

No Insurances

Author: Suzanne Heyn

Category: [Health & Fitness](#)

Issue: Apr 2014



Frustrated by an ungainly system, more Valley physicians turn to the “concierge” model. Translation: couture health care.

For much of her career as a practicing cardiologist, Dr. Anne-Marie Feyrer-Melk essentially kept one hand on the doorknob during patient visits. She had to. Falling fee reimbursements from insurance companies had forced her to reduce patient appointment times from 30 minutes to 15 minutes. It was a matter of livelihood.

“When we were looking at having to reduce what’s called the patient encounter down to eight minutes, I threw up my hands,” says the Scottsdale doctor, playfully known to her patients as Dr. AM/FM.

The frenzy of patient visits stymied Feyrer-Melk’s efforts to practice preventive care, which involves discussions about nutrition and exercise, along with disease screening. There wasn’t enough time. After one of Feyrer-Melk’s patients survived a heart attack, the patient grabbed the doctor’s arm, asking, “Why is it now that I’ve had my first heart attack that everyone is warning me about the next one?” The patient wanted hope and instead received dire warnings to stay alert for part two.

“I couldn’t afford to maintain the current practice,” Feyrer-Melk says. She began contemplating alternative careers, but first, she attended an American Academy of Private Physicians conference. There, she learned about concierge medicine, which allows patients to contract directly with doctors.

Three years ago, Feyrer-Melk decided to try it. “I had nothing to lose.”

Adopting the concierge medicine model allows physicians to opt out of insurance networks and limit the number of patients they see. Patients pay an annual membership fee that varies by practice, typically ranging from \$1,500 to \$10,000 or more. Services include unfettered doctor access through email, text and phone, lengthy office visits and same- or next-day appointments. Concierge patients maintain their health plans to pay for laboratory testing, hospital procedures and specialist visits, but the membership fee covers annual physicals and other basic services. While patients who can afford the care welcome the model’s emergence, skeptics consider it elitist and worry it could reduce the number of physicians available to see low-income and middle-class families. Although data are limited, early studies show the model could reduce health care costs and improve outcomes.

Historically, in the pre-HMO era, families had long-term relationships with physicians who knew every member’s medical history and collected fees from them. The first health insurance plans, which gained popularity during the

Great Depression, typically paid for hospital visits only. Plans expanded to include other services, and in the 1940s, more employers began offering health insurance to sweeten compensation packages amid federal wage controls to combat inflation.

The model has broken under its inclusiveness, some doctors say, comparing it to car insurance. If drivers submitted claims for every oil change and flat tire, rates would skyrocket. Health insurance has suffered a similar fate. Increasingly sophisticated and expensive treatments have increased life expectancies, but also swelled the cost of care. Since 2005, per capita health care spending in the U.S. has increased at double the rate of other developed nations, while comparable life expectancies have fallen behind, according to a 2010 study from the Commonwealth Fund, a health policy think tank. The report singled out unregulated fee-for-service payments and an overreliance on specialists as driving the discrepancy.

Daniel Derksen, professor at the University of Arizona's College of Public Health, says unchecked costs are fueling new models such as concierge care. "In general terms, Americans like choices. Concierge health care provides consumer choice, appealing to a segment of the population and to a subgroup of physicians," he says.



Dr. Anne-Marie Feyrer-Melk, a cardiologist, is one of a small but growing number of specialists who practice concierge medicine.

Concierge medicine as a whole is high-end, but a range of options exists within the model. At the lower end, a doctor may charge \$1,500 annually and carry a caseload of 600 patients. Meanwhile, one doctor interviewed for this article charges \$9,500 and limits her practice to 60 patients. Fewer patients generally translates to a higher fee, but more of a doctor's time. Nationwide, the average doctor operating under an insurance-based model manages a caseload of 2,300 patients, according to a study published in the *Annals of Family Medicine*.

Patients enjoy the comfort that comes from immediate answers to medical questions. Dolores Dean, a 79-year-old patient of Paradise Valley concierge physician Dr. Carrie Bordinko, says, "You can call her and she'll get right back to you. It's not a waiting game." Not everyone can afford the care, Dean acknowledges, but "you've got to make a choice. Is your health coming first over other things?"

