Concierge Medicine: Quality Care for a Price

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I. INTRODUCTION

Amidst a considerable amount of debate, a relatively small, but steadily increasing method of providing healthcare has purported to shift the focus of primary care from quantity to quality.¹ “Concierge care” is a method of providing healthcare where patients pay retainer fees for more personalized and comprehensive services from their physicians.² This article will discuss the effects that concierge medicine has had on the quality of primary care. First, this article will provide a general description of concierge care and its origins. Second, this article will discuss some of the criticisms of the concierge medicine model. Third, this article will address arguments in support of the concierge care approach. Finally, this article will assess whether concierge care is a viable option for improving the quality of primary care.

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² See id.
II. CONCIERGE CARE GENERALLY

Concierge care refers to a variety of healthcare practices in which physicians charge patients membership fees in exchange for what may be considered higher quality care, including enhanced services and easier access to a physician.\(^3\) In addition to the membership fees, physicians can also decide whether they will accept Medicare or private insurance payments for services that are not covered by the initial retainer.\(^4\) In general, physicians who practice concierge care see a significantly smaller number of patients, allowing them to spend more time with the patients that have joined the concierge service.\(^5\) Typically, these practices involve primary care physicians who offer around the clock accessibility, same-day or next-day appointments, no waiting times at office visits, comprehensive physical examinations, personalized healthcare plans, and house calls.\(^6\)

The concept of concierge medicine can be traced back to Seattle in the mid-1990s when two former doctors for the Seattle Supersonics decided to open a family practice called MD\(^2\) (pronounced MD squared).\(^7\) This practice was centered on providing families the same level of personalized, high quality care.

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\(^5\) Williams, supra note 1.


that was available to athletes.\textsuperscript{8} Today, \textsuperscript{MD}\textsuperscript{2} is one of the most expensive concierge medicine practices, requiring an annual fee of about $25,000 per family.\textsuperscript{9} In return, patients are provided unlimited access to their primary care physician who deals with no more than fifty families.\textsuperscript{10} However, not all concierge practices are as costly as \textsuperscript{MD}\textsuperscript{2} and not all practices are as comprehensive. For instance, the range of concierge services can cost anywhere from a few hundred dollars to tens of thousands of dollars, with variation among the services that are provided.\textsuperscript{11}

\section*{III. Problems with Concierge Care}

Although concierge medicine began with just a small handful of doctors and patients, the number of physicians involved in this practice has been steadily increasing.\textsuperscript{12} Today, it is estimated that there are about 5,000 physicians practicing concierge care compared to the roughly 120 physicians that practiced this type of care in 2004.\textsuperscript{13} These concierge physicians treat nearly 500,000 patients throughout the nation.\textsuperscript{14} As the number of physicians and patients continues to grow, so does criticism of this type of practice. Critics tend to focus on the legal and ethical issues that are implicated by the practice of concierge

\begin{flushleft}
\textsuperscript{8} Id.
\textsuperscript{9} Id.
\textsuperscript{10} Id.
\textsuperscript{12} GAO REPORT, supra note 3, at 11.
\textsuperscript{13} Id.; Wahlgren, supra note 7.
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medicine.\textsuperscript{15} The legal issues are related to compliance with third party payor programs such as Medicare and private insurance contracts.\textsuperscript{16} The ethical issues tend to deal with the fear that limiting the number of patients a doctor sees will create a shortage in primary care physicians and concerns that concierge medicine will widen the health disparities in America.\textsuperscript{17}

One of these concerns was brought to light in 2002 when House Representative, Henry Waxman, issued a letter to the Secretary and the Inspector General of the Department of Health and Human Services urging them to ensure that concierge medical services were in compliance with the requirements of Medicare.\textsuperscript{18} Specifically, Representative Waxman was concerned that some of the services included in patients’ membership fees overlapped with services that were also covered by Medicare, which could result in illegal overcharges to patients.\textsuperscript{19} These potential Medicare violations could mean that the concierge physicians would be subjected to substantial penalties and may be excluded from Medicare and other federal healthcare programs.\textsuperscript{20}

In addition to potential problems concierge medicine may cause with Medicare compliance, this type of service may also generate risks with private


\textsuperscript{16} Levine, supra note 11.

\textsuperscript{17} Id.


\textsuperscript{19} Id. at 3.

insurance companies. Some insurance companies believe that charging membership fees to guarantee services could violate contractual obligations between those companies and the concierge care provider. Some insurers have dropped physicians from their networks because they disapprove of the concierge medicine model. On the other hand, there are several insurers that do not take issue with concierge care, noting that doctors are free to charge for extra services as long as the patients recognize that the insurance company will not reimburse the membership fees.

Another common criticism of concierge care is that it contributes to a growing shortage of primary care physicians and physicians that accept Medicare. Critics argue that allowing doctors to reduce the number of patients they see by the thousands is unconscionable. The remaining, overburdened physicians who are not practicing concierge care will likely be responsible for treating the leftover patients in addition to tending to their own. The fear is that if a growing number of physicians begin to practice concierge medicine and treat fewer patients, overall access to healthcare will be limited.

