

One Doctor's Journey into *Concierge* Medicine

Faced with decreasing satisfaction in how they practice medicine, some physicians are giving up traditional practice. Instead, they provide personalized luxury medical services to those who can afford to pay. It's a quality-of-life issue, say those who have made the leap.

Concierge medicine began in 1996 when the former team doctor for the NBA's Seattle SuperSonics decided to make the remarkable level of healthcare provided to professional athletes available to the average person. Well, perhaps not the average person, since the practice he founded, MD2 (pronounced MD squared), charges patients a hefty retainer fee (approximately \$10,000, which can include such services as flying to a client's vacation home to provide care). Although MD2 and its four physicians have been called the "Ritz Carlton" of medical

practices, others have followed in their footsteps, though not necessarily in such a grand fashion. This is the story of one man who was fed up with the hassles of a traditional medical practice and decided to take the plunge into concierge medicine.

1987 - 2000

In 1987, Rick Goldman, MD finished his internal medicine residency at what was then called Boston City Hospital and eagerly began a solo practice in a suburb outside of Boston where he shared call with several other local physicians. In the beginning, he was enthusiastic and looked forward to beginning his busy day. He worked approximately 80 hours each week including taking call every fifth night. Still, early

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Rick Goldman, MD is happy in the concierge medicine practice he began in Wellesley, Massachusetts in 2002. "I don't feel like I am on roller skates going from room to room. There is no question that I am having better interactions with patients."

CONCIERGE MEDICINE

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in his career, he had no real complaints. Doctors are trained to work long hours and this schedule was actually an improvement over his residency workload.

Rick built a very successful solo primary care practice. He was on the panels of more than a dozen health insurance companies, and approximately 4,000 people had chosen him to be their primary care physician. Rick also participated in teaching the residents at MetroWest Medical Center, which is the local community hospital where he was on staff. Rick was very happy that at long last he was doing exactly what he wanted to be doing—practicing medicine as a solo internist in a lovely Massachusetts suburb. All in all, it was a busy and exciting career—one that he had dreamed about for years.

Over time, though, Rick's feelings changed. He was chronically tired and had little time for his family. When he did spend time with them, he was distracted or too fatigued to participate actively. He says, "I always loved being a doctor, but I hated practicing medicine." Rick was not alone in his growing dissatisfaction with practicing medicine. Across the board, doctors are becoming less tolerant of the changing medical system. Reimbursement and physicians' workloads are going in opposite directions, which is resulting in many doctors questioning whether they want to continue in their current practice situations. Some people are even wondering whether they want to stay in medicine at all. In a study titled "[Physician job satisfaction, dissatisfaction, and turnover](#)" that was published in the July, 2002 issue of *The Journal of Family Practice*, "One quarter (27 percent) of physicians anticipated a moderate to definite likelihood of leaving their practices within two years."

Rick was 47 years old when he decided that he definitely needed a change. He was married with two teenage daughters whom he rarely saw. He says, "My kids were growing up and I wasn't seeing them." His wife was supportive of making the change because, according to Rick, "She knew how miserable I was. I was short-tempered, and I was probably depressed but not smart enough to realize it." Rick worried that he was "so stressed that I was channeling a lot of my frustration out on my family." He thinks that his patients sensed his stress and disenchantment with medicine as well. Rick says, "Clearly people who had been with me since I started my practice noticed that I was becoming more and more stressed. I am a really happy and outgoing person and they saw that changing."

Rick was nearly set on leaving the practice of medicine when he inadvertently stumbled across the idea of concierge medicine. This concept basically involves doctors limiting their practices to a few hundred (rather than a few thousand) patients who are willing to pay a "retainer fee" for services that are above and beyond what their medical insurance will cover. The typical scenario is that a patient will keep his or her medical insurance and this will cover doctors' office visits, lab work, and other testing and any necessary hospitalizations or procedures. The concierge physician earns the retainer fee by providing uncovered extras. These extras can vary but usually include 24-hour access to the physician by beeper or cell phone, telephone medicine that eliminates the hassle of trivial office visits, coordination of care with specialists, and same day or next day office appointments with no waiting for a doctor who is running late

and then rushes through the visit.

In theory, concierge medicine can be wonderful for the physician and the patient, but it has been the subject of considerable controversy due to its availability to only those who can afford the retainer fee. These fees can range from \$1,000 to \$20,000 annually, but usually are within the lower end of this scale. Much of the controversy is abating though as this type of practice firmly becomes an accepted niche market. In an [April 11, 2002 article in the *New England Journal of Medicine*](#), it was noted that, "Luxury primary care is an excellent example of a market innovation that serves the interests of both the consumers (patients) and suppliers (physicians)." This same article discusses the analogy between concierge medicine and education. "Many children are educated in public schools, but a substantial minority of children attend private schools that cost much more per year than a luxury primary care practice would. Neither the administrators of such schools nor the parents of the children who attend them have qualms about the fact that not all parents can afford to give their children a private education... Like education, luxury primary care is simply a response to a market need."

