DIRECT ACCESS, PRIVATE AND CONCIERGE MEDICINE

[Getting Off the Grid with Boutique Practice and Retainer Medicine]

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I was going to leave medicine.
Carpentry started to sound like a very good career option to me.
Dr. Alan Sheff

In traditional primary care practices today, physicians typically have 2,500 – 3,500 or more active patients on their panels and see 20-25 patients each day in rapid 10 to 15 minute intervals. This kind of patient load makes it difficult for the primary care physician to effectively deliver care to those patients suffering with chronic illness or to address preventive measures.

Today's medical system, demands that physicians see increasingly greater numbers of patients per day. Subsequently, they are spending decreasing amounts of time with each patient resulting in declining patient satisfaction. Office-based physicians reported a weekly average of 73.7 office visits, 12.7 hospital visits and 11.1 telephone consultations. Primary care physicians averaged more encounters per week compared with other specialists. [1] Harris Interactive reports: "The average time a doctor spends with a patient is down to 15 minutes or less and continues to diminish, putting enormous stress on both physicians and patients."[2]

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[1] Hing E, Burt CW. Characteristics of office-based physicians and their practices: United States, 2003-04. Hyattsville, MD: National Center for Health Statistics. 2007. Available online at http://www.cdc.gov/nchs/data/series/sr_13/sr13_164.pdf.

[2] Harris Interactive Newsroom, "Consumers Demand Combination of "High Tech" and "High Touch" Personalized Services to Manage Healthcare Needs," October 17, 2000. Available online at http://www.harrisinteractive.com/news/newsletters/healthnews/HI_HealthCareNews-V1-Issue1.pdf

For the physician, choosing to deliver medicine in a concierge or direct access model, at a minimum, allows for longer appointments with patients to address concerns and focus on prevention. More time with the patient creates the ability to monitor wellness screens and to get to know the patient in a more robust manner.

For the patient, they can see their physician on his/her own terms and with a list of concerns and not feel rushed. They can see their physician on the same day they contact the office. Often they have the time to discuss specialist's reports for better coordination of care and they can focus on prevention and maintaining wellness.

Participating physicians report more time to devote to patient care and advocacy, as well as continuing medical education and family life. The result is a revolution in preventative care and a return to a more personal relationship between doctor and patient.[3]

According to a recent CNN report, concierge medicine was virtually unknown a decade ago; in 2005, there were approximately 500 physicians taking advantage of the practice model. Today, according to the Society of Innovative Medical Practice Design (www.simpd.org), there are 5,000 physicians practicing concierge medicine.[4]

CONCIERGE MEDICINE DEFINED

[3] The Healthcare Blog: Concierge Medicine from a Doctor's Perspective, David Donnersberger, MD, JD. Jan 24, 2008. http://www.thehealthcareblog.com/the_health_care_blog/2008/01/concierge-medic.html

[4] Concierge Medicine Report by Elizabeth Cohen, CNN Medical Correspondent, September 19, 2008 http://www.cnn.com/2008/HEALTH/09/18/ep.concierge.medicine/index.html

Initially known as “Concierge medicine,” many prefer the term “direct care” for it more aptly describes the relationship between physician and patient; with a positive emphasis on the patient. It is also known as “direct reimbursement” [DR] medicine; but with this term there is a positive emphasis is on the doctor. At the core of this delivery model, the patient pays an annual fee or retainer directly to the physician. This fee may or may not be in addition to other charges. In exchange for the retainer, the physician contracts with the patient to provide enhanced services. Other labels for this model include “boutique” and “retainer medicine.”

Direct access physicians limit the number of patients in their panel. While the panel size varies, it is meant to be smaller than a traditional panel, ranging from 100 to 1,000 patients. The direct access physician also offers greater accessibility and more options at communication. Retainer fees vary widely and range from $100 to $15,000 annually. Some retainer practices do not accept insurance of any kind.

