"These are patients whom I've had for many years -- decades," he adds. "We've grown fond of each other. They realize that the insurance companies cannot pay me enough for that extra time that we feel they need."

His practice, Tustin Irvine Internal Medicine, is not luxuriously appointed. There's no coffee or tea, no snacks, no upgraded waiting room, no weight loss or nutrition seminars. "That's not what we have here," Ficarola says. "If my office were in a more upscale town, that would be the expectation. But my patients would look at it as frivolous, unnecessary."

CCP helps client practices market such concierge services as wellness seminars and weight loss clinics, which are one justification for the fees that patients pay. But Ficarola's patients aren't interested in these non-covered services, he says.

CCP also trains doctors and staff to deliver the level of service that concierge patients expect. But Ficarola didn't feel the need for that either.

"They offered it," he says. "But to be honest, my staff actually is quite good. They treat our traditional patients the same way they would our concierge patients. There wasn't much tweaking needed inside the office."

"However, the firm helped me locate all my patients," Ficarola says. "That was a very big deal. They sent announcement letters, spoke to patients, had someone in the office who was making follow-up calls, and recruited my first 80 concierge patients. And they handle all billing and collecting, which is huge."

REVENUES AND FEES IN A HYBRID PRACTICE

Ficarola earns the same in a hybrid concierge practice as he did in a conventional practice. "If I were age 32 and not 62, my focus might be more on building the practice or increasing revenue," he says. "I was more than content with maintaining revenues and doing a better job in a more relaxed environment."

"This is not the model to choose if you want to get rich," concedes CCP's Wayne Lipton. A full concierge practice has more revenue potential -- although it also incurs more risk. Hybrid programs can increase practice revenue from 5% to 50%, he says, "although most practices will see an increase of 15% to 25%."

"The nice part about it is that it doesn't add any expenses," he says. "So there's an opportunity for a doctor to make $50,000, $75,000, even $100,000 or more a year, over and above revenues earned from the clinical side of the practice. In some instances, it will be less," he adds. "They could make $25,000 or $30,000 more."

"In a hybrid model, you can only win," Lipton insists. "If you get 1 member, you're ahead of the game. If you get 10 members, you're 10 times more ahead of the game. There's no downside. There's only an upside."

CCP, which transitions conventional practices to both full and hybrid

"this is what the whole country needs to move to"

concierge models, charges no retainer fee. New clients sign a 5-year contract "with discounts along the way based on the number of patients who start in a program," Lipton says. A transition takes about 6 months. Clients then pay a flat fee of $500 per patient per year, minus discounts for meeting enrollment targets. After 5 years, clients have the option to renew. Most do, Lipton says.

THE FUTURE OF MEDICINE?

Are doctors like Tom LaGrelius and Mario Ficarola -- and their practice models -- the future of medicine? Many observers think so. LaGrelius, who chairs the steering committee of a new concierge organization, the American College of Private Physicians, which launches in January, gives talks at medical schools in his area. To students who initially are turned off by a career in primary care, his recounting of what's possible in a concierge practice is a revelation.

"My gosh, you can do this?" they respond incredulously when he tells them about his practice and lifestyle: the visits ample enough to treat complex patients, the relaxed pace, the civilized ambience, the time for jaunts to Catalina. "They become enthusiastic about primary care again," he says.

LaGrelius disagrees that concierge medicine poses a threat to the supply of primary doctors nationwide. Its impact will be just the opposite, he contends. "If anything, concierge medicine is going to grow the number of primary care doctors," he believes.

"We're going to eventually develop a cadre of young doctors who want to go back to primary care because they can do what my doctor did when I was a kid: have a great practice, really take care of sick people, and not just turn a crank on CPT codes," he asserts.

The ability to start a concierge practice will also lure many specialists back to primary care, he's convinced.

"I have a good friend, a cardiologist, who's about to convert to concierge medicine," LaGrelius offers by way of example. "He currently does about 10 echocardiograms a day in his office. He's in the cath lab all day long, and he's burning out. He says, 'Why don't I just convert to concierge medicine, take 600 of my sickest cardiology patients, and care for all their problems?'"

CCP's client roster includes a growing number of cardiologists, gynecologists, gastroenterologists, and rheumatologists, who typically serve as primary doctors for patients with certain chronic conditions, in addition to the majority of doctors who practice concierge medicine: internists and family physicians.

"A lot of subspecialty internists are getting ready to say, 'I'm going back to my first love -- primary care -- and care for the sickest diabetes or cardiology or rheumatology patients, do fabulous work with them, keep them out of the hospital 60%-70% of the time, and do wonderful preventive care,'" LaGrelius predicts.

"This," he concludes, "is what the whole country needs to move to."