Spring and Summer 2002

By early 2002, Rick had researched concierge medicine enough to know that he wanted to take the plunge. Initially fearful of taking on such a big challenge alone, he recruited a fellow internist to go into practice with him. However, that partnership faltered when his colleague was offered an exciting international career opportunity. Nevertheless, Rick remained committed and began making plans to enter



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concierge medicine as a solo internal medicine practitioner.

His strategic business plan included a trip to MDVIP in Boca Raton, Florida, which has provided many doctors who are considering concierge medicine with a template for starting this type of practice. A sort of practice management company, MDVIP's Web site states it was "created by a team of healthcare and business professionals to provide an ex-

clusive membership program focused on personalized healthcare." The Web site also describes the membership services which include: annual wellness exam, comprehensive annual preventive care plan and lifestyle planning, same or next day appointments, unhurried visits, no waiting/on time appointments, physician availability 24 hours a day, seven days a week, coordination of specialty needs, prescription facilitation,

claims facilitation, travel medical services, and private reception area replete with amenities. MDVIP currently lists 24 physicians who are located in seven states. No statistics are kept on the number of physicians nationwide who practice concierge-style medicine.

According to Wayne Lipton, the senior vice president of physician development at MDVIP, the company is adding three to six new doctors each

month and plans to partner with hundreds of primary care physicians in the future. Lipton describes MDVIP as a “service company” that works by supplying physicians “a certain schedule of services that we think are critical [to a successful concierge practice].” Lipton says that although many doctors are intrigued and excited about concierge medicine, just a small percent of these doctors will be successful.

Interestingly, and perhaps not surprisingly, he notes that a winning combination is a doctor who already has great relationships with her patients, but wants to improve her quality of life. One of the ways that MDVIP determines whether a physician can make the transition is by surveying existing patients and checking to see whether the current doctor-patient relationships are strong enough for the physician to be able to bring along some of the current patients. Lipton says, “We are fully convinced that this type of practice is not something that someone can do by just putting up a shingle.” Instead, Lipton believes that successful concierge practices arise out of a transition from a traditional medical practice where the primary care physician has a good relationship with his patients and is able to bring some of those patients into the new practice.

For doctors who are considering this type of opportunity, Lipton notes that MDVIP never charges the doctor anything. Instead, if MDVIP agrees to take on a particular physician and practice, then the company receives a portion of the membership dollars on an annual basis. In Lipton’s experience, concierge practices fail because doctors don’t recognize or comply with complicated regulatory rules or they don’t have a strategic business and marketing plan that will work.

In the past, MDVIP has focused exclu-

sively on recruiting adult primary care practitioners in private practice, but now is expanding and working with academically based primary care groups. Lipton says that many academic physicians are looking for ways to maximize their incomes while making time to pursue research and teaching endeavors. Lipton does not believe that concierge medicine will work well in pediatrics or in medical specialties for a variety of reasons. For example, Lipton notes that in pediatrics the visits are on average more frequent and of shorter duration. Parents, he believes, are not really interested in developing the kind of relationship with a pediatrician that some adults will seek out (and pay extra for) with their own primary care physicians. Nevertheless, he concedes that concierge medicine is in its infancy and there will be plenty of opportunities to explore in the future.

After visiting the folks at MDVIP, Rick thought he could tackle both the regulatory and marketing issues on his own with some good legal advice. He chose an office location in the affluent town of Wellesley, Massachusetts, and hired a nurse and an office manager. Rick wrote letters to all of his existing patients that detailed what his plans for the future included, and he invited current patients to join his concierge practice for a fee of \$2,000 annually for an individual, \$3,500 for a couple, and \$4,000 for a family. He also offered a discounted rate of \$1,500 annually to people younger than 40.

When he applied to be on various insurance panels, there was only one HMO that refused to let him join. He says, “They believe that doctors should [already] be available 24/7.” Indeed this is where concierge medicine sometimes is a little murky—what exactly is a covered versus non-covered service? Which is to say, what does the retainer cover that is

not covered already by third party payers? This issue is still the subject of some debate and is why Rick believes that one HMO did not let him join.

Still, things went smoothly and Rick was pleased when the majority of his patients responded positively to his practice move. He says, “I can count on one hand the number of people who [responded negatively].” There were two individuals who wrote back anonymously and accused Rick of being “money grubbing,” however, dozens of patients who didn’t opt to join his new practice wrote and said they were happy for him and wished him well. Moreover, approximately 150 of the patients from his previous practice decided to pay the retainer fee and keep Rick as their primary care physician. While this was far short of his ultimate goal of having 400 patients sign on, this was certainly a start in the right direction.