The average concierge patient has a combined household income of \$100,000 to \$200,000, according to *Concierge Medicine Today (CMT)*, a trade journal with a research arm. The median household income in Maricopa County is \$54,000, according to the Census Bureau. "Your dual-income, 40-plus, fairly successful middle-class family is going to be the ideal candidate for the vast majority of concierge care," Bordinko says.

The care does not replace insurance for patients; a concierge plan does not satisfy the individual insurance requirement under the Affordable Care Act (ACA). Many healthy concierge patients complement their memberships with high-deductible health plans, while health savings accounts typically allow patients to use the funds to pay membership fees. The annual fee typically includes such services as an extended physical, electrocardiogram, routine blood pressure maintenance, genetic assessments for disease, vaccinations, basic blood work and a body mass index assessment. Any additional laboratory work or X-rays goes through insurance. Some doctors offer unlimited visits, while others cap them or charge fees for additional visits.

The first modern doctor known to adopt a concierge medicine model was Seattle-based physician Howard Maron.

While caring for his 3,000 patients, he became the team physician for the NBA's Seattle SuperSonics. He grew to appreciate the level of care he provided to the coterie of athlete patients, and began a concierge practice in 1996.

Today, roughly 5,500 doctors practice concierge medicine, 114 of them in Arizona, according to CMT. Sixty percent of concierge doctors practice internal medicine, with family medicine ranking as the second most common type, although specialists such as Feyrer-Melk are beginning to practice under the model. As the Affordable Care Act takes effect over the next few years, CMT predicts the number of concierge physicians will increase by 30 percent as the boost in insured Americans exacerbates the shortage of primary care doctors. Waits for appointments could lengthen, convincing those who can afford better access to pay for a concierge membership and the deepened doctor relationship it offers.

For physicians, there are pluses and minuses to adopting the concierge model. Though concierge doctors make between \$200,000 and \$300,000 annually on average, according to CMT, roughly the same as traditional primary care physicians, they often work fewer hours. However, they must remain available to their patients around the clock, answering the phone at dinner and on weekends, which limits their ability to take time off or leave town.

Early concierge models, such as the one created by Seattle's Maron, involved a doctor taking ownership of a patient's medical needs much as an accountant would manage all his client's financial needs. Lower-end models with fewer amenities have emerged, although purists don't consider them true concierge care, says Bordinko, who runs one of the Valley's most exclusive practices.

Bordinko, an internal medicine doctor, sees just 60 patients, and offers them unlimited visits at no extra charge. She takes them on weekend hikes and on shopping trips to the Scottsdale farmers' market to teach them about healthful eating. She sees patients in their homes or hers – Bordinko doesn't maintain a separate office. When her patients schedule appointments with cardiologists or neurosurgeons, they coordinate with Bordinko so she can attend. "I'm actually sitting in the room and having a live, two-way conversation with that specialist and making decisions at the moment. It kind of takes that concept of peer communication and then brings it to a much more active, responsive [level]."

Patients text Bordinko when their throats feel icky, wondering what over-the-counter medicine to take. They phone to make sure they buy the correct type of vitamin. And many times, she can help them without physical visits. "When you take care of a small number of people, and you are immersed in their health care – I mean, you know everything about them – a lot of things are no longer required to be seen in person," Bordinko says. "If you're under insurance care, you have to go to your doctor to ask them [a simple] question, and you have to be put out of your day for two hours."

Although Bordinko says her patients include many of Arizona's wealthiest residents – including four of its five documented billionaires – others have organized their more limited incomes to accommodate the fee.

In the mid-range of concierge medicine, doctors like Scottsdale -based primary care physician Susan Wilder limit their practice to about 300 patients, who each pay \$3,000 to \$3,500 annually. Wilder started a concierge practice after finding it impossible to spend enough time with patients in an insurance-based practice while earning a profit. Her concierge practice operates in the same building as an insurance-based practice in which doctors must limit patient visits to 10 minutes to break even. "We basically added first class to subsidize coach," Wilder says of the decision to add the concierge model. "We're not in it to make a ton of money. We're just in it to have the right amount of patients, to be able to provide the best care."