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22 Id.
23 Id.
24 Id.
26 Jeanne Schulte Scott, Boutique Health Care: Opportunity or Inequity?, 56 HEALTHCARE MGMT. 26, 26 (2002).
27 Marquis, supra note 6.
28 Id.
29 Sack, supra note 25.
IV. THE BENEFITS OF CONCIERGE CARE

Despite these criticisms, proponents of concierge medicine emphasize that such practices are dedicated to providing patients with better quality care.\(^{30}\) These practices continue to gain popularity, in part, due to physicians’ frustrations with the managed care system.\(^{31}\) Many physicians rush dozens of patients in and out of their offices just to cover the overhead costs that accompany managed care practices.\(^{32}\) This leaves many doctors feeling unfulfilled and burnt out.\(^{33}\) Concierge care is also gaining popularity with patients who are tired of visiting their doctors only to get a ten-minute appointment after a two-hour wait.\(^{34}\) These frustrations, from the standpoint of both patients and physicians, have created an opportunity for concierge care to continue to grow.\(^{35}\)

One of the nation’s largest concierge care services, MDVIP, boasts that more attention focused on fewer patients, results in better health for its patients.\(^{36}\) Compared to patients with regular insurance, MDVIP patients are up to 40% less likely to end up in a hospital and are up to 74% less likely to be hospitalized than Medicare beneficiaries.\(^{37}\) The services offered at MDVIP include: extensive physical examinations each year, and include electrocardiograms; vision, hearing, exercise, nutrition, sleep and mental status screenings; risk factor assessments


\(^{31}\) See Marquis, supra note 6.

\(^{32}\) See Sack, supra note 25.

\(^{33}\) Id.

\(^{34}\) Id.

\(^{35}\) See id.

\(^{36}\) Wahlgren, supra note 7.

\(^{37}\) Id.
focusing on the patient’s lifestyle and family history; electronic medical records; and personal websites that allow patients to track their own health. In addition, doctors at MDVIP are personally available twenty-four hours a day and office visits may typically last about fifty minutes.

In light of concerns that charging patients retainer fees while still accepting Medicare payments may violate provisions of Medicare, the Government Accountability Office (GAO) issued a report in 2005, after investigating these practices. Although the report recognized that there may be circumstances where concierge practices could violate Medicare requirements, the GAO concluded that charging patients a retainer fee is not a per se violation. Ultimately, the GAO found that concierge practices are permitted as long as the membership does not result in additional charges for items or services that are already covered by Medicare. In addition, concierge care practitioners often implement various practice strategies to ensure that their practices comport with the requirements of the Medicare program.

The GAO also expressed interest in the potential adverse effects that concierge care could have on Medicare beneficiaries’ access to physician services. At the time the report was issued, the GAO concluded that the small number of concierge physicians was unlikely to create widespread access
problems; however, at that time, the report only found that about 146 physicians were practicing concierge care.\textsuperscript{45} Recognizing the steadily increasing number of concierge physicians,\textsuperscript{46} the GAO decided to keep track of developments in the area of concierge care,\textsuperscript{47} but has yet to find any widespread access problems stemming from this practice.

Despite the criticism that concierge care exacerbates the shortage of primary care physicians by leaving an increasing number of patients to be treated by a decreasing number of doctors, some concierge physicians claim that they may have left the practice of medicine entirely, but-for the concierge model.\textsuperscript{48} Proponents of concierge medicine believe that the reduced number of patients and increased personal interactions have created a vehicle by which many primary care physicians can actually extend their careers and continue treating patients.\textsuperscript{49}

In addition, the American Medical Association (AMA) found that concierge care is consistent with the AMA’s support of diversity in the delivery and financing of healthcare, but notes that physicians must observe their ethical obligations when making the transition to fee-based services.\textsuperscript{50} The AMA requires that physicians who leave their traditional practice for the concierge model facilitate the transfer of their non-participating patients to other doctors.\textsuperscript{51} Once in the practice of concierge medicine, it is important that the physicians and

\textsuperscript{45} Id. at 4, 9.
\textsuperscript{46} See id. at 11.
\textsuperscript{47} Id. at 4.
\textsuperscript{48} Sack, supra note 25.
\textsuperscript{49} Wahlgren, supra note 7.
\textsuperscript{50} Kalogredis, supra note 15.
\textsuperscript{51} Id.
the patients fully understand the terms of the relationship, including the services that are covered by the retainer fee and those that are not.\textsuperscript{52} In addition, the AMA requires the inclusion of an opt out provision of the retainer contract for patients, so that they may do so without undue inconvenience or financial penalty.\textsuperscript{53}

\textbf{V. CONCLUSION}

The effects of concierge care on both physicians and patients seem to have many potential benefits. From the physician’s perspective, a limited patient-base means that the doctors are not rushing through thousands of patients per year in ten to fifteen minute increments.\textsuperscript{54} Some physicians believe that this allows them to provide superior treatment because they can spend more time listening to patients and focusing on wellness and prevention, while spending less time worrying about paperwork and coverage restrictions.\textsuperscript{55} From the patient’s perspective, it remains a viable method for providing higher quality care by allowing more personalized services and greater accessibility to one’s primary care physician.

Although there exists a considerable amount of criticism relating to the practice of concierge medicine, the GAO concluded that concierge medicine does not implicate any legal issues as long as physicians comply with the relevant Medicare requirements.\textsuperscript{56} The AMA recognized that as long as patients are well informed about the nature of their relationships with their concierge physicians

\textsuperscript{52} Id.
\textsuperscript{53} Id.
\textsuperscript{54} Levine, \textit{supra} note 11.
\textsuperscript{55} Marquis, \textit{supra} note 6.
\textsuperscript{56} GAO Report, \textit{supra} note 3, at 4.
and the physicians adhere to the applicable ethical standards, the practice is consistent with the AMA’s policy of providing patients with diversity in the delivery and financing of healthcare. As long as the increasing numbers of concierge practitioners does not inhibit access to primary care physicians, concierge medicine should continue to be an option for those seeking high quality care, so long as they can afford it.

57 Kalogredis, supra note 15.