‘Concierge’ doctors on rise

Personalized care for an annual fee is mostly an option for affluent.

By Karen Knee
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Faced with rising costs and patient loads, a small but growing number of primary-care doctors are sharply reducing their practice sizes and charging each patient annual fees of about $2,000 in exchange for personalized care.

At least 20 such “concierge” practices have sprung up in the Philadelphia area since 2002, mainly in affluent suburbs in Bucks County and the Main Line.

Nationwide, more than 800 doctors — the vast majority of them family practitioners and general internists — use some form of concierge practice, says health consultant Scott MacStravic, who has written about the topic. That number has more than doubled since 2005, he said.

A concierge doctor even stars in the television series *Royal Pains*, which ranked as the second-most-watched cable program last week.

Upper Dublin’s David Badolato and Ira Gerstman offer a case study in how this controversial model is evolving.

The two say they chose family practice to create a comprehensive medical home for their patients and build lifelong relationships. But by 2006, fifteen years of flat reimbursements and an ever-increasing paperwork burden had left them working harder than ever and facing a fiscal meltdown.

Badolato and Gerstman then switched to concierge, while the other eight physicians in their practice con-

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Physician Jon Yardney examines Ann Lolli, 85, of Wayne. Fed up with patient loads and costs, some doctors offer personalized care to fewer patients for an annual fee.

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tinued to offer standard care next door. Revenue from the concierge practice keeps the traditional one afloat, the two doctors said.

Badolato and Gerstman, along with about eight other area concierge physicians, operate independently. The rest are affiliated with one of two concierge medical companies: the regional Total Access Medical, and a national firm, the Boca Raton, Fla.-based MDVIP.

Four area doctors are MDVIP affiliates while seven others belong to Total Access.

A year of concierge care in the Delaware Valley runs from $1,000 to $2,800 for individuals, often with discounts if more than one family member joins. Nationwide, the range is wider — from $500 to $13,000 per person, according to a 2007 study in the journal Medicare Patient Management.

This charge — which neither insurance nor Medicare reimburses — typically covers such amenities as annual physicals lasting an hour or more, 24/7 access to the doctor via phone and e-mail, same-day or next-day appointments, a CD or flash drive containing personal medical records, little or no wait time, unlimited doctor visits, extensive preventive care, house calls, and hospital or nursing home visits.

Other more involved services — including prescription drugs, specialist visits, and hospital care — are not included with the annual fee. Most patients use insurance for this care and cover the deductibles and co-payments.

Many concierge doctors say they provide free or reduced-price care to "scholarship" cases, who may compose up to 15 percent of the patient load. But the practices' very locations — in such towns as Langhorne, Bala Cynwyd, and Wayne — make them hard to reach for many low-income people.

Retirement-plan consultant Kit McCarty, 55, of Maple Glen, said the immediate attentive care she got from concierge doctor Badolato kept her out of the hospital after a feral cat scratched her arm in June. When her infection progressed despite antibiotic treatment, Badolato did some quick research and realized McCarty needed two antibiotics — one for bacteria on the cat's claw, and another for germs in its saliva.

"What I pay for a year [of concierge care] I probably would have paid anyway in emergency-room fees, other services, avoidable problems, and unnecessary medications," McCarty said.

Concierge practices are wonderful for the doctors and patients in them, agreed George Rust, director of the National Center for Primary Care at the Morehouse School of Medicine in Atlanta. But, he said, they are not so great for everyone else.

"When concierge practices require high cash payments, they tend to exclude most patients I've seen," said Rust, a family physician who practices in clinics. Given the shortage of primary care doctors, he said, he feels a moral obligation to care for anyone who needs it. And, he said, if some doctors cut their patient loads, it "shunts a very limited resource into a narrow segment of the population."

That shortage results from a web of factors: a reimbursement system that often pays for procedures, not health outcomes; medical-school debts that routinely top a quarter-million dollars; ballooning paperwork; and fewer residency slots in family and internal medicine. Fewer doctors are choosing primary care over specialty fields, and those who do are overworked and underpaid, Rust said.

A typical family physician in the Eastern United States earns just over $160,000 per year — less than any other type of doctor — the American Medical Group Association reported in its 2008 survey, which focused on large, multi-specialty practices. Compare that with dermatologists, who can earn almost twice as much while working eight fewer hours per week, according to a 2003 Journal of the American Medical Association article.

"Our payment system is driving young doctors away from primary care, and driving some older ones to exit [by] using concierge," said Harvard's Stephanie Woolhandler, a primary-care internist who supports a national health insurance system.

For Wayne general internist Jon Yardney, concierge practice was not an exit, but a last resort.

Before he joined MDVIP in 2005, the veteran physician was considering leaving medicine for hospital administration. Most days, he said, he worked from 7:30 a.m. until 10 p.m., but still seemed to be falling behind. Pressured to "work too fast, see too many patients, and make important decisions in too little time," he said he increasingly found himself referring patients to specialists and ordering more tests.

"The way I was being asked to do primary care was becoming untenable," he said.

Yardney notified his patients of his plans and hired another half-time doctor — in addition to the one he already employed — to provide standard care for those who elected not to stay with him.

Of Yardney's 3,000 patients, 430 stuck around. But they weren't the ones he expected.

"A lot of my wealthy patients left in a huff," he recalled, adding that those who stayed tended to value preventive care, convenience, and their long-standing relationship with Yardney.

Four and a half years later, his practice numbers 475 patients, of whom he sees six to eight per day. Each visit lasts at least a half-hour.

Yardney noted that people with chronic conditions such as diabetes can often avoid hospitalizations if they get top-notch preventive care — the type he now has enough time to provide. Asked whether he experienced an ethical dilemma about limiting his practice's size, he replied, "I think there's an ethical problem with not giving people adequate primary care — period. It's a problem for the whole country."

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