Fall 2002

Rick opened his doors on September 1, 2002. Business was slow, and he had to adjust to the new pace of a concierge physician. By mid-October, Rick had 175 patients signed up, and he was seeing just a few patients each day. He would answer about four or five e-mails and perhaps 10 phone calls. It was certainly a far cry from his traditional solo practice, but Rick was delighted with the change. He notes, “I don’t feel like I am on roller skates going from room to room. There is no question that I am having better interactions with patients.”

Rick tells the story of one of the first patients he treated as a concierge physician:

I had an 85-year-old woman who called me at 7:30 pm on my cell phone. She had never had heart problems, but I didn't like what I heard. In my former practice, she would likely have gotten one of the four

covering physicians. I called her son and he took her to the emergency room. Sure enough, she was having an inferior myocardial infarction. I took care of her all night, and she had angioplasty. Because I didn't have a conventional morning with 30 patients booked, I was able to stay in the hospital with her and see her frequently over the course of her three-day hospitalization.

Although in the fall of 2002, Rick still had a lot of angst about how things would go in the future (Would his practice fill? Would concierge medicine really work for him and for his patients? Would his lifestyle really be dramatically different?), he was optimistic and happy to finally begin this new journey.

Winter 2003

In the beginning of 2003, Rick had 180 patients signed on and he was seeing eight to nine patients a day. He returned an average of six phone calls and four or five e-mails. His schedule was open, with flexibility to go to the hospital or nursing home when the need arose. Rick was keeping an eye out for a like-minded doctor who would be interested in joining his practice. At the same time, he was starting to market his practice more aggressively and was initiating a direct mail campaign that targeted new patients in surrounding towns. He was also mailing information to CEOs of companies, lawyers, venture capitalists, accountants and others to whom this type of service would appeal. He followed up his direct mailings with phone calls that either his office manager or he would make if "we have identified someone as a good prospect."

During the winter of 2003, Rick was convinced that he had made the right move. He said, "I love coming to work. I

am so much happier. It is fun being a doctor again." Still, he knew there would be plenty of work ahead in order to keep his new practice afloat. He confided, "I think that the biggest challenges are to grow the patient base and to assimilate a new doctor into the practice."

Spring 2003

By April of 2003, Rick's practice was half full—he had 200 patients signed on. His practice was mentioned in the *Boston Globe* and in several local newspapers. He had launched a business-to-business mail campaign where he sent letters to 100 small businesses in his area. Part of his marketing campaign focused on the fact that it is not cost-effective for a busy executive to sit in a doctor's office for an hour or two in order to obtain an antibiotic for a mild upper respiratory infection. Rick believes that it is perfectly reasonable to treat people over the phone in some instances—particularly when the patient is well known to the physician.

Financially, Rick says, "I incurred a lot of start up costs." Nevertheless, he says that he is doing at least as well as he was when he had a traditional medical practice and he comments, "I clearly will be in a better situation financially than I was before."

Wayne Lipton says that doctors should not go into concierge medicine with the idea that they will have incredible financial gains. Lipton notes, "This is not about huge windfall millionaire primary care doctors." Instead he reports that for most doctors who want to go into concierge medicine, it is a quality-of-life issue. The most important thing to these doctors is that they want to spend more time with their families—away from medicine. However, Lipton is quick to report that there certainly are financial benefits. He says, "For some doctors, concierge

medicine stabilizes their income and improves their lifestyle. For others, it can double their current revenue."

In the spring of 2003, Rick was so happy with his decision to go into concierge medicine that he began to work on starting a business that would help other physicians transition from their traditional practices. Rick says, "There is a need out there for doctors to get advice. There is no manual [on how to start a concierge practice]. I can help people who want to do this learn from my experience." Rick also wants to change the name "concierge medicine" to "personalized retainer practices" because he says, "Concierge kind of trivializes what we do."

Summer 2003

In the summer of 2003, Rick's practice was still half full. But he wasn't worried, "Things are moving along, and this is exactly where I want to be." Rick had gone back to teaching residents at the local community hospital (a favorite volunteer activity that he had given up when his traditional medical practice became unwieldy). On a personal level, he was spending more time with his wife and daughters, and he was making up for lost time. He attended his 16-year-old daughter's high school field hockey and lacrosse games, and he saw his 13-year-old daughter play in every one of her soccer games. When asked whether he was glad he went into concierge medicine, Rick replies, "I think it is wonderful. I look in the mirror every morning, and I am so happy I did this." ■

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