Economics & Ethics

Perspective: Why I chose concierge medicine – a direct pay retainer practice

I am a private physician in primary care, specifically Internal Medicine (adolescence through senescence), in Scottsdale. My youngest patient is 13 and the oldest, 103. They include

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prominent physicians and attorneys, CEOs, entrepreneurs, academics and artists, as well as a spectrum of people from all walks of life. I also do pro bono publico care by mutual consent. My fundamental style has always centered on a comprehensive, compassionate, individualized approach to patient-centered care. I integrate safe and effective therapeutic choices within the context of each patient's lifestyle and unique condition—truly personalized health care. This approach is more demanding and time-consuming than the standard conventional practice, usually requiring that I move well beyond the limited 10–15 minutes that most primary care physicians who contract with third-party payers are able to share with each patient. Consequently, during the time that I accepted third-party payments, it became increasingly difficult to practice medicine.

The third-party payor system conflicted with my practice style, my ability to finance its operation and to have a reasonable quality of life. Billing and collection services consumed nearly 40% of my gross revenue in the following ways: billing company fees; the costs of preparing and sending medical records demanded by insurance companies; employee time in preparing forms to submit (and resubmit and resubmit) to the billing company. Reimbursement from insurance companies, including Medicare, shrank while the costs of running a medical practice continued to rise. I was working 80-110 hours every week attempting to continue my practice style of personalized healthcare.

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The paperwork and stress were crushing. The dilemma I faced became quite clear: how could I continue to put patients ahead of insurance payments, maintain my innovative, comprehensive approach to personalized care and still open the doors each day without dropping dead?

The model I chose, in 2008, after more than five years of research—including valuable input from enthusiastic patients—was a retainer-based concierge practice. It is a form of direct pay in which there is no third party between the patient and his physician. In other words, I do not bill

insurance for reimbursement, and my patients do not submit claims to their insurance for my services. Instead, patients pay me an annual fee for a defined set of medical services. We are also able to contract for additional medical services as needed by each patient. I have agreed to limit my practice to 250 patients, so I can have the time needed to devote to the personalized care of my patients while still allowing a reasonable amount of time for *my* health and personal life.

This model resolved the destructive effects of the third-party payor system. The changes in my professional and personal lives have been dramatic. The cost associated with billing and collection has dropped to under $500 a year, and malpractice premiums have dropped nearly 40% (the risk is much lower in concierge practices). The atmosphere in my office suite is peaceful and serene. Patients have incredibly easy access to me and have all the time with me they want and deserve. My waiting room is now a reception room. Currently, I generally work only 50-60 hours each week, nearly half my prior schedule. I enjoy being a doctor again. And, now I have the joys of a family life.

My choice of practice model has renewed my enthusiasm and commitment to continue promoting primary care in Arizona. By serving as a volunteer preceptor for medical students in the two Phoenix-based medical schools, I encourage medical students to choose primary care as a career. I serve as the Arizona delegate to the American Academy of Private Physicians (www.aapp.org) and have facilitated the academy's annual summit in Scottsdale the past three years. I am also a member of the Direct Primary Care Coalition (www.dpcare.org), which serves to educate the public, politicians and physicians on how direct pay models can solve the nation's crisis in accessing and financing primary care for everyone.

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Direct Primary Care can resolve the issues of affordability and access to quality primary care for everyone. Eliminate insurance for primary care, because it does not work and was never intended for primary care. Health insurance was originally designed to function like car insurance in that it provided coverage for catastrophic events like major surgery, trauma and hospitalization. Does your car insurance reimburse your service station for oil changes and routine maintenance checks? Of course not; that's not the purpose of automobile insurance. And neither is health insurance for primary care services. By removing primary care services from health insurance, premiums would go down for everybody as much of the financial waste would be cut from the health insurance industry. The advent of direct-pay practices would resolve the shortage of primary care physicians as more and more physicians would choose to go into (and stay in) primary care.

Furthermore, direct pay primary care is not just for the wealthy. Qliance in Seattle is one great example of how everybody can afford great private-pay healthcare. It is well described in a recent *New York Times* article ("More Care Up Front for $54 a Month," *NYT* May 21, 2012). The Direct Primary Care Coalition (www.dpcare.org) has a listing of many other practices around the country that exemplify this point.

I leave you with an interesting parting thought: the Healthcare Affordable Care Act of 2010 (ACA) originally had wording that would have effectively made direct contracting between patient and doctor illegal. That wording was modified several months later as a result of an efficient lobbying effort by Dr. Garrison Bliss and the Direct Primary Care Coalition. It would be interesting to ponder how the healthcare debate would have evolved had the ACA instead had a provision that would eliminate funding of primary care by insurance. **AM**

Dr. Bernstein has served on the Board of Trustees of the American Medical Association and on the Board of Directors of the Arizona Medical Association. Practicing Internal Medicine in Scottsdale since 1996, he currently is the Arizona delegate to the American Academy of Private Physicians and a member of the Direct Primary Care Coalition.