



Concierge Medicine: Brave New World of Health Care

Executive Summary

Maintaining good health should be everyone's top priority, but do we fully understand the health care options available to us? Our ability to access and utilize health care resources -- and make the right decisions when it comes to determining a plan of care -- can mean the difference between good health and catastrophe.

Accessing appropriate and cost-effective medical care has never been more complicated than it is today. Regulatory changes, rising health care costs, a diminished primary care physician base, and new medical technology all conspire to make decision-making more complex for employers and consumers alike. Knowing how to navigate these risks and opportunities makes for a brave new world of health care.

For years, affluent consumers have turned to specialty or "concierge" health care resources, both at home and abroad, to escape crowded waiting rooms, receive more personalized attention, and access a wider range of treatment options. This trend is accelerating in today's health care environment. The marketplace is creating new alternatives to address consumer dissatisfaction and physician frustration. Some of these resources, which began as exclusive offerings for the wealthy, are making their way downstream in the form of more affordable options.

This paper explores the risks and opportunities associated with concierge medicine and its mainstream cousin, direct primary care, exploring the changing relationship between primary care physicians and their patients. It offers insights on what to do if your primary care physician "goes concierge" and suggestions on how to determine if these services are right for you. The paper will also review specialty medical services that are tailored to support you in times of crisis. These services range from customized treatment plans for catastrophic diseases to accessing emergency care when traveling overseas, an important consideration for today's global executives and travelers. Getting the proper advice and counsel from a trusted medical advisor is becoming an increasingly important component in protecting one's health and well being.

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What is Concierge Medicine?

In a concierge medical practice model, physicians limit themselves to a few hundred patients - instead of a few thousand patients - so they can provide enhanced services. In return, patients pay their primary care doctor an annual fee ranging from \$1,000 to \$20,000 per year (individual, couple or family rates vary) for services, such as customized wellness programs, same-day appointments, longer appointments, even house calls. These costs are in addition to what the patient pays for commercial or government-sponsored insurance coverage. Concierge medicine is not a replacement for health insurance, which provides coverage for hospitalization, surgery, medications, and other services.

Concierge practice models vary widely and not all physicians charge a retainer fee or opt out of contracts with insurers and Medicare. Many physicians have developed their own unique practice models while others contract with medical management organizations to assist them with legal, regulatory, and other issues. As an example, MDVIP, the nation's largest concierge-style network, has 450 affiliated physicians serving over 150,000 patients.

While practice models differ, doctors who transition to this model are typically frustrated with reduced reimbursements from third party payers, increased regulatory requirements, and long hours engaged in what some describe as assembly line medicine. They are interested in spending more time with fewer patients

in order to provide more comprehensive care and act as advocates when their patients are hospitalized or need specialized care.

“It was a combination of declining reimbursement rates and increased paperwork that made the decision easy for me,” said Ronald Primas, M.D., a primary care physician in Manhattan who transitioned his practice to direct primary care in 1998. “The last straw was when Medicare reimbursed me \$86 for a 90-minute appointment with an elderly patient on a Saturday afternoon. Our UPS driver told me he got a higher hourly rate for working weekends,” he said. “It just wasn’t worth my time and effort to file claims.” He severed his contracts with insurance companies and Medicare and began billing individual patients on a traditional fee-for-service basis. Dr. Primas is available to them seven days a week and only charges retainer fees to corporations. He provides pro bono services to long-term clients who are now on Medicare.

“For me, this was a patient-driven phenomenon,” said Robert Briskin, M.D. “When I was seeing 25 to 30 patients a day, many of them started to ask me: ‘What do I have to do to spend more time with you?’” For over 10 years, Dr. Briskin has operated VIP Care, a retainer-based concierge practice in Jupiter, Florida, providing 24-hour phone access, house calls, comprehensive physicals, and electronic medical records management. He also meets patients at the emergency room and assists in their care during and after hospital admission.