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CONCIERGE PRACTICES

Even for Doctors Who Don't Like the Idea

Many doctors make the switch to a concierge model so they can better focus on their patients with more complicated medical issues who rarely get the time they need in a conventional practice. A full and hybrid model is explored in depth. CCP's client physician Mario Ficarola, MD, describes how hybrid concierge works well within his traditional practice, and the services that CCP provides to maintain and grow his concierge program.

Concierge Practices Even for Those Who Don't Like the Idea

Neil Chesanow
January 9, 2014

ELITIST MEDICAL PRACTICE?

Despite concierge medicine's reputation for being elitist, many doctors make the switch not because they want cushier lives but because they want more clinically challenging ones. In many cases, concierge practices enable them to better focus on their older, sicker patients, who rarely get the time they need in a conventional practice.

These are the patients, after all, whom many doctors presumably go into medicine to treat: those with complex diagnoses and complicated medication regimens -- the ones who give you a chance to practice at the top of your game.

Take Thomas W. LaGrelius, MD, a family physician and geriatrician in solo practice in Torrance, California, and internist Mario Ficarola, MD, the lead physician in a 5-doctor internal medicine group 38 miles away in Tustin, California. Both primarily see older patients with multiple chronic conditions. Both transitioned to concierge medicine -- LaGrelius in 2006, Ficarola in 2008 -- to be able to give these patients the time they need and were not getting elsewhere.

Many concierge physicians have cash-only practices, so it's commonly assumed that shunning commercial insurance or Medicare is the rule. Not so. Many concierge physicians take both. Ficarola is one of them. LaGrelius takes Medicare but is not on any commercial insurer panel. However, he does submit claims for patients as an out-of-network provider.

The doctors differ in one key respect. LaGrelius transitioned to a full concierge practice, in which all (in his case, most) patients pay an annual fee to be in the practice, and the overall number of patients is reduced so that the doctor has ample time to see those who remain. Ficarola transitioned to a mixed, or hybrid, concierge model, in which the panel remains the same, most patients are seen as they were before, and a smaller group are fee-paying concierge patients.

If you're considering a move to concierge medicine, how these doctors thought through their decisions -- from which practice model to choose to whether to hire marketing help -- can help to clarify your own thoughts on what's right for you.

MUST ALL YOUR PATIENTS "GO CONCIERGE"?

Internist Mario Ficarola was facing the same dilemma as Tom LaGrelius when he decided to switch to a concierge practice in 2008. He already had a busy practice, which is a must to realistically consider a transition to concierge medicine, but was dissatisfied with how he was forced to practice due to a heavy patient load.

"I had way too many patients with complex medical problems, mostly geriatric patients, and not enough time," he recalls. "I didn't feel that I could do an adequate job in 15-minute appointments. I needed a concierge practice to free up time to be able to spend more time with patients, be more thorough, and get back to the focus on prevention and patient education. That was not tenable when having to see 20 patients or more a day."

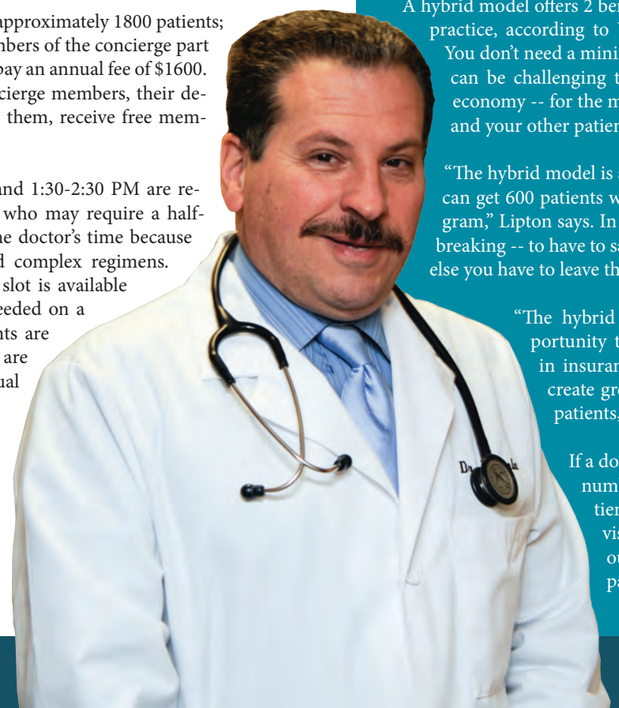
But Ficarola, who had a panel of about 2000 patients before he transitioned, did not even consider switching to a full concierge practice with its reduced panel size. That would have meant letting many patients go. Most of his patients had been with him for decades. His goal was simply to free up enough time each day to adequately treat a core group of his sickest patients -- and still see all the others, who didn't require as much time -- without burning out.

This is the model for a mixed, or hybrid, practice: most patients continue seeing the doctor for 15-minute visits and paying copays -- Ficarola takes both commercial insurance and Medicare; he never considered a cash-only practice -- while a relatively small number of patients pay an annual fee to receive greater access and visits that last however long is necessary.