History

Concierge medicine formally started in 1996 in Seattle, Washington, when a physician, Howard Maron, MD founded MD2 (“MD-Squared”) on the premise that the concierge medicine model could deliver services to its members at the same level of attentiveness being provided to professional team athletes for their health care. Dr. Maron formerly served as the Seattle Supersonics’ team physician. This first model was patterned after a Ritz Carlton-like medical practice intending to provide extraordinary service for a drastically reduced number of patients.

Since MD2, concierge medicine has been attractive to physicians, especially primary-care physicians, who found them-selves working longer hours and seeing more patients just to maintain their income. Once MD2 started, several individual physicians and a few organizations began adopting the concierge model. The largest organization today is MDVIP. The American Medical Association (AMA) has described concierge care as one of many options that patients and physicians are free to pursue.[5]

Retainer practices, i.e. those having the financial arrangement made directly between the patient and the physician, reflect an effort to create a "genuine marketplace" in medicine which has been missing since the 1950s. At that time, insurance companies were allowed to determine the pricing for physician services.[6] The premise behind direct care is to limit the amount of time a physician must spend on billing versus delivery of care. The cost of billing in many medical practices exceeds 25 percent of receipts.[7] The predictable evolution in market systems is toward more consumer and vendor satisfaction, lower price, greater availability, higher efficiency, improved service and innovation. Garrison Bliss M.D., President of the Society for Innovative Medical Practice Design, sees the value of altering the market forces, stating:

> *The current system provides all the wrong incentives and the outcome is also predictable: ridiculous inflation, physician dissatisfaction, patient dissatisfaction, glacial adoption rates of new technology and constant roadblocks to innovation and improvement*.[8]

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[5] **GAO Report:** *Physician Services, Concierge Care Characteristics and Consideration for Medicare, page 9.* August 2005. Available online at http://www.gao.gov/new.items/d05929.pdf
[6] http://www.simpd.org/articles/news.cfm?articleID=21
[7] Ibid.
[8] http://www.simpd.org/articles/ Letter to the Editor of the American Osteopathic Association by Garrison Bliss, M.D.

Dr. Bliss is a strong advocate for the direct care model. He further states:

> *Concierge care, or whatever you want to call it, represents the first step in enrolling doctors and patients in a marketplace that will benefit them both. This movement has overcome some very significant resistance from insurers, the press and the government, both state and federal… The leading franchiser of concierge care (MDVIP) was recently listed amongst the most rapidly growing companies in America with a growth rate of 1,814% in three years. Even our detractors have had to admit that something that satisfies the needs of both patients and physicians may not be all bad.*[9]

Impact on Primary Care

In recent years, many medical students are choosing NOT to go into primary care. Those who are practicing in primary care are re-thinking their medical career:

A 2008 survey of 11,950 physicians asked primary care physicians if they had their careers to do over; what would they do professionally?[10]

[Insert Table 29.1]

Many physicians choosing to have a direct care practice might be considered unwilling pioneers. Unhappy with the pressure, stress and time-constraints of their traditional practices, they look to an option of care that might be considered old-fashioned.

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[9] Ibid.

[10] "The Physicians' Perspective: Medical Practice in 2008," October (www.physiciansfoundations.org/usr_doc/pf_report_final.pdf)

Edward Goldman, MD, co-founder of MDVIP and current Chief Executive Officer believes that the practice model could renew the popularity of primary care medicine: "We used to get 50 percent of medical students into primary care. Now, we get 17 percent, so we're not re-populating the retiring ones."[11]

MDVIP, with a nationwide network focusing on preventive medicine, has data proving their model of care can reduce hospitalizations.[12] Similar to all direct care practices that focus on a customized approach paying attention to wellness factors, MDVIP conducted an outcomes study in 2006. The results from the study indicate that MDVIP patients had 53 percent fewer hospitalizations, even after accounting for the fact that they are better educated, slightly wealthier, and include more Hispanics and fewer blacks than the population overall.[13] Among "avoidable illnesses" such as uncontrolled diabetes and asthma, there were 60 percent fewer admissions.[14]

Dr. Goldman indicates that more studies are being conducted with the MDVIP patient data. He stresses that the cost of care can be paid for by avoiding half of the typical hospitalizations.[15] These early studies indicate a potential pathway in changing the way primary care is delivered. Patients are also pleased with this alternative approach. MDVIP indicates they have a 92 percent renewal rate with their practices.[16]

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[11] MDVIP: The Fix for the Nation's Primary Care Woes? Deborah Borfitz; Strategic Healthcare Marketing, September 2008

[12] Ibid.