While estimates vary widely, the number of physicians engaged in this type of practice is small - no more than 5,000 in total serving about one million patients nationwide. Retainer-based practices are estimated to be growing by 50% annually with the largest concentrations in Florida, California, Pennsylvania, and Virginia.¹ The growth of these practices does not appear to be impacted by current economic conditions. Specialty concierge practices are springing up in addition to internal medicine and family practice groups. While still a niche offering, the concept is flourishing among physicians who are fed up with the conventional system and consumers who have the means to pay more in order to get more.

Widening the Gap between the Affluent and the Poor

Critics of this model question the ethics of concierge care, stating that it could create an access crisis for thousands of patients at a time when access to primary care physicians is already tight. Medicare patients are particularly at risk since an estimated 17% of physicians already refuse to accept Medicare.² In an interview with the Associated Press, John Rother, Policy Director at AARP, expressed concern that this model could lead to an “insurance caste system,” one for the affluent and another for everyone else - with even longer wait times and shorter appointments. “What we are looking at is the prospect of a more explicitly tiered system where people with money have a different kind of insurance relationship than most of the middle class, and where Medicare is no longer as universal as we would like it to be,” said Rother.³ Given the shortage of primary-care physicians and expansion of coverage under health care reform, most experts agree that an access crisis is imminent. For patients who cannot afford to pay retainer fees, there can be significant resentment over losing their physician and difficulty establishing a new doctor relationship.

The American College of Physicians estimates that there will be a shortage of 45,000 primary care physicians in the next 10 years. In 2010, only 8 percent of graduating medical students entered primary care residency programs, down from 50 percent in the past.

Proponents of concierge medicine say the current volume-driven health care system is unsustainable. “When it comes to their personal medical care, people can no longer figure out who’s in charge,” said Daniel Carlin, M.D., CEO of World Clinic, a 24/7 physician telemedical practice caring for international families and corporations. “The fact is, in our current system, all the financial rewards go to those who provide end-stage crisis care, expensive imaging, and invasive procedures. These three events no longer occur after thoughtful

analysis on the part of the primary care physician. What used to be holistic, broad-based care is now stuffed into a seven-minute office visit. That's not enough time for even the best primary care physician to review a complex case and deliver an accurate diagnosis."

Data supporting the claim that concierge medicine improves outcomes and reduces costs is limited. However, early evidence suggests that it reduces emergency room visits, hospitalizations, and prescription drug usage. What is clear is that the model promises personal attention, faster response, and a greater emphasis on prevention and wellness.

Checklist: What to do if your Primary Care Doctor goes Concierge

Concierge practices vary considerably so here are questions you should ask before committing:

- If a monthly or annual retainer is required, ask for a clear definition of what the fee covers - both medical and non-medical services.
 - If you are asked to sign a contract, it should include clear termination language.
 - Ask if your doctor will continue to participate in Medicare or third party payer plans and file claims on your behalf for services not covered under a retainer fee. If your doctor does not participate in any insurance plans, you will be responsible for paying for your services out-of-pocket and submitting your expenses to your insurer for reimbursement.
 - Contact your insurance company and find out if your doctor is under contract with them. Your insurance plan may restrict physicians from charging retainer fees.
 - Medicare and other third party payers do not allow patients to be charged for claims submission. If your doctor starts charging you for administrative services, such as responding to emails and insurance form completion, check with your insurance company to determine if they are in violation of their contract.
- If you are a Medicare beneficiary, you may be able to participate in a concierge practice if your physician provides services, such as enhanced wellness, that are not covered under Medicare. Services covered under Medicare cannot exceed (or undercut) the Medicare fee schedule. If you are already in a concierge practice, new regulations under health care reform may require your physician to restructure your agreement.
 - Ask if specific services, such as same-day appointments, are guaranteed. Find out who covers for your doctor when he or she is away.
 - If the practice promises you 24/7 care, ask if you will have direct access to your physician after hours. Some practices may refer you to a nurse practitioner. Ask if they commit to a specified call-back time.
 - If you travel extensively, ask what resources your physician offers to help you stay healthy while on the road. Ask if they have a defined plan for providing you with immediate care. Inquire about their knowledge of local doctors and hospitals at your destination - and whether that knowledge is based on actual site visits or third party research.
 - Make an honest assessment of your commitment to wellness. Many concierge practices focus on disease prevention and health improvement. You need to be motivated to work with your doctor on improving your health in order to reap the benefits of this approach.