Dr. Carrie Bordinko operates a high-end concierge practice, with a \$9,000 annual fee and unlimited visits.

With more time to spend with patients, Susan Wilder embraces the medically challenging cases that once caused her stress. “My staff call me a holy messologist,” she says. Longer appointments allow Wilder to help patients uncover the root issues of diseases ranging from diabetes to lupus, ultimately helping to reverse conditions through diet and lifestyle changes – often the same changes used in prevention. Concierge physicians typically ask about a patient’s entire life – relationships, job, life stressors and hobbies – and consider all risk factors when making wellness plans. “Before, I would have looked at this list of problems and just shuddered and been like, ‘There’s no way. I ought to just take you out back and shoot you because there’s no way I can deal with this in a normal 10-minute, hit-and-run visit. But, now, it’s like, ‘Bring it.’ I love it. It’s a challenge and we can help a lot of people.”

deterioration.”

Wilder says her patients tell her, “You’re the first doctor who’s ever listened to me. All my other doctors just monitored my

Dr. Scott Bernstein, another mid-range concierge doctor in Scottsdale, contemplated a switch to concierge medicine for four years before transitioning. In 2004, he attended an industry conference, where he met his future business partner, Scottsdale concierge physician Dr. Helene Wechsler. When they met, Wechsler had recently converted to concierge, and in 2008, Bernstein followed.

“I was getting increasingly exhausted,” Bernstein says of his once-regular 110-hour work weeks. In April, he sent patients a mailer, giving them three months’ notice of the transition. “The vast majority [of patients] were very supportive and understanding,” Bernstein says. Eight days after Bernstein sent the letter, 80 patients had signed up, and within six weeks, Bernstein had signed 200 patients. The practice has space for 250 patients.

Bernstein limits patients to 20 visits annually, including five house calls, and charges patients \$50 per additional visit. He says patients don’t abuse his availability, although one year, a patient well exceeded the limit because of ongoing medical issues. “If I were cynical, I’d say, ‘Drop that patient,’” Bernstein says. “She’s still my patient. That’s OK, it balanced out.”

While Bernstein used a mailer to recruit his initial patients, doctors say most new business comes from word of mouth, referrals from patients or out-of-state doctors with patients moving to Arizona, or through their websites. Nationally, concierge patient retention rates hover around 90 percent, according to CMT.

But the model has critics. Patients abandoned by newly converted concierge physicians face a financial and ethical conundrum, opines the American Medical Association in a report on retainer medical practices. In the face of physician shortages, patients unable to pay for luxury care may increasingly have trouble finding a physician at all, or they may see more “extenders” – physician assistants and nurses.

Meanwhile, lower-cost models of concierge care have emerged for more middle-class patients. Low-end concierge practices cost around \$120 per month in addition to health insurance, which doctors say easily compares to money people spend on movies or dining out. In 2013, the average employer-sponsored health plan for a single person cost about \$490 per month, according to the Kaiser Family Foundation.

MDVIP, a Florida-based company with 16 Valley doctors, offers lower-end concierge care with annual memberships starting at \$1,500. Doctors limit their patient load to 600 and provide their cell phone numbers for 24-hour access. The fee includes an annual 90-minute “executive-style” physical that involves the doctor asking lifestyle questions, reviewing blood work results and risk factors, and devising a wellness plan to mitigate those risks.

Any visits later in the year last 30 minutes, during which doctors discuss acute conditions and review the wellness plans, providing an opportunity for preventive care. However, MDVIP bills insurance for those subsequent visits and charges patients a co-pay. Doctors talk with specialists only if necessary, and not as a rule. Dr. Larry Gassner, a Phoenix MDVIP physician, says he takes patients on biking and hiking excursions. He maintains a close enough relationship with patients that they noticed his recent weight loss, which Gassner says offered motivation.

