

Practice Prescriptions

Concierge Medicine and Patient Advocate Firms: New Horizons in Healthcare

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Introduction

As dealing with healthcare becomes more troublesome for patients, concierge practices and patient advocate firms are cropping up across the country. Though they service different aspects of patient care, both strive to take the burden out of healthcare by treating patients in a highly personalized manner.

Concierge Practices

Just as the concierge in a hotel provides services to guests to make their stay more pleasant and relaxing, the new concierge healthcare concept is designed to help physicians care for their patients in a more relaxed manner and setting.

The concierge practices are on call round-the-clock for a small number of patients who prefer to spend their discretionary dollars on healthcare rather than cars or vacations. Patients pay an annual retainer and sometimes an initiation fee to have a "private" physician who will be there when needed; make house calls; spend more time during visits; arrange for needed specialists and tests, and generally coordinate the patient's healthcare.

Patients seeking these specialized services tend to be health-conscious urban professionals, busy executives, and those with complicated medical conditions. In addition to the annual fee, which can be up to \$10,000, patients or their insurance plans pay for diagnostic tests and therapeutic products as in any practice plan. The "membership" fee allows the doctor to spend more time with each patient in a now much smaller practice. Visits can be more leisurely and thorough and follow-up and care coordination are more personalized. Typically, the personal physician truly knows each of his patients since he now caters to just hundreds rather than thousands.

Although the initial expense of training staff and purchasing new technology while cutting your patient base may seem risky, family physicians who switch to concierge practices can expect to earn about 40% more than in their traditional practice. However, the real benefit for the physicians lies in being able to practice medicine the way they were taught without feeling rushed and always trying to play catch-up. Obviously, before making such a radical switch in your practice, it is advisable to research the possible demand for a "concierge" practice in your geographic and specialty area.

MDVIP of Boca Raton, Florida (www.mdvip.com) and MD Squared of Ketchum, Idaho (www.md2.com) are two companies that help set up and manage concierge practices for physicians. Health and Human Services issued a letter in May 2002 advising that concierge practices must conform to Medicare regulations and guidelines. It is not yet clear whether having more personalized care will mean better outcomes. According to MDVIP CFO Darin Engelhardt, their patients who are hospitalized have stays of 15% to 20% below national averages.

Patient Advocacy Firms

Although many of today's consumers are more sophisticated about healthcare because of access to information on the Internet, it still takes an extraordinary amount of time to research healthcare issues, find excellent physicians and medical centers, adhere to insurance regulations, keep track of recommended preventive care, and generally organize the health of oneself, one's family, or both. In cases of rare or chronic illnesses, the search for information and options can be overwhelming.

Patient advocacy firms are not healthcare providers but serve as healthcare advisors. They help their clients understand treatment options, find the best physicians and medical centers, and arrange quick access to them. Among the services many of these advocates provide include: organizing medical records; making appointments for preventative care; keeping insurance claims accurate, and coordinating visits with specialists and lab tests as needed. Some advocacy groups claim they can get patient appointments more quickly through their connections with top doctors, although no one can let a patient skip to the front of the emergency room line.

Patient advocacy firms run the gamut from Pinnacle Care International (www.pinnaclecareinternational.com), which caters to the high-net-worth client, to Health Advocate (www.healthadvocate.com), whose services are sold to employers for \$1.25 to \$3.95 per month per employee and include the extended family. Similar to financial advisors, these healthcare advisors provide the expertise patients may require before they entrust someone to manage their healthcare

Pinnacle charges initiation fees of \$10,000 to \$30,000 with an annual fee of \$5,000 to \$25,000 for the member, spouse, and unmarried children under age 23. The fee includes an executive physical; chauffeured limousine service to appointments, and a personal advocate to research treatments, physicians, and medical centers. Specialists on the Pinnacle advisory board evaluate available treatment options to help ensure best practices. Pinnacle also handles booking appointments and organizing medical records for the family.

Health Advocate, Inc. works with employers, groups, and individuals to solve healthcare-related problems and provide effective solutions. For employers, their assistance can take over the administrative issues of managed care, insurance denials, and healthcare bills. They help clients navigate the complexities of healthcare and make informed choices and decisions.

Other patient advocacy companies are also available for specific services. Healthcare Advocates (www.healthcareadvocates.com) of Philadelphia, Pennsylvania, for example, offers fee-based services, such as researching and locating specialists and handling insurance disputes. Another organization, Patient Care (www.patientcare4u.com), in New Orleans, Louisiana, charges an annual fee of \$200 to \$400 to explain insurance plans and resolve claim problems.

Ethical Issues

Should physicians serve only those who choose to pay more? There is certainly an elitist aspect to concierge practices and patient advocacy programs that serve only the wealthy. As more physicians choose a concierge system, they must also be willing to consider the long-term implications on society and on the already overburdened health system for the poor.

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Disclosure: Debra C. Cascardo has disclosed no relevant financial interests.