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A Bridge to a Bridge for Cancer Patients

Battling a slow-growing thyroid cancer for the past 10 years was something that John, a 62 year old, had become accustomed to, until the day his doctors informed him that his condition had reached Stage 4. For the past 15 years, John relied on the advice of his doctors who were affiliated with a renowned medical center. They were now informing him that there was nothing more they could do for him. Unwilling to give up, his daughter contacted Private Health, who tapped into its worldwide network of specialists. Within a few days, they identified a new clinical drug trial that was appropriate for her father's specific cancer mutation. The treatment was successful for John and extended his life well beyond the 6-month projection. Two years later, John switched to another, newer drug trial that is expected to slow his cancer for another three years. Rapid advances in cancer treatment are creating a "bridge to a bridge" for patients, enabling them to live long enough to benefit from newer, more innovative treatment options - provided they have the resources and the right connections.

- Ask yourself if you have good rapport with your physician. Concierge medicine entails more conversation and a deeper doctor-patient relationship. Make sure that you are comfortable with that before signing up.

If your physician is transitioning to a retainer practice and you do not wish to participate, he or she must facilitate the transfer of your medical records at no cost to you. Your doctor should provide you sufficient time to find subsequent care and assist you with this process. If no physicians are available in your area, your existing physician may be ethically obligated to continue your care, according to the AMA.⁴

Specialty Services - Beyond the Primary Care Relationship

Beyond the primary care doctor relationship, a wide range of health care choices are available to people who have the means to pay for it. For people who are faced with complex or life-threatening health problems, private health advisory services offer priority access to the top specialists and state-of-the-art medical centers around the world. Services offered include research and referrals to highly qualified specialists and development of state-of-the-art treatment plans.

"People who have the financial capacity to pursue alternative ways to receive medical care are doing just that," said Leslie Michelson, CEO of Private Health, an organization that provides customized treatment plans for clients. "Our clients typically have a private wealth manager who looks

after their financial security. They've come to realize that when it comes to their most precious asset - their health - they need a similar resource."

In today's fragmented health care system, leading specialists have narrowed their focus to specific diseases, treatments, and patient populations. "Identifying and accessing these experts can be extremely difficult," Michelson said. "Patients with serious medical conditions are often not presented with the full range of options available - or even the latest treatment options - and it's impossible for them to know that."

Two critical factors contribute to improved outcomes on catastrophic illnesses, according to Michelson:

- Knowledge of and ability to access the latest medical technology. Medical research is accelerating the number of available treatment options. Many newer surgical procedures are less invasive and ultimately result in fewer side effects and a quicker recovery.
- Referrals to specialists should be based on independent criteria and focused around patient need and diagnosis.

"If you can get yourself to the best doctor, your outcomes are greatly improved," he said. "The gap between 'typical' care and the highest level of care is significant."

One of the core services offered in both concierge primary care and specialty practices is the organization

of a comprehensive electronic medical record. Described by Michelson as “an essential pre-condition for quality of care,” an electronic medical record (EMR) aides in proper diagnosis and treatment, helps support coordination of care among physicians, and reduces costs associated with duplicative testing.

Emergency Medical Care around the Globe

People who travel frequently or spend prolonged periods of time away from their primary residence can tap into on-demand health care services while overseas. These private consultancies offer remote emergency diagnosis and medical care to clients in far-flung corners of the globe. Services also include personal prescription medical kits to support guided care, doctor-to-doctor referrals to pre-screened hospitals and physicians, private residence telemedical care spaces, and immediate global aeromedical evacuation.