[13] Ibid.

[14] Ibid.

[15] Ibid.

[16] Ibid.

Many physicians practicing in direct care practices do have the time and desire to focus more on preventive care. More evidence is becoming available to reinforce this approach. In 2003, the *New England Journal of Medicine (NEJM)* reported that only 55 percent of recommended preventive care is administered, and only 52 percent of recommended screening is performed.[17] According to the Centers for Disease Control and Prevention (CDC), chronic diseases, such as heart disease, cancer and diabetes, are the leading causes of death and disability in the United States, accounting for seven of every ten deaths and affecting the quality of life of over 90 million Americans.[18] With a focus on prevention and lifestyle, many of these illnesses can be detected early when the efficacy of treatment is more productive.

A national study of health care utilization indicates that having more primary care physicians in a community is associated with less use of acute and surgical care. Extrapolating from those data, researchers say a 15% increase in primary care doctors in a given metropolitan area would:

- Cut emergency department visits by 10.9%,
- Cut the number of surgeries by 7.2%,
- Cut inpatient admissions by 5.5%, and
- Cut outpatient visits by 5.0%. [19]

[17] http://www.mdvip.com/NewCorpWebSite/AboutUs/AboutMDVIP/HealthIssuesOverview.aspx

[18] http://www.mdvip.com/NewCorpWebSite/AboutUs/AboutMDVIP/HealthIssuesOverview.aspx

[19] "Health care utilization and the proportion of primary care physicians," *American Journal of Medicine*, February 2008 (www.amjmed.com/article/S0002-93430701088-1/abstract)

VARIATIONS ON THE THEME

Some physicians choose to remain independent in their practice of medicine while others join organizations that offer a corporate template of services in exchange for some equity in the practice. In the decade-plus since the concept started, there are many variations on the theme. Some physicians operate cash-only practices while some even have virtual practices where they visit their patients' homes or places of work. There is also a growing number of email consulting practices and tele-practices. Some providers have created Robin Hood practices where they charge a fee for patients who can afford to pay and they offer "free care" to others who cannot.

The concept of a medical home in which care is facilitated and coordinated by the primary care physician is similar to the direct-care model except for the funding mechanism. The time, attention and access elements are similar in both models. It will be interesting to see how these two models are utilized as more demand is placed on primary care with our aging population.

The variety of practices and the innovation in the delivery of care are indicative of a transitional time. Significant market elements will force change. As the large demographic bubble of Baby Boomers continues to age, the demand for health services will grow. With the ranks of primary care physicians shrinking, Americans will find it more difficult to obtain primary care. Most recently, the American College of Physicians (ACP) published a white paper entitled - *How is the Shortage of Primary Care Physicians Affecting the Quality and Cost of Medical Care? [Link: http://www.acponline.org/advocacy/where_we_stand/policy/primary_shortage.pdf]* The

2008 paper reviews over 100 studies from the last 20 years and concludes that the proportion of primary care physicians is relative to the population's health outcomes.[20]

Beyond patient experience, physician satisfaction and improved outcomes, there also may be some additional benefits for developing a direct care practice. Some liability insurance products are being offered at discounts for concierge-style physicians.[21] Physicians taking care of 400 – 500 patients have fewer opportunities to make mistakes. The reduced numbers along with the more personalized approach reduce risk. [22]

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HEALTH 2.0 EXAMPLE

A Non-exhaustive List of Innovative Organizations Offering Medical Services

Concierge Choice Physicians **http://choice.md** National organization offering a hybrid model: Physicians divide their practice between a traditional practice and a retainer practice. The retainer practice is limited to approximately 150 patients.

