The key to premium care

New health services pamper the wealthy, managing their medical needs even to the point of sending tips to their chefs

By M. William Salganik

It’s common for people who can afford it to hire a wealth manager. So why not a health manager?

That’s the premise behind Pinnacle Care International, a Baltimore company that reports rapid growth in the newly developing business of patient advocacy.

Pinnacle advises families on doctors and hospitals that are likely to give them the best care, but also arranges appointments, fills out paperwork and sometimes even accompanies patients. From time to time, it coordinates with a member’s chef on healthful menus and with his personal trainer on an exercise plan.

“You learn to anticipate their needs before they realize them,” said Nuran Saydam, one of Pinnacle’s senior advocates. “You learn to hold their hands every step of the way. You not only guide them through their medical needs, but you mother them.”

This level of service doesn’t come cheap. The lowest, or “silver” level of membership, carries a $10,000 initiation fee and a $5,000 annual price tag. The highest level, “platinum,” calls for $30,000 up front and $25,000 a year. And that’s just for the advocacy - the patient is still dependent on insurance or out-of-pocket payment for actual treatment, except for periodic “executive physicals” that come with membership.

Services like Pinnacle’s are growing at a time when health care has become increasingly complicated and expensive.

With the entrenchment of managed care, many patients now spend time and energy finding health care providers who are part of their network, getting necessary referrals for specialists and navigating layers of automated phone systems to secure an appointment. More time is spent in a waiting room to get a visit with a doctor that typically lasts a few minutes. And then there’s figuring out-of-pocket costs such as deductibles, co-payments and perhaps managing a health spending account.

But there are ways to smooth out the bumps, hassles and time spent - for those willing and able to pay top dollar for more attention and better service. Uwe E. Reinhardt, a health economist at Princeton University, said that the American health system has a belief in access to care for all, but has historically paid less for services for the poor. Now that tiered system of care is creeping up the economic ladder.

As the distinction between care for the affluent and everyone else becomes more pronounced, “it will be jarring to the middle class” to see “some really rich people jumping the queue,” he predicted.

“In the struggle between the egalitarian supply side and the income-based payment side, the payment
side is winning," Reinhardt said. Prestigious hospitals, including Johns Hopkins, offer “executive physicals” at about $2,000 each, with specialists lined up for back-to-back tune-ups of the busy patient. And there are “concierge” or “boutique” medical practices, in which patients pay a fee of $1,500 a year, in exchange for less-rushed exams, more preventive care and a pledge that appointments will start on time.

Darin Engelhardt, chief financial officer and general counsel for MDVIP, a Florida company that helps doctors set up such practices, said, “We joke that with MDVIP, you can leave your copy of War and Peace at home when you visit the doctor.”

**Clarifying confusing system**

While convenience is nice, customers of Pinnacle say what they like most is a sense that they’re able to work through a confusing system and get the care they need.

For example. Ernest DiPalo of Towson joined after having kidney surgery, which revealed that he had a liver tumor. The tumor was benign, but has potential for causing serious complications if it grows.

“I was living with this tumor, and everyone was telling me there was nothing that could be done,” said DiPalo, 72, a retired Social Security Administration executive. Pinnacle put him in touch with a Hopkins surgeon who has removed such tumors.

Now, DiPalo gets regular liver scans - his advocate sent him an e-mail last week to remind him he has one scheduled soon - and would get surgery if the tumor is growing. Knowing that if it’s needed, he can get the surgery from a top specialist, he commented, “I have a sense of well-being now.”

There are also a few mass-market versions of patient advocacy companies. They may not hold personal meetings with a client’s chef, but they’re available by phone to provide information and straighten out billing hassles. They generally contract with employers, charging a few dollars per employee per month.

The lower-cost advocates and Pinnacle are “built from the same mold, from the idea that the health care system has become increasingly confusing and increasingly difficult, especially in a time of need,” said Dr. Abbie Leibowitz, executive vice president and chief medical officer of Health Advocate Inc.

A few doctors have launched “advocacy practices,” where they don’t treat the patient, but advise the family and coordinate with other providers.

Nurses and social workers also have “hung out a shingle” as advocates, said Dr. Gail Gazelle, an assistant clinical professor at Harvard Medical School who is starting an advocacy practice in the Boston area. “I don’t think it’s really defined as a field yet.”

Pinnacle grew out of one of the hospital-based highend services. John Hutchins, who had run a deluxe program for wealthy foreign patients at Hopkins (and before that at Cleveland Clinic) was looking to offer similar care more broadly. He didn’t want to be tied to a single institution so he could be free to refer patients as needed to a top oncologist at M.D. Anderson Cancer Center in Houston or a skilled surgeon at Mayo Clinic in Minnesota.