Dr. Daniel Carlin, CEO of World Clinic explains: “The single biggest risk that high net worth families face is the need to manage and plan for an unanticipated medical emergency.” Originally founded as a specialty medical support solution for clients on private islands and yachts, the company has expanded to provide its clients with a personal on-call emergency physician team to immediately treat any medical problem at any hour wherever the client might be - whether at home or abroad.

There are a wide range of emergency medical care services available, from pre-packaged to fully customized

options. To help choose the service that best meets your needs in this area, be sure to ask the following questions:

- Do you provide an encrypted mobile EMR (electronic medical record)? Will you collect and organize my medical records?
- When I contact you for help, will I have immediate access to a board-certified emergency care physician?
- Do you offer the option to communicate with me via satellite phone, email, text or web video?
- Before I leave, will you create a detailed emergency response plan that includes specific hospitals and doctors who are experts in treating my medical condition?
- What is your process for vetting doctors and hospitals in foreign countries?
- Do you track disease outbreaks in developing countries and alert me before I go?
- Do you have experts in diagnosing tropical diseases?
- What is your philosophy around evacuation? How long will I have to wait? Will I have access to private or commercial aircraft?
- If I am treated in a foreign hospital, what is the process for getting my overseas medical records returned and translated?

Dr. Carlin explains that emergency concierge services have expanded in recent years to include the C-suite.

Technology aids in quick, accurate diagnosis

Henry, a 46 year old American executive traveling in Southeast Asia awakens in his hotel room one morning to discover that the left side of his face is drooping. Panicked and worried that he may have had a stroke, he contacts World Clinic. The physician, who has access to Henry’s medical records, asks Henry a series of questions and realizes that the executive had been sick with a virus two weeks prior to the business trip. Using the FaceTime application on his iPhone, Henry provides the physician a real time visual image of his face and responds to specific commands to speak, smile and move his facial muscles. The physician is quickly able to rule out a stroke and informs the executive that the likely cause of his affliction is Bell’s Palsy, a temporary condition. Henry is instructed to take prednisone and anti-viral drugs from the emergency medical kit provided to him by World Clinic prior to his departure. A follow up visit with a French-trained neurologist later that afternoon confirms the diagnosis. He then continues his business trip assured that his condition will resolve itself within a few weeks as a result of receiving the right treatment.

“The families we care for under our model are now asking us to care for their company executives. As part of their approach to managing risk, they are starting to realize that they need to provide more active and continuous support to their senior executives and ‘road warrior’ executives. Given the risks these critical employees face, providing them a business travel accident policy is not enough anymore.”

Insurance companies have also responded to this need by offering global travel assistance programs that are specifically designed to supplement group accident and health insurance plans. For example, insurers such as Zurich and ACE provide travel assistance programs for businesses with 24/7 multilingual support for medical, legal, and transportation services worldwide. Resources includes physicians, nurses, and travel specialists.

Wave of the Future or High-End Luxury?

Because high net worth consumers are among the first to fund and access the latest innovations in health care, they experience the benefits of medical advances before the general population. When it comes to the actual delivery of services, it remains to be seen if concierge or direct pay models will expand beyond niche offerings. However, two recent events may increase adoption.

New legislation has been proposed that would define fees for direct primary care practices as a qualified medical expense under Section 213(d) of the Internal Revenue Code.⁵ If passed, this bill would enable individuals to use their health reimbursement arrangements (HRAs), health savings accounts (HSAs) and flexible spending accounts (FSAs) to pay for flat-fee primary care on a tax-favored basis.

Health care reform may spur additional growth in direct pay medical practices. Beginning in 2014, direct primary care practices may be permitted to package their services as part of a health insurance plan and

offer it within statewide insurance exchanges. To do so, however, services must be part of a health insurance program that meets the federal government’s

“essential” standard for coverage, according to Sibyl Bogardus, Chief Compliance Officer for the Western Region of HUB International. “Insurance plans that are too ‘bare bones’ will not qualify, and plans that are too rich will be hit with the Cadillac tax, which takes effect in 2018,” Bogardus notes. While insurance exchanges may give direct pay practices the opportunity to promote a mainstream offering to the general population, higher-end concierge practices

targeting the affluent are likely to continue operating as a supplemental service.