Elite Health **http://elitehealth.com**

Health Advocate **http://healthadvocate.com** National organization with over 4,300 client relationships; founded in 2001.

[20] http://www.acponline.org/pressroom/primary_shortage.htm

[21] **"**The Bigger Picture: Another Reason to Go Cash-only?" Pamela Moore Medical Practices October 2008.

[22] Ibid.

Hello Health https://www.hellohealth.com/main/index.html

MD2 International http://www.md2.com/home.php

MDVIP http://www.mdvip.com

ModernMed http://www.modernmed.com

PinnacleHealth http://www.pinnaclecare.com/ Private health advisors has grown to more than 120 employees, serving more than 3,600 members worldwide.

SignatureMD http://www.signaturemd.com/

WhiteGlove House Call Health Inc. – Austin, Texas based company that delivers medical care to patients in their homes and at their workplaces. Costs for the service starts at $35 a month plus $35 per visit; membership-base to nearly 4,000 members.

Transfusion LLC http://www.transfusionllc.com Facilitates the conversion of conventional medical practices to concierge medicine, thus improving both the quality of life for the physician and care for the patient.

HEALTH 2.0 EXAMPLE

Executive Health Clinics

Executive Health Program at Cleveland Clinic and Canyon Ranch

http://www.executivehealthprogram.com/

Executive Health Screening at Cooper Clinic http://www.looklocally.com/10853.htm

Duke Executive Health Program http://www.dukeexechealth.org/

Greenbrier Executive Health and Wellness http://www.greenbrierclinic.com/

Emory Executive Health

http://www.emoryhealthcare.org/departments/executive/index.html

Johns Hopkins Executive Health Program

http://www.hopkinsmedicine.org/executivehealth

Mayo Clinic Executive Health Program http://www.mayoclinic.org/executive-health/

Penn Executive Health Program http://pennhealth.com/executive/

University of Chicago Executive Health Program

http://www.uchospitals.edu/specialties/exec-health/

UCLA Executive Health and Physical Program http://executivehealth.ucla.edu/

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Service Offerings

The majority of direct-care practices offer far greater access and convenience to their patients. Most physicians claim they are available to their patients on a 24/7 basis via their cell phones. But what other services are offered in these concierge-style practices?

The following features are often found in a direct-care practice. The higher on the list, the more prevalent the amenity:[23]

- Same- or next-day appointments for non-urgent care
- 24-hour telephone access
- Periodic preventive-care physical examination
- Extended office visits
- Access to physician via e-mail
- Access to physician via cell phone or pager
- Wellness planning
- Nutrition planning
- Coordination of medical needs during travel
- Patient home or workplace consultations
- Smoking cessation support
- Preventive screening procedures

[23] GAO Report to Congressional Committees: Physician Services – Concierge Care Characteristics and Considerations for Medicare, August 2005, page 15.

- Newsletter
- Stress reduction counseling
- Private waiting room
- Mental health counseling
- Online or other electronic access to personal medical records
- Accompaniment to specialist appointments or medical procedures
- Home delivery of medication by physician or office staff
- Priority for diagnostic tests in affiliated medical facilities

Unless stipulated by the contractual arrangement with a sponsoring organization, physicians should determine their services based on patient interests and market conditions.

Making a Choice

There are choices when considering a concierge style practice model: franchise, affiliation or independent ownership. A physician can choose to create his/her own direct-care practice or align their practice with a physician services organization like MDVIP or Concierge Choice Physicians. While variations do exist, the two major fee models for these retainer practices are called the Annual Evaluation Model and the Bundled Fee-for-Service (FFS) Model.[24]

With the Annual Evaluation Model, patients pay a fee that covers a comprehensive annual physical examination including associated laboratory tests. In the

[24] Maryland Insurance Administration Report on "Retainer" or "Boutique" or "Concierge" Medical Practices and the Business of Insurance, January 2009, page.3

Bundled FFS Model, the patient pays an annual fee to cover a specified bundle of services – typically these would include an annual physical, routine office visits and expanded physician access. Once the patient exceeds the bundled services, he or she pays a fee for each service.[25] No regulatory agencies govern retainer practices and the physician is not required to report the establishment of a retainer practice.