Ficarola's patient panel is now approximately 1800 patients; only about 90 patients are members of the concierge part of the practice, for which they pay an annual fee of $1600. If a husband and wife are concierge members, their dependent children, if they have them, receive free memberships.

Time slots from 8 -9:30 AM and 1:30-2:30 PM are reserved for concierge patients, who may require a half-hour to an hour or more of the doctor's time because of multiple comorbidities and complex regimens. Sometimes the 4:30 PM time slot is available too. If all of the slots aren't needed on a given day, conventional patients are scheduled in. Otherwise they are seen at other times for the usual visits.

"I used to see 20-22 patients a day," Ficarola says. "Now I see about 14 a day. I still spend the same amount of hours in the office. But the work is less compressed and more enjoyable."



Mario S. Ficorola, M.D.

HOW A HYBRID MODEL WORKS

Ficarola didn't switch to concierge medicine for the money. He figures that his revenues before and after are about the same. It was his working conditions that he sought to improve.

"That's what I'm getting from this hybrid practice," he reflects. "I feel much less stressed. I enjoy my encounters with patients because of that extra time. We can get involved more in personal things. They feel free to talk about other family members, which I don't mind them doing because it affects them emotionally. I'm able to educate them better, discuss side effects of medication that they didn't even know they were having because they never told me, and they reveal things that a lot of patients don't want to waste the doctor's time on because they see we're pressured. When they don't see the pressure, they reveal more, and then they learn more too."

"there's no downside, there's only an upside"

Like Tom LaGrelius, Ficarola sought professional help to make the transition: Concierge Choice Physicians (CCP), a concierge marketing firm in Rockville Centre, New York. It specializes in establishing hybrid practices. CCP has transitioned 250 doctors in 23 states to concierge practices. Ninety percent are hybrid practices and 10% are full concierge practices. Most take commercial insurance and Medicare.

"For a startup, you can estimate what your patient demographics are, but someone actually needs to analyze your practice and do a risk assessment to see whether you'll lose patients by making a change," Ficarola observes. "All of that is very labor-intensive. I'm not a do-it-yourselfer, so I left the marketing and demographic studies to professionals. Plus I'm not very good at billing, collecting, marketing, and a lot of the business aspects of things."

A hybrid model offers 2 benefits over transitioning to a full concierge practice, according to Wayne Lipton, CCP's Managing Partner: You don't need a minimum number of concierge patients -- who can be challenging to recruit, particularly in a slow-growing economy -- for the model to produce significant revenue gains, and your other patients aren't priced out of the practice.

"The hybrid model is a reaction to the fact that not every doctor can get 600 patients who are willing to pay for a concierge program," Lipton says. In addition, "it's terrible -- it's literally heartbreaking -- to have to say to a group of people, 'You have to pay or else you have to leave the practice.'"

"The hybrid approach affords many doctors an opportunity to enhance their revenue, still participate in insurance plans, not disenfranchise people, and create greater satisfaction for themselves and their patients," says Lipton.

If a doctor in a hybrid practice is seeing the same number of patients as before, but now some patients are seen for at least twice as long per visit, won't the doctor be bucking for burnout, rather than working at a more relaxed pace?

Not necessarily, Lipton maintains. "The solution that has worked time and again is to limit the number of new patients allowed into the practice for a short period of time," he says. "There is natural attrition in every practice -- about 5% a year -- so by not adding in new patients, who take up a large amount of time for some time, it equalizes out nicely."

WHY BUY THE COW WHEN THE MILK IS FREE?

Why pay an annual fee -- which can range from $1500 to $5000, depending on the doctor's specialty and the services offered, but which averages about $1800 among his clients, Lipton says -- when patients can see the same doctor for the cost of an insurance copay?

A hybrid model may not be for you if maximizing revenue is the primary goal, Lipton admits. A mixed practice is mainly for physicians who want to maintain a relationship with all their current patients, get relief from heavy workloads and stress from struggling to meet overhead costs, and seek security and stability amid marketplace uncertainty -- without drastically changing the practice.

"By now, most of my patients know I have this option," Ficarola says. "If patients are new, I tell them about it. They can elect to join the concierge part of the practice or stay traditional. Many times a patient will say, 'I'm really satisfied with your traditional practice.' I've even had people use the old analogy 'Why buy the cow when the milk is free?' They feel they're getting what a concierge patient would receive. They're so satisfied that they don't think they need to upgrade to a concierge membership."

Ficarola is fine with this. Most patients don't need more time with him. The sicker ones who do -- including those with diabetes, heart failure, emphysema, and dementia -- know who they are, or their families and caretakers do.

"The demographics of my practice are elderly, very conservative patients who are not necessarily interested in bells or whistles or workshops and seminars and clinics," he says. "They'd rather be one-on-one with me than in group therapy, so to speak. They were willing to pay extra for more of me."

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