Patients pay retainers to doctor to get more care

By Allison M. Heinrichs
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Dr. Joel Warshaw is fed up.

Fed up with rushing through patients. Fed up with not being able to see patients when they need to be seen. Fed up with going home evenings not wanting to talk to anyone.

"Right now, I'll see about 25 people a day. There are some days I'll see 35 to 40 people a day," said Warshaw, a Mt. Lebanon family physician. "And that's just the patients I see. That doesn't include the phone calls I have to make, the charts I have to review, the labs I have to review. ... It got to the point where my head was spinning at the end of the day to keep up with this."

Starting Jan. 1, Warshaw said, he will leave Mount Lebanon Internal Medicine and become the first family practitioner in Western Pennsylvania to join a growing number of doctors nationwide who forgo health insurance and instead rely on annual or monthly fees paid directly by patients.
Referred to as “concierge,” “retainer” or “boutique” medicine, the practice enables doctors to spend more time with their patients, but it is criticized as being inaccessible to poorer patients.

To Arthur Caplan, chair of the Department of Medical Ethics at the University of Pennsylvania, it's a sign of a much bigger problem.

"I don't think it's a good thing, not because doctors shouldn't do it -- I don't blame them -- but because it's telling us that the health care system in this country is so broken that the rich are running away from it," Caplan said. "It's saying that you have to pay for the things you really should expect."

Insurance companies pay doctors a set rate for each service, such as an office visit or a wellness exam, that they provide to patients. Doctors set the number of patients they see based on the amount of money they need to make to cover overhead costs and turn a profit.

So, the quicker doctors can provide services, the more services they can provide and the more they are reimbursed by insurance companies.

"What it's come to is a matter of quantity of health care," Warshaw said. "I'm looking to improve the quality of health care."

The Society for Innovative Medical Practice Design, a professional society for concierge physicians, estimates about 500 doctors nationwide are practicing some form of concierge medicine, though no group tracks exact numbers, said society president Dr. Chris Ewin.

Concierge medicine started about a decade ago and has grown into three models, said Ewin, a concierge physician in Fort Worth, Texas.

In the fee-for-service model, patients pay a set fee to the physician each time they are seen.

Under the fee-for-noncovered-service model, the physician accepts insurance, but charges an additional fee to cover the cost of spending more time with the patient.
And in the retainer model -- which Warshaw will follow -- the physician charges an annual or monthly fee and then sees the patient whenever he or she needs, for no additional cost.

Warshaw recently sent a letter to 4,500 patients who list him as their primary care provider. His goal is to convince 600 patients to join his concierge practice and see about eight people daily. He would charge a $1,000 to $1,500 annual fee per patient, with discounts for couples and families.

Michael Weinstein, a Highmark Inc. spokesman, said patients should ask a lot of questions before joining a concierge practice.

"There are cost issues, scope of clinical practice issues and quality issues," he said.

Insurance companies vet the doctors included in their networks and can provide patients information about whether the doctor has been subject to any disciplinary action, Weinstein said. This information also is available from the state.

There are many services the concierge physician's annual fee doesn't cover, Weinstein said.

Warshaw acknowledged that his annual fee wouldn't cover medication, some lab tests, X-rays and scans, emergency room visits, hospitalizations, surgeries and visits to specialists, so he would encourage his patients to maintain some health insurance or open a health savings account.

What patients get is Warshaw's undivided attention.

"When they want to be seen, they're seen either that day or the next day. When they need to call me after work, they call me on my cell phone. If they need me to come to their home, I'll make house calls," Warshaw said.

"That, to me, is offering medical care," he said. "It's doing what I wanted to do since I was in medical school."

Jim Burzotta of Peters is one of Warshaw's patients and plans to follow him to his concierge practice.

"I'm an executive vice president at PNC and I'm just very busy, so frankly I don't have the time to go to a doctor's office and sit for an hour and a half," he said. "I don't think it's going to be for everyone, but for the folks that he's appealing to, the people who can afford it, it will be great."

Dr. Scott Serbin, a Pittsburgh pediatrician, said he has followed the concierge model since 2004, when he became the first pediatrician in the country to offer the service.

He has struggled with recruiting enough patients to sustain an office-based practice, so he will be abandoning his North Side offices and switching strictly to house calls in December.

"It's been almost three years now and I really love
what I'm doing. The level of patient satisfaction has been spectacular," Serbin said. "It hasn't been a terrific financial success, though, because I didn't decrease my overhead quick enough and, quite frankly, it grew more slowly than I hoped it would."

Dr. Charles Whitney started his concierge practice outside Philadelphia in 2003. He, too, has struggled to attract his target number of patients but said he wouldn't go back to relying on insurance companies for reimbursement.

"It's enjoyable," he said. "Honestly, it's wonderful to practice medicine this way."

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