If the physician elects to affiliate with a physician services organization, they become a part of the organization's brand and a variety of services are performed for them in exchange for a portion of the annual retainer fee. MDVIP is the largest of these organizations with 300 affiliated physicians nationally. MDVIP patients pay a membership fee of $1,500 - $1,800. MDVIP physicians provide their member patients with an annual comprehensive physical exam and a wellness plan is created based on the exam's findings.[26] Each practice is limited to 600 patients.

Another variation is offered by Pinnacle Healthcare Advocacy. This organization is not tied to a single medical institution or medical community. Instead, well-trained and professional health care advocates guide patients toward the best care and manage the health care process from collecting medical records to facilitating appointments, communication and paperwork compilation.

There are other organizations that offer variations and innovations on the original concept offered by MDVIP which was acquired in January 2010 by Proctor and Gamble (P&G).

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[25] Maryland Insurance Administration Report on "Retainer" or "Boutique" or "Concierge" Medical Practices and the Business of Insurance, January 2009, page.4

[26] Ibid.

Hello Health is a paperless retainer practice that utilizes e-mail, instant messaging and video chat for coordinating care. Based in New York, and utilizing social media and technology tools, the physicians in this practice aim to empower patients through a better understanding of their health with active engagement and information flows

The benefit in partnering with a services firm is that you will have assistance in setting up your direct-access practice. There will be guidelines and advisors to assist in the office conversion/set-up, patient conversion/acquisition and detailing operational elements. This option does incur long-term financial and revenue sharing obligations.

For those physicians who choose to remain independent they will have the benefit of full ownership and will retain 100% of the decision-making and profit. Outside expertise from experienced healthcare consultants and legal counsel can help with the conversion process and can assist physicians make individualized choices for their direct-care practices.

THE TRANSITION PROCESS

Converting to a retainer practice requires significant changes in the service that the physician provides. Patients need to feel that the retainer practice is different from the traditional practice. It will be important to determine what is important to your patients and build your services from their interests.

Assessment and Market Awareness

One of the most crucial aspects to developing a concierge/retainer practice is gauging to what extent the market will be receptive to the new practice model. Too many

physicians believe they know their patients based on years of the doctor-patient relationship and decide to skip this step. Having insight into your prospective patients is invaluable and this is not a step to be taken lightly. Surveying a portion of your existing panel as to service interests and pricing sensitivity is a must.

It is also important to consider the overall market conditions. Consider the following questions:

- Is the market large enough for a concierge practice?
- Does the market have a significant population capable of paying the membership fees?
- Who are the other providers in the area?
- Are any providers offering concierge services? If yes, how full are their panels, what pricing platforms are in place and what service features are being offered?

It is necessary to consider these market issues and even conduct the research necessary to answer the questions in order to make a good assessment on whether your retainer practice will have a relative degree of acceptance, both for converting existing patients and any new patients you might like to attract.

The menu or services and fee structure you develop will depend on your patients' need and their ability and willingness to pay for concierge level services. Based on the analysis from the patient research, you should be able to determine what specific services you will offer and how you expect payment. Typical services include 24/7 access,

extended office visits, direct and enhanced communication with the physician, no waiting and rapid access. Additional services depend on physician and patient preferences.

Pricing Structure

A pricing structure can be developed from the patient research data along with an analysis of the local competition. Annual membership fees for concierge practices range from $50 to $15,000, with the bulk falling within the $500 - $3,500 range. A typical rate is $1,500 for an individual. Some practices offer a family discount and some create their pricing based on the patient's age knowing that the typical older patient utilizes services at a greater rate. Some physicians waive the fee for some of their long-time patients without substantial means and many offer entry level fee discounts with the theory that once patients try the new practice, they will become committed and renew easily in subsequent years.

