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HEALTHCARE, FISCAL, AND TAX (HEALTHCARE-FISCAL) 8/28/2014 @ 11:23AM | 3,553 views

Everyone Should Have A Concierge Doctor

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Have you ever wondered why your doctor doesn't talk to you by phone? Lawyers, accountants, engineers and just about every other professional you can think of discovered that phones are a handy way of communicating with clients almost a century ago. More recently, they turned to email. Why haven't doctors made these discoveries?

It gets worse. Have you ever wondered why the doctors who prescribe medications have no idea what they cost or where you can get the best price in the area where you live?

All these questions have the same answer: doctors don't get paid to do these things.

Doctors are the only professionals in our society who are not free to re-package and re-price the services they offer to the market – when technology changes or demand changes or the state of knowledge of the profession changes.

It starts with Medicare, which has a [list of about 7,500 tasks](http://medicaltraveltoday.com/healthaffairs-blog-a-better-way-to-approach-medicares-impossible-task/) that it pays physicians to perform. One problem with paying any professional according to a list of tasks is that there will always be things you don't think of and leave off the list. For all practical purposes, Medicare left the telephone off the list. It also over looked emailing. Ditto for advising patients on being wise purchasers of drugs.

The way Medicare pays is also the way Blue Cross pays. And Employers. And other insurers. They don't have to pay that way. But in the byzantine world of third-party payment, it's easier to go along and get along than to chart a different course.

One exception to this rule is what is sometimes called "concierge medicine" or "direct care." This is practiced by doctors who step outside the traditional health insurance system. In most cases, they give their patients same day or next day service. They talk to their patients by phone and email. If their patients have to go to the emergency room, they are likely to meet them there. They serve as agents for their patients in dealing with the rest of the system: ordering tests, getting appointments with specialists, etc.

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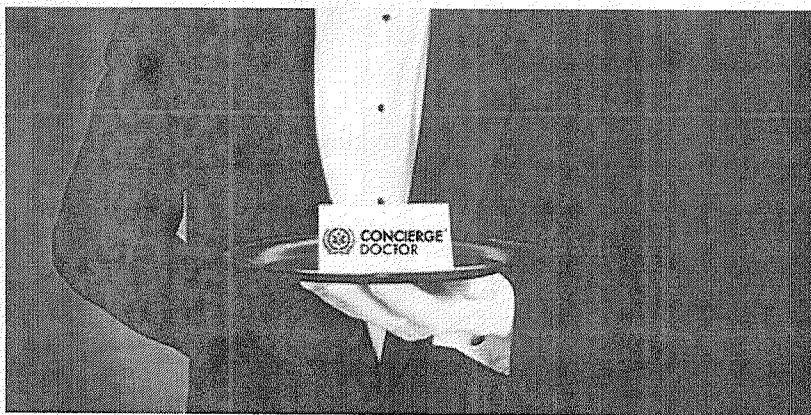


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Heritage Foundation scholar [Daniel McCorry](http://www.heritage.org/research/reports/2014/08/direct-primary-care-an-innovative-alternative-to-conventional-health-insurance) (<http://www.heritage.org/research/reports/2014/08/direct-primary-care-an-innovative-alternative-to-conventional-health-insurance>) has produced an excellent summary of what researchers know about concierge medicine. The economic savings are so great that concierge medicine arguably more than pays for itself:

Researchers writing in the [American Journal of Managed Care](http://www.ajmc.com/publications/issue/2012/2012-12-vol18-n12/Personalized-Preventive-Care-Leads-to-Significant-Reductions-in-Hospital-Utilization) (<http://www.ajmc.com/publications/issue/2012/2012-12-vol18-n12/Personalized-Preventive-Care-Leads-to-Significant-Reductions-in-Hospital-Utilization>) evaluated the cost-benefit for MD-Value in Prevention (MDVIP), a collective direct primary care group with practices in 43 states and the District of Columbia. For states in which sufficient patient information was available (New York, Florida, Virginia, Arizona, and Nevada), decreases in preventable hospital use resulted in \$119.4 million in savings in 2010 alone. Almost all of those savings (\$109.2 million) came from Medicare patients. On

a per-capita basis, these savings (\$2,551 per patient) were greater than the payment for membership in the medical practices (generally \$1,500–\$1,800 per patient per year).”

As for quality measures, concierge medicine scores high on conventional measures as well:

“The five-state study also showed positive health outcomes for these patients. In 2010 (the most recent year of the study), these patients experienced 56 percent fewer non-elective admissions, 49 percent fewer avoidable admissions, and 63 percent fewer non-avoidable admissions than patients of traditional practices. Additionally, members of MDVIP “were readmitted 97%, 95%, and 91% less frequently for acute myocardial infarction, congestive heart failure, and pneumonia, respectively.”

A second study reinforces these results:

A British Medical Journal study (<http://www.bmj.com/content/347/bmj.f6465>) of Qliance, another direct primary care group practice, also shows positive results. The study found that Qliance’s patients experienced “35% fewer hospitalizations, 65% fewer emergency department visits, 66% fewer specialist visits, and 82% fewer surgeries than similar populations.”

Could everyone have a concierge doctor? Here’s the problem. A typical primary care physician is seeing about 2,500 patients. When they become concierge doctors, however, they can usually handle only about 500 patients. Part of the reason is that many of these doctors continue to bill Medicare and other insurance for services they will pay for and – as noted – insurance only pays for face-to-face visits and typically full fee for only one problem per visit (see the discussion [here](http://econlog.econlib.org/archives/2014/08/canadas_single.html) (http://econlog.econlib.org/archives/2014/08/canadas_single.html), including the comments). This means that even concierge doctors often practice medicine inefficiently.

But if doctors could be completely freed from the shackles of third party payment, they could take full advantage of phone, email and telemedicine. It is not inconceivable that they could provide concierge type care to 2,500 patients. In other words, it’s possible we all could have a concierge doctor with no more doctors than we have today. And by spending no more money than we spend today.

So let’s at least try it. For Medicare I would offer the doctors half of what Medicare ordinarily would expect to pay over the course of a year for patients choosing concierge medicine. Patients would pay the typical concierge fee of, say, \$2,000. And the patient fee could be lump sum or a variation on fee-for-service. After that, all the third-party payment headaches and inefficiencies would be gone. And basically all of primary care would then be determined by patients and doctors, not by Medicare.

(Note that the \$2,000 patient fee is about what patients would otherwise pay for medigap insurance or would pay out of pocket.)



Just to make sure that this proposal doesn't skew the way medicine is practiced, as an alternative to a lump sum annual fee paid to a doctor I would offer to deposit that same amount into the patient's Health Savings Account. In return, the patient would have to agree to pay for all primary care. That would completely free the primary care market from all of the distortions now imposed by third-party payment rules. Doctors and patients could come to any arrangements they like.

The government would save money. Patients would have doctors who are focused 100% on their needs, not Medicare's needs. And doctors could practice medicine the way most of them hoped they would be able to practice when they entered medical school.

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