

PRACTICE TRANSFORMATIONS: HOW TO SET UP A CONCIERGE PRACTICE

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Internist Floyd Russak is not so different from most of you. He practiced in the fee-for-service reimbursement environment for nearly three decades, and over that time he saw the duration of patient visits dwindle — and along with it, the relationships he felt he could build with patients and the quality of care he felt he could provide them.

"It seemed like over the years the insurance companies were really pushing us to see more and more patients, reimbursements had gone down a little bit, and in fact they were auditing us all the time for if we spent more than 15 minutes with a patient ... I just didn't feel like I could do good internal medicine with patients who were fairly sick in 10 to 15 minutes," says Russak.

He thought about changing careers, even retiring. Then he thought about concierge medicine. But like many of you, he had serious concerns. "At first I really didn't want to do this to be honest, this concierge thing," he says. "I felt it was elitist, I felt I'd be abandoning some patients, I felt really bad about it."

Still, in July 2011, after four years of careful consideration, Russak flipped the switch. "I realized that it was really the only way I could afford, with declining reimbursements, to provide good care for several hundred people rather than providing just moderately mildly good care for 2,000 people like most doctors are doing now, and like I felt I was doing," he says.

Whether you're on the brink of going concierge or you haven't even considered it, understanding the many different and developing practice models is crucial in this changing healthcare environment. Here's a closer look at concierge medicine and how the shift to it influenced Russak, his patients, and his revenue.

Broaching the subject

Switching to concierge doesn't necessarily mean opening a completely different practice. In fact, Russak remains in his old Highlands Ranch, Colo.-based practice with his three partners (one of whom he hired just prior to transitioning). He's just reimbursed differently than them and he sees fewer patients. "It's actually very hard to start a concierge practice 'de novo;' you really need to be practicing for many years and have a significant following," says Russak, noting that he had about 1,700 patients and a long waiting list for appointments prior to transitioning.

To create a financially viable concierge practice, he knew about 200 to 300 of his patients would need to make the switch with him. "I think the biggest fear is, 'What if I start this party and nobody comes?'" says Russak. He says a big help in easing those fears — and getting patients on board — was SignatureMD, one of many companies that helps physicians transition to concierge practice. Before the shift, it conducted an "extensive survey" of Russak's patients to determine if enough would be likely to join a concierge practice. In addition, it placed a SignatureMD staff member in his practice during the five months prior to the switch who spoke to each of his patients about concierge and whether it was right for them.

Mixed reactions

Ultimately, nearly 300 of Russak's patients decided to make the transition (many of his remaining patients chose to be followed by his two partners, who were eager for new patients). "I really thought I'd get a lot of kickback from patients saying, 'Oh, Russak, you're only doing this for the money and you're abandoning me,'" he says. "I think out of 1,700 patients ... I only had one patient that was a little bit offended that I was doing this."

In exchange for expanded access to care — including faster appointment bookings, house calls, and longer visits — Russak's concierge patients pay a \$1,500 annual fee. They also have regular insurance and use it to pay for services the same way they would in a typical fee-for-service practice.

While the fee is "nothing to sneeze at," Russak says it was affordable for most of his patients. He also provided scholarships to those who couldn't afford it but whom he felt would benefit greatly from it. "The ideal patient, I think, and the one who signed up the most was someone ... [aged] 50 and above — who has several medical problems and needs to come in multiple times a year, often on short notice," he says.

Positive results

The ability to spend more time with patients is leading to a number of improvements at Russak's practice. To name a few:

It's led to more personal care. "I'm able to provide a level of care for patients that you can't provide in a busy office," says Erica Panter, Russak's personal assistant and front-desk manager, who formerly worked on the fee-for-service side of the practice. "I can tell you about their dogs and grandchildren and everything in between, and the patients really, really appreciate it."

It's led to more "thorough" care. "I feel as though we can be extraordinarily thorough with testing, with conversation, and with just getting to a conclusion a lot more specific to the patients," says Camille Kaminga, Russak's nurse.

It's led to higher-quality care. Since patients receive 24/7 access to Russak, he's able to coordinate their care much more effectively. For example, an elderly patient recently called him one evening because she had a fever and a bad cough. In the past, he would have sent her to the emergency room, she would likely have been treated by someone she did not know, and she may have been admitted. Instead, Russak sent a nurse to her home, arranged for a mobile X-ray, and checked-up on her later that evening. It turned out the patient had a small pneumonia, which could be managed at home. The patient "can say, 'Yes, I'd rather stay home,' and I can say, 'OK, I'm going to arrange to have a nurse from your Medicare, or even my own nurse, come out and see you every day until you're better,'" says Russak. "I think that ends up being actually better care."

Give and take

While it's clear patient care has improved, Russak says "it's a mixed bag" when it comes to the transition's effect on revenue. "If anyone goes into this thinking, 'I'm going to make three times as much money and my life's going to be easy,' I think they'll be a little bit disappointed," he says.

While Russak receives an additional \$1,500 per patient, one-third of that goes to SignatureMD annually, 20 percent goes to the practice as additional contribution to overhead, and some is lost through scholarships. He's also treating fewer patients, so his payer-based revenue has declined. Overall, however, he says his income from his patients is up 20 percent.

The shift has also had a mixed influence on his work-life balance. As mentioned, since he sees fewer patients, he works fewer hours each week (about 40 hours instead of 50 hours). But at the same time, since he is always

accessible to his patients after hours, he no longer splits call with his partners. "Except for the two weeks I'm on vacation, I take call 365 days a year 24/7," he says. "You're always on call and have to be available, so that's a little bit harder."

New model, different patients

For internist Floyd Russak, who recently transitioned to concierge practice, the new model of care has led to some interesting side effects. Since patients most attracted to concierge tend to have complicated medical conditions, the typical patient he sees has changed. "I'm really doing what I was trained to do," says Russak. "I'm seeing the sickest internal-medicine patients with interesting major problems and people who really appreciate what I'm doing — and I'm really helping them. Whereas before, I was just trying to get through the day and at the end of the day I'd feel exhausted ... and wasn't sure I was really getting to the bottom of everything and getting to know everyone."

The new model is also bringing Russak back to the roots of primary care. "Before I was booked up six weeks in advance because I had such a full practice, so if someone had a bad cold or a cough or even pneumonia — almost anything that was acute — they would see one of our [nonphysician providers] or one of my partners," he says. "Now, I've almost had to [have] a little bit of retraining because ... [patients] can get in to see me the same day, or the next day."