Cost Structure Example

Real life blog example from a cash-based patient*

My primary care physician has a cash only medical practice and he is paid by the hour for whatever he does - be it a phone call, email, office visit, house call, or outpatient surgical procedure. He doesn't charge higher prices for procedure complexity - that's factored into the time it takes to complete the procedure. It's a wonderful model for those of us who've chosen high deductible health insurance plans, and pay cash for primary care services. My husband and I save thousands of dollars/year with our plan, and spend a few hundred of that savings to cover our

primary care needs. We also have our family physician available to us 24-7 via phone/email, and can generally see him for an in-person visit within hours of a request for one.

Yesterday was a perfect example of the incredible convenience of this model of care. I called Dr. Allan Dappen at 10:30am and asked if we could come in to have a sebaceous cyst removed from my husband's back. Dr. Dappen said he'd be happy to see us at 11:30am that day, so we hopped in a car and were finished with the procedure by 12:00. I even had fun taking photos for the blog (see http://www.getbetterhealth.com/tag/concierge-medicine for the rest of this story).

* For more information, check out: DoctoKr Family Medicine, Vienna, Virginia http://www.doctokr.com/

Obtain Legal Counsel

With the market research complete and the decision to move forward made, the next vital step is obtaining legal counsel. This is another step that some physicians prefer to skip but, with the changing legal environment and the nuances with structure and model, a physician will be well-served in obtaining informed legal advice. Some of the subjects to discuss with a lawyer include:

- Legal and regulatory issues within the state where the practice will exist.

- Corporate structure that complies with applicable payer contracts and the financial needs of the professional entity.
- Contractual arrangements/agreements including membership agreement for retainer members.
- Payer obligations/contracts.
- Taxes and accounting issues.

Legal Concerns

Most of the legal risks for a concierge/retainer practice stem from a practice that continues to obtain reimbursement from Medicare and private health insurance companies for covered services.

Practices that offer concierge services need to consider Medicare regulations that prohibit charging Medicare patients for services covered by Medicare. Practices should not offer services that overlap with Medicare services. In addition, practices need to be careful in not violating existing provider agreements with other third-party payers such as the balance billing provisions. Each state has its own laws that may be defined broadly when it comes to offering health insurance. Retainer practices do not want their membership fees to be misconstrued as offering insurance in any way.

Patient inducement is another area of concern. Anti-kickback statues prohibit the inducement of patient referrals. Certain practice amenity offerings might be mis-interpreted as improper inducements

For practices that are converting existing traditional patient panels into new, smaller retainer practices, there is the concern of patient abandonment. The conversion

process needs to be done carefully to avoid exposing the physician/practice to liability for abandonment.

Conversion Time-line

Converting the practice to a retainer-based model takes time and requires a very thoughtful planning process. There are several steps that need to be taken to prepare your staff and systems, inform payers, and, most importantly, investigate the interest in additional services of your current panel and prepare your patients for the upcoming changes. A typical conversion takes between 90 and 120 days. A physician's own circumstances will need to be considered to tailor the schedule appropriately.

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HEALTH 2.0 EXAMPLE

Sample Time-Line

Week One

Contact legal counsel and set up meeting and process.

Weeks Two and Three

Create market research parameters.

Determine how research should be conducted.

Create survey tool.

Week Four

Determine research targets

Weeks Five and Six

Conduct research.

Weeks Seven

Research analysis. Go/No Go decision

Determine services and pricing.

Week Eight

Meet with legal counsel. Determine payer and patient notification.

Weeks Nine and Ten

Create communication templates.

Create membership agreement/packet.

Discuss staffing impact.

Develop process for patients leaving practice.

Office enhancements including technology innovation and process changes.

Determine new name/brand changes – initiate action.

Week Eleven

Website changes/impact.

Establish email system for communication with patients.

Determine patient access features on website

Determine change in telephone handling/processing.

Dis-engage from existing call arrangements.

Weeks Twelve and Thirteen

Communicate practice change with existing patients.

Disseminate press releases.