“That really sets the tone for patients to understand, ‘I have a great relationship with a doctor who cares about me and it’s more than about catching me when I’m sick,’” says Dan Hecht, chief executive officer of MDVIP. “We learned as a country that the vast majority of chronic disease can be prevented or avoided if we can help people change their lifestyle and start exercising and eating better and stop smoking.”

MDVIP patients also have access to the network’s other doctors nationwide. Hecht said that assurance gives older patients the confidence to travel. Several doctors said snowbirds appreciate having an Arizona-based concierge doctor who coordinates with specialists local to their summer residences.

Whether concierge medicine represents a “fix” for the health care system is a matter of some debate. So far in the U.S. system, “consumers have not demanded the value and quality they should expect for their investment,” public health expert Derksen says.

In concierge care, physicians must deliver, Wilder says. “The patients pay us directly for their services, and so we have to deliver services that are of value to the patient.” The model incentivizes doctors to keep patients healthy and out of the hospital, she adds, as opposed to insurance, which pays doctors and hospitals based on in-person visits and services provided.

Studies are just beginning to quantify any impact concierge care makes in preventing illness and cutting health care costs. One study from MDVIP found the network reduced hospitalizations among the company’s Medicare patients nationwide by 79 percent, and among other adults by 72 percent – a savings of \$300 million in one year. The study also found readmission rates below 2 percent for MDVIP patients suffering from heart attacks, congestive heart failure and pneumonia compared to national averages as high as 24 percent.

The model’s hands-on care has led to patients seeking specialists working on a concierge model. Cardiologist Feyrer-Melk offers a typical, membership-based concierge service, and other specialists are carving models outside insurance. Scottsdale radiologist Belinda Barclay-White operates a “concierge-type” service, essentially offering services for a fee without billing insurance, though patients can submit claims on their own. Prices range from \$259 for a mammogram to \$2,000 for a breast biopsy. Patients pay cash and get same-day results.

One fact seems beyond debate: Those who can afford or choose to pay for concierge care get a better, more holistic product. Bordinko says she encourages her patients to disclose their most intimate problems – health-wise, but also life troubles like stress at work, death of a loved one or divorce. “Those things cannot come forward in a five-minute encounter to a stranger that you don’t know, yet they greatly impact our quality of life and our health outcomes,” she says.

In a health care system where doctors earn money for visits and procedures, valuing intangible benefits and

prevention becomes difficult. “How does this system value my preventing a heart attack? How do they value my turning around diabetes before it fully manifests or any of the complications manifest?” Wilder wonders. “The patients do value it.”

How much does it cost?

Concierge doctors charge a wide range of fees. The fewer patients a doctor sees, the more expensive a membership to that practice will cost. Some doctors offer a fee range, with discounts for families or part-time residents, and add-ons, such as massage therapy.

Dr. Carrie Bordinko, internal medicine

Consolare Personal Physician Services

ConsolareMD.com

\$9,500 annually for patients over age 35

No more than 60 patients are accepted into this practice. Services include an annual physical, electrocardiogram, unlimited sick visits with no extra fees, accompaniment on specialist visits, and pre-travel examinations and vaccinations.

Dr. Susan Wilder, family medicine

LifeScape Premier

LifeScapePremier.com

\$3,000 to \$3,500 annually

Founded by Wilder, LifeScape limits each partner physician to 300 patients. Services include an annual physical and follow-up appointment, laboratory work and comprehensive health screenings. Unlimited phone consultations and email communication are included, but additional office visits cost \$85.

Dr. Scott Bernstein, internal medicine

Scottsdale Private Physicians

ScottsdalePrivatePhysicians.com

\$3,000 annually, customized packages available

Membership is limited to 250 patients per physician. Services include two initial in-depth appointments reviewing lifestyle habits and health issues, along with blood work results, and 20 annual visits. Additional visits cost \$50.

MDVIP

16 doctors Valleywide

MDVIP.com

\$1,500 annually

Membership includes an executive-style physical, 24/7 access to the doctor and same-day or next-day appointments. Visits beyond the annual physical are billed through insurance and require a co-pay. Each doctor sees 600 patients maximum.