Direct pay practices are already making inroads to employers. Seattle-based Qliance Medical Management, Inc. is piloting what it describes as the first direct primary and preventive care service offering within a Taft-Hartley health care program. The cost is \$3 per week and includes extended office visits and same or next day appointments. Participants receive “wrap-around insurance coverage” for other services not covered under the Qliance program. The United Food and Commercial Workers (UFCW) Local 21, Washington state’s largest employee union, is offering this program as an option, and believes it will reduce health care costs.

If concierge or direct pay practices can demonstrate improved outcomes at lower costs, it will spark employer interest in these practice models. “Employers realize that they need programs that address the quality of care,” said Leslie Michelson. “They are paying a lot of money to cover employees and dependents and they see the cost impact when there is a lack of coordination of care.”

Dr. Carlin predicts that as concierge medicine becomes more efficient, the costs will become more affordable for a wider population. “Wealthy people are helping us refine

“The single biggest risk that high net worth families face is the need to manage and plan for an unanticipated medical emergency.”

this model,” he said. Michelson concurs: “Where we have a lot of experience in delivering a specific service, we find that our costs have decreased over time and we are able to pass those savings along to our clients.”

Increasing Coverage “Literacy” in Tough Times

As medical care options have expanded, so have the problems consumers face when navigating insurance coverage. “Concierge practices are not a panacea for all of the challenges we face in navigating today’s health care system,” said Martin Rosen, Executive Vice President and Co-Founder of Health Advocate. “There are many roadblocks to accessing and coordinating care, understanding insurance coverage, and resolving claims issues that concierge physicians aren’t equipped to address.”

As the nation’s largest health care advocacy, Health Advocate provides clinical, administrative and insurance-related support services to over 22 million Americans primarily through employee benefits programs. Rosen notes that the most heavily utilized services are benefits education and claims navigation. “With the expansion of high deductible health plans in recent years, we are getting more requests for help in understanding coverage, comparing costs, and negotiating medical bills,” said. He also noted that the aging Baby Boomer population is increasing demand for support services. “The more complicated your medical needs are, the greater the likelihood that you need an expert to help you sort it out,” he said.

“Getting and maintaining health care coverage has never been as complex as it is today and it’s getting more difficult for everyone to navigate,” said Maura Carley, President and CEO of Healthcare Navigation, LLC, a healthcare consulting firm.

“We are often coverage-illiterate in this country because we don’t realize how much our employer has done for us until we lose our good group coverage,” says Carley. Many of the clients she sees have little understanding of the rules governing COBRA, Medicare, and private insurance coverage as well as the regulatory variations by state. Key life events, such as divorce, death of a

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spouse, and retirement can result in a loss of insurance coverage. “People who have enjoyed good coverage for most of their lives are ill-prepared to deal with a coverage transition,” she said.

As an example, Carley describes the rules governing Medicare enrollment as being strict and unforgiving. “The system can be very punitive to people who have worked and paid into Social Security the longest and delayed enrolling in Social Security and Medicare. If they are confused by the enrollment rules and don’t follow them precisely, they can end up with premium penalties for life and a gap in coverage that can be as little as three months to as long as 15 months,” she said.

Healthcare Navigation’s services are being increasingly retained by employers who want to ensure that their employees receive the right counseling and avoid making costly mistakes as they prepare for retirement. For individuals who are seeking to navigate medical care and health insurance issues, she recommends finding an experienced health care and/or insurance advisor. “I can’t tell you how many times I’ve heard clients say: ‘But, I thought I had coverage’ - as if all insurance coverage is the same.”

Coverage issues are complex and insurance products are not all the same, cautions Carley. “You should have some understanding of how well your insurance will protect you before you need it.”

Sources

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HUB International thanks the following resources for their contribution to this white paper.

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Additional Resources

American Association of Private Physicians, www.AAPP.org

"The Healthcare Survival Guide" by Martin B. Rosen and Abbie Leibowitz, M.D., www.healthcaresurvivalguide.com

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