge Medicine Practices

- Most are in large urban areas
- on both coasts

Direct Primary Care Practice Distribution
Concierge Medicine

Demographics of Concierge Medicine Practices

- Monthly costs to patients vary by model

![Chart showing average monthly price sorted from low to high and grouped by practice self-description.]

Models of Care

<table>
<thead>
<tr>
<th>Practice Model Characteristics</th>
<th>Executive Health</th>
<th>Direct Primary Care</th>
<th>Subscription Model</th>
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<tbody>
<tr>
<td>Patient Service Offerings</td>
<td>Programs provide annual, comprehensive medical assessments and evaluations that include access to various internal medicine specialists. Each evaluation typically is completed within one day.</td>
<td>Programs provide expanded availability for primary care services (e.g., same-day scheduled appointments, longer appointment times).</td>
<td>Programs provide additional services and enhanced access to providers (e.g., smaller panels, on-demand appointments, access to provider mobile phone, at-home visits).</td>
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<tr>
<td>Provider Experience</td>
<td>Providers conduct a broad set of tests and in-depth medical evaluations over a longer patient visit. Annual visits are scheduled separately from the provider’s regular practice on an ad hoc basis.</td>
<td>As an alternative to fee-for-service billing, providers can spend more time with patients and reduce panel size.</td>
<td>Panels are typically smaller than direct primary care models and allow providers to perform expanded services. Providers are typically available to patients 24/7.</td>
</tr>
<tr>
<td>Revenue Approach</td>
<td>Payment consulting occurs directly with employers; however, individuals also may access these programs directly.</td>
<td>A recurring retainer fee is assessed to cover all physician services; insurance is not billed.</td>
<td>A larger recurring retainer fee covers services that are not usually paid for by insurance (e.g., genetic testing, uterine management); insurance is billed for covered services.</td>
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Models of Care

Direct Primary Care (DPC) vs. Concierge Practice

<table>
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<tr>
<th></th>
<th>DPC</th>
<th>Concierge Medicine</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Streams</td>
<td>Monthly subscription/retainer fees; typically no insurance</td>
<td>Subscription/ membership fees for non-covered services AND bill insurance or Medicare for actual covered medical visits.</td>
</tr>
<tr>
<td>Patient Base</td>
<td>Generation X and Millenials</td>
<td>Age 45 and older</td>
</tr>
<tr>
<td>Services</td>
<td>Primary and preventive care, urgent care, chronic disease management, wellness support</td>
<td>Same as DPC plus other services such as expanded physicals, personalized wellness plans 24/7 availability, etc.</td>
</tr>
<tr>
<td>Fees</td>
<td>$25-$85/month</td>
<td>$125-$250/month</td>
</tr>
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</table>
Models of Care

Impact on Patient Care

- Primarily anecdotal

- Minimal statistical reports comparing quality of concierge care vs. standard primary care practices.

- Reports from concierge care organizations; i.e. MDVIP indicate that patients in concierge practices:
  - Fewer hospitalizations and emergency department visits
  - Better control of hypertension and diabetes.

Benefits of Concierge Medicine

Physician Experience

- Smaller panel of patients
- Less patients per day
- More time with patients
- Flexibility in scheduling same-day or next day appointments
- Decreased billing and overhead costs
- Greater work satisfaction
- Less burnout
Benefits of Concierge Medicine

Patient Experience
- Immediate access to physician via office or cell phone and email
- Same-day (or next day) appointments
- Less waiting time at the office
- Longer visits where patients
- Coordination of care
- Home visits
- Availability of lab tests and procedures in some practices

Criticisms of Concierge Medicine

Potential barrier to access
- Financial
- Physician shortage

Income gap between concierge physicians and non-concierge/retainer physicians

Increased costs to patients needing high-deductible insurance plans to cover non-primary care services

Disconnect from government value-based reimbursement/quality initiatives
Starting a DPC or Concierge Medicine Practice

Must be done strategically with a solid plan in place

- Conduct market research and feasibility studies to determine if the demographics can support a concierge practice
- Determine how many existing patients are willing to switch to the new model
- Identify service approach; i.e.,
  - What services do you want to offer?
  - Who do you want to treat?
  - What is your ideal patient load?
  - Will lab tests be a part of the practice?
  - Will hospital visits be included in the services?

- Location
- Staffing
- Technology
- Marketing
- Other
Starting a DPC or Concierge Medicine Practice

Medicare Options
- Participating provider
- Non-participating provider
- Opt out

1. Notify patients that you will be opting out of Medicare.
2. File an affidavit with Medicare explicitly opting out.
   - This can only be done on a quarterly basis.
3. Enter into private contracts with Medicare beneficiaries.
4. Do not submit any claims to Medicare and ensure patients do not submit any claims to Medicare.
   - Exception: Emergent or urgent care services.
Starting a DPC or Concierge Medicine Practice

Create a Business Plan
- Survey patients
- Determine approach and fees
- Identify business resources
- Create a timeline
- Notification/Marketing
  - Staff
  - Patients
  - Payers

WORK THE PLAN!!!
Challenges for Concierge Medicine

Not all geographies can support a concierge program

“High touch” service approach

State regulations

Transitional model

Need for ongoing marketing and service differentiation

Future of Concierge Medicine

The American College of Physician is calling for independent research on direct patient contracting practices, which would address the following:

- Demographic data - providers, patients and geography (current and projections)
- Factors that may undermine the patient-physician relationship, contribute to professional burnout, and make practices unsustainable, and their impact on physicians choosing to provide care through DPCPs.
- The impact and structure of DPC models that may affect their ability to provide access to underserved populations.
- The impact of DPCPs on the healthcare workforce.
- Patients’ out-of-pocket costs and overall health system costs.
- Patients’ experience with the care provided, and on quality and outcomes.
Future of Concierge Medicine

- Still up in the air
  - Continued concern regarding access to care
  - Legal and regulatory challenges
  - Other
- Other specialties are adopting this model of service delivery
- Focus on patient-centered/continuity of care to support Triple Aim
  - CMS interest in funding access to fee-based practices for Medicare patients

Concierge Medicine

Questions?
Selected References

- “An Evaluation of Concierge Medicine”, by Nicolette Jabbour, Boston University 2017
- “Concierge Medicine is Here and Growing!!” by Jame E Dalen, MD, MPH, ScD and Joseph S. Alpert, MD. The American Journal of Medicine, August 2018, Volume 130, Issue 8; Accessed on Aug. 10, 2018
- “Supporting Older Patients with Chronic Conditions” ([www.nia.nih.gov/health/supporting-older-patients-chronic-conditions]), Accessed on Sept. 19, 2018