**Local entrepreneur**

A local entrepreneur, Bruce Spector, brought Hutchins together with Bart Herbert, then an executive at Aegon USA, the Dutch insurer whose U.S. operations are based in Baltimore.
“I said, ‘That’s a service people will pay for,’ “ Herbert recalled. “It’s not only something VIPs and princes and kings deserved, but that everybody deserved, at least if you can afford it.”

Three years ago, Pinnacle was formed, with Herbert as CEO, Spector as chairman and Hutchins as managing director.

It now enrolls about 800 people in 300 families (membership covers spouse and children), including “32 families who are part of a billionaire family group,” according to Herbert.

That’s more than double the membership a year ago, he said, and Pinnacle expects to double again over the next year. Within four years, Pinnacle projects, it will have 7,500 families.

The company is hiring to keep up, and is looking to add 12 new advocates by next month to join the 20 already on board in Baltimore. (There are currently eight advocates based elsewhere.) Most advocates are nurses or clinical social workers.

With expectations that it will have 250 advocates in four years, the company moved its 50 employees last month to more spacious quarters in an Inner Harbor office tower.

Two mass-market advocacy companies that launched about the same time as Pinnacle, Health Advocate Inc. and Patient Care, also report doubling each year.

“The kind of advocacy we do, the employer community has begun to be very interested in,” said Jane Cooper, CEO of Patient Care, which is based in New Orleans.

Pennsylvania-based Health Advocate, the largest, contracts with employers, including Home Depot, Westinghouse and Viacom. Health Advocate now covers 3.5 million people in 800,000 families, although it says only 10 percent to 20 percent of families use the service.

**No corporate accounts yet**

Pinnacle, so far, has marketed mostly to individuals and families, often making contacts through financial advisers. However, it’s now beginning to gear up to pitch corporations on the idea of covering top executives, offering what amounts to volume discounts on the membership fees.

About a third of the members are in the Baltimore-Washington area, with other concentrated pockets in Chicago, New York and South Florida.

Pinnacle’s founders said they don’t believe that by getting extra care for some, they are reducing care for others. Pinnacle is producing “white papers” with health information that will be available to anyone, Herbert said, adding that pushing for better care “brings the game up for the entire system.”

When a member signs up, Pinnacle assigns an advocate to introduce the company and collect information about the new member’s health history. Pinnacle doctors review health records for unresolved issues, and the member is booked for an executive physical.

The health history “is the only form our member ever fills out,” said Deniz Ozkok, a senior advocate. “We fill out everything else.”

Pinnacle collects all the health records of its members, and keeps them in electronic form to zap out to physicians as needed. Gold and platinum members are also given a “Pinnacle Care Key,” a thumb-sized
Advocates consult the staff doctors, or a national advisory panel of doctors at prestigious medical centers, when they’re looking for guidance on treatment.

**Takes days, not weeks**

When it comes time to book appointments, Herbert said, typically it takes days “rather than weeks to months.”

Doctors are happy to work with Pinnacle members because “they can spend more time with the patients, and can charge accordingly,” said Hutchins. In most cases, the doctor can bill the Pinnacle patient for extra fees (a practice known as “balance billing”) beyond the discounted amount paid by insurers.

And hospitals, Hutchins continued, see Pinnacle’s members as “a group that tends to give a higher number of donations.”

However, Hutchins added, there’s no exchange of money - in either direction - between Pinnacle and the doctors and hospitals to which it refers patients.

There is no regulator that oversees those relationships, since Pinnacle is neither practicing medicine nor selling insurance.

As the medical advice and advocacy industry grows, it’s likely that rules and oversight will develop, Hutchins said. But for now, the quality control on Pinnacle is whether clients write a check for another year of membership.

“We’re dealing with a demanding clientele who are used to service, and you get pounded if you don’t provide it,” Hutchins said.

The majority of members are healthy when they sign up, and are joining “for convenience or from frustration,” Herbert said, but perhaps 40 percent join when they have chronic or acute health problems.

For example, Patrice Brinkman, of Potomac, said her parents joined when her mother was diagnosed with cancer. Her mother had already chosen a surgeon at George Washington University Hospital, but Pinnacle arranged for confirming exams at Hopkins and at Memorial Sloan-Kettering Cancer Center in New York. Pinnacle also helped set up follow-up care at Hopkins.

“While you may have the resources” to research treatment options, at a time of crisis “you don’t have the emotional resources. You’re almost paralyzed, and they handle things,” she said.

Pinnacle members say the service can be a relief even when they are basically healthy. Sims Hagan, of Lutherville, said she e-mailed her advocate to find a dermatologist for a daughter in Vermont and an oral surgeon for a daughter in North Carolina. She got back reports on the training and credentials of each.

“I’m overwhelmed with how complicated today’s medicine is,” she said. “Fifty years ago, your country doctor was probably all you needed.”