New systems set-up and training.

Week Fourteen and Fifteen

Conduct status analysis of panel

Consider other patient acquisition activities based on status report.

Process patient change requests.

Week Sixteen

Finalize technology issues.

Finalize décor and office ambiance

Consider media campaign and follow-up process.

Week Seventeen

Launch

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Patient Out-placement

As the demand for primary care intensifies, it will be even more important to provide patients who do not choose to stay in a retainer practice with options for care. It is a good idea to create a referral list of other providers who are accepting new patients and provide that for patients transitioning out of the practice. Anything that can be done to assist those departing patients is not only welcome but demonstrates appropriate service and consideration.

MORE THAN WORD-OF-MOUTH

Patients consider their healthcare providers carefully and while word-of-mouth referrals are hugely important, you do not want to leave your patient acquisition progress to this tactic alone. Having a marketing plan is simply good business and will guide you on the road to success.

Physicians will first want to focus their patient acquisition strategy on the existing patient population. Experience informs us that most concierge practices are built from existing patient panels. The market research conducted earlier in the transition phase can be helpful as you target outreach to those patients. Many physicians are surprised when patients of means do not choose the retainer practice. Again, experience demonstrates that patients choose retainer practices because they place a high value on their healthcare and the relationship they have with their physician.

The most successful transitions occur for physicians who have a robust panel of patients who have formed meaningful attachments with the physicians and or staff. And while the new practice will rely on old loyalties, a new image for the practice must be created which will include a new look and feel that reinforces the patient service orientation.

Part of the transition process will include a letter to all existing patients informing them of the practice change. This is an ideal opportunity to explain the new service and also extend your new voice and message in a meaningful manner. Some practices develop collateral materials and include these in the initial or subsequent mailings. Many practices create the opportunity to learn more about the new practice with an informational setting or an open house. And some practices create out-bound calling to patients they have not heard from to make sure they understand the change and are appropriately provided for with their primary healthcare.

As with any new practice, getting out into the community and participating is of great value to help prospective patients learn about the practice and the provider. Traditional methods include:

- Health fairs
- Radio and cable show broadcasting
- Local civic organizations speaking opportunities
- Direct mail campaigns
- New practice announcements

With the advent of social networking, many physicians are using social media to help reach out to prospective patients and to develop their brand identity. While many of these avenues are time consuming, as of this writing, most efforts are without significant costs. Some ideas include:

- Creating a health blog
- Using Twitter, FriendFeed, LinkedIn, FaceBook or MySpace to develop a persona and participate in the community
- Email marketing campaigns
- Pod-casting
- Video offerings on YouTube.com

All of the above ideas need to be discussed and planned. It is appropriate to use both traditional and new tactics as a part of your comprehensive marketing plan. Be sure that you know who you are targeting in your efforts and that the medium matches your goal. Also … measure, measure and measure. If you are going to put resources into an outreach effort, make sure you know how it is working. If it doesn't work, stop it.

Marketing needs to be a consistent and ongoing effort. Like a wedding, the new practice's launch date is just the start of the relationship. Some patients will be trying the new practice out for the first year to see if it is worth it to them. It is vital to deliver on the promise and value initially extended. MDVIP indicates they have a 92% renewal rate for their practices. That is a worthy number to maintain but it also indicates that to keep your direct-access practice fully subscribed, new patients will be necessary.

It will be important to communicate directly with colleagues and any affiliated hospitals as a courtesy. Making this change is important and it is best to be the spokesperson for why the change is happening and the practice vision versus relying on rumor and hearsay. This can also be another marketing opportunity – especially if letters of service explanation are sent to referring sources and local specialists.

Important Choices

When a physician decides to investigate the possibility of a direct-access practice, there are many decisions that must be made. How the physician wants the new practice to be organized in the future – with a medical service organization or independently is just the first of many choices that must be made. Other considerations include, but are not limited to, the following:

- Location – will the practice remain in the same venue or is another location more suitable?
- Target population – what is the demographic and socio-economic profile of the likely patient?
- Services and style of practice – using research to help inform the offerings, determine which services will be included, how they differ from other providers and how they shape the direct-access practice.
- Pricing structure and panel size – primary research will help inform this decision so that price is relative to the market's acceptance. From this information, the practice budget and physician's target income can be determined.

