



*Specialdocs* Consultants, Inc.



*Roberta Greenspan  
President & Founder*

*“In my 30 years working closely with physicians, I have been privy to many conversations related to their career satisfaction. In recent years, these conversations have begun to have an alarming familiarity—more and more physicians are telling me they feel that they are losing control of their professional lives.”*

## **A Change Journey in Primary Care**

Physician frustrations are a reflection of the state of the traditional practice of medicine – in particular, primary care. At the core of this dysfunction are the constraints of managed care, increases in practice overhead, declining reimbursements, and the resulting increased demands of the paperwork and phone calls...ultimately resulting in less time to see more patients. These disconnects have negative consequences for both patients and doctors alike. Despite physicians’ usual high level of commitment to their practice, many patients consistently express dissatisfaction with long wait times and abbreviated “face time” with their doctor. Unfortunately these expressions are frequently justified. To merely cover their practice overhead, physicians are seeing more patients—on average between 17 to 30 patients daily. The end result is understandably dissatisfied patients and frustrated and exhausted physicians.

Unless a physician is content to remain on this treadmill, the options are few: retire, merge practices with another group, or become a salaried employee of a hospital or major medical group. In recent years, concierge, or personalized medicine, has become one solid option that has gained traction and acceptance within the medical community and with patients across the country. In 2003, the American Academy of Private Physicians (AAPP) was formed with the purpose of supporting the “growth of medical practices that provide ‘concierge’ and other forms of personalized medical care.” Additionally, that same year, the American Medical Association (AMA) House of Delegates approved ethical guidelines for physicians providing concierge medical services.

### **Practice Model Difference**

Unlike fee-for-service (cash only) practices that essentially operate with a “no-insurance-accepted, pay-as-you-go” philosophy, the personalized care/concierge practice requires each patient to pay an annual fee (usually ranging from \$1,000 to \$3,000) for services not covered by Medicare or commercial insurance. Depending on state insurance regulations, individual insurance contract stipulations and the type of concierge model, covered medical services may be billed to insurance with the physician’s status being either an in- or out-of-network provider. While fee-for-service practices provide improved cash flow and al-

low the physician to disengage completely from all insurance, the end result is often a business-as-usual approach to the practice of medicine. Cash-only models eliminate much of the paperwork and frustration associated with the collection of fees, but often require physicians to maintain a substantial practice size in order to remain financially viable. However, a pure personalized care practice means a significant reduction in practice size and increased time with patients — the true hallmarks of this practice model.

The concept of concierge medicine is roughly 12 years old, and there are now several thousand physicians around the country who have made successful transitions. However, physicians need to realize that a practice change of this magnitude still requires dogged determination and commitment to the ultimate goal. A transition to a concierge practice model is undeniably daunting.

No one can predict with 100% confidence the guaranteed success of a physician's transition... but there are some important factors that should weigh heavily into consideration:

- \* The longer a physician has practiced in the same location the greater the likelihood of patients' loyalty and their desire to remain with the physician in the new practice.
- \* The pre-transition patient panel size should typically be approximately 1,600 patients (seen in the past 12 to 18 months) in order to allow for the significant reduction in patient panel size.
- \* The physician must clearly understand the socioeconomics of the patients in his geographic area to accurately estimate the affordability of the annual fee and to structure a financially viable practice with attractive membership benefits for his/her patients.
- \* The physician must possess a reputation for excellent clinical skills and superior physician-patient relationships.

Even if the above criteria appear to optimize the opportunity for success, no conversion is immune to potential roadblocks. In fact, the risks of inadequate or naïve planning can be:

- \* A maze of legal problems: Medicare fines/dismissal; state, civil and criminal penalties; even possible practice termination.
- \* Issues of perceived patient abandonment around the dismissal of and lack of assistance offered to patients who leave the practice.
- \* Inappropriate statements made by the physician, such as saying "better" medical care will be offered to patients.
- \* The potential envy and resentment of non-concierge physician colleagues. In a group situation or partnership, legal issues related to the dissolution of the professional relationship.
- \* The ability to manage 24/7 availability to patients and to find acceptable coverage when planning time away.



- \* Poor utilization of financial resources without adequate guidance. Some physicians allocate funds for items that do not ultimately contribute to the patient's decision to stay with the new practice. Unnecessary initial costs may cripple the physician's ability to build the new practice and stay the course.
- \* Staff who are inadequately qualified. Patient satisfaction with both the physician and the support staff take on even greater importance and require staff who understand and support this model.
- \* The potential compromising of patient care services during the transition period. The need to separate the practice from the conversion process is essential.
- \* An inability to cope with the potential flurry of patient questions and concerns. Patient responses can vary from unwavering support and encouragement to expressions of contempt and legal threats. The physician and his or her staff must have a constructive plan for dealing with all forms of patient feedback.

Despite the challenges, physicians who have weathered the conversion complexities and have developed a successful concierge practice report the following benefits:

- \* Regaining control of their professional life
- \* Confidence that they have the time to deliver their best care
- \* A significantly improved, non-insurance-dependent income
- \* More gratifying relationships with patients and a dramatic improvement in patient satisfaction
- \* The ability to focus on patients' long-term health and wellness in contrast to the traditional focus on managing or resolving illness
- \* An increase in available personal time.

Once a successful personalized care/concierge practice has been established, long term success hinges on three key factors: exceeding patient expectations, retaining the current patient base and growing the practice. The practice should remain fresh and focused. Remember, patients always have the option to change physicians if they feel their needs are not being met. It is critically important to recognize that when a patient writes a check for an annual membership fee, every year the expenditure must be perceived as justified.

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*Roberta Greenspan is the founder and president of Specialdocs Consultants, Inc. Established in 2002, Specialdocs is a boutique healthcare-consulting firm dedicated exclusively to transitioning traditional medical practices to personalized, individually designed concierge models. She can be reached at (847) 432-4502 or [rgreenspan@specialdocs.com](mailto:rgreenspan@specialdocs.com). Review her website at [www.specialdocs.com](http://www.specialdocs.com) .*

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Medical Practice Specialists*

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Established in 2002.*

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