- Legal concerns – regulatory climate, contractual arrangement, provider contracts/participation and business structure are just a few of the reasons behind having solid and informed legal counsel.
- Technology choices – if your practice does not have a website, EMRs and other 21st century features, now is the time to move in this direction.
- Operational concerns – staffing, patient flow, billing process, ambiance and customer service training should be considered under the new practice's vision.
- Marketing and outreach – don't leave this important element to haphazard timing. Create a plan and stick with it.

ABOUT REVENUE PLANNING

Developing a pro forma to forecast your revenue and expense stream is an obvious and essential step in the planning process. If you decide to have a hybrid practice, you will want to budget and plan for the two streams of income: retainers and reimbursement for medical services. Make sure you understand the rules and regulations for all of the services and procedures that you are considering for your practice. You may find that sub-contracting some services makes more sense – at least initially. These services will range from nutrition evaluations to marketing services.

Small practices can find alternative revenue sources by having in-house labs or diagnostic services. Again, consider outsourcing if immediate resources are not available. These types of service offer convenience to your patients as well. Have the outsource company

provide the service in your office. Before engaging additional services, be sure to determine if the service is reimbursable, what the rate will be and whether pre-certification is required.

Planning ahead and being aware of the rules and regulations will save you time and effort. Make sure your practice is in compliance with the Centers for Medicare and Medicaid Services (CMS) and is well-versed in HIPAA compliance. Proper documentation and charting for the services you provide remain an integral function in the practice of medicine.

Having concierge patients does not remove the need to have an appropriate process complete with documentation formats and charting methodologies.

ASSESSMENT

Perhaps the ultimate level of concierge medicine is exemplified in a firm like Guardian247.com, of Charlottesville, VA. Its' global principals were developed according to the medical systems and protocols for the President of the United States, senior White House officials, and members of the President's cabinet. Their goal is to ensure medical care anywhere in the world. Utilizing state of the art telemedicine capabilities and pre-positioned medical equipment, a team of former White House physicians administers service patient-clients nearly as effectively as if they were on location, saving hours of time and anxiety for routine medical needs, as well as potential life saving emergency situations.

More Information

Physicians can avail themselves to the Society of Innovative Medical Practice Design (http://simpd.org/) which works to "restore the integrity of the patient-physician relationship… [and] ensure that physicians and patients retain the right to design and implement practices that enhance the effectiveness, efficiency, service and value of healthcare. Whether concierge medicine will fuse with other direct care payment mechanism alternatives is still to be seen, But, the innovative work that has been done in the past several years demonstrates that providing more attentive and coordinated care for patient convenience is an element of primary care that might be the way of the future for a select patient population.

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CONCLUSION

Because of, or despite, the healthcare reform law of March 23rd 2010 [HR 3590, The Patient Protection and Affordable Care Act], physicians who have moved into direct-access practices are mostly glad they did. They find the new style of practice rewarding. The experience of treating fewer patients in more depth is often akin to the vision they held that persuaded them to become a physician in the first place. This model benefits the physician's lifestyle by reducing time commitments within the practice. It simultaneously provides more professional satisfaction by allowing physicians to take their time with patients, listening to their needs and planning proactively how to assist them with health goals.

Physicians who choose to practice differently are the pioneers who will help create a new system of care that is more meaningful to the patient and the physician. If outcomes continue to be positive, this type of care may lead to more efficient utilization of services and less cost to the overall system.

COLLABORATE NOW: Continue discussing this chapter online with the author(s), editor(s) and other readers at: www.BusinessofMedicalPractice.com

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Table 29.1

Choose surgical/diagnostic specialty	41.0%
Choose primary care	27.7%
Choose not to be a physician	26.7%
Choose non-clinical path	4.6%