New Twist on Health Care

By Amy Gillentine

A local doctor has joined the ranks of a national medical group that some see as the future of health care but which also is being closely watched by U.S. government officials and medical ethicists.

Dr. John Norton is now part of a practice with MDVIP, a group headquartered in Boca Raton, Fla., that requires patients to pay extra — between $1,500 and $1,800 annually — for better access to care. They’re known as concierge, or retainer, practices.

Norton, who has been practicing medicine for 37 years, said he made the switch because he "wanted to get back to the roots of medicine."

"I wanted to be able to focus on wellness and prevention, and that’s very difficult to do in a traditional practice these days," Nathan said.

Boiled down, the MDVIP business model looks like this: doctors limit their patient load to 600, in order to spend more time with each patient, and focus more of their efforts at providing wellness and lifestyle advice in hopes of keeping patients healthy rather than simply treating their illnesses. Patients pay extra in exchange for constant access to the doctor, including the ability to directly page and email the physician.

The doctor keeps $1,000 of the annual fee, and MDVIP gets $500 per patient. Patients pay for their care through their health insurance or Medicare or, in some cases, cash.

Advocates say the program represents "the way medicine is supposed to be practiced," but ethicists worry about creating a caste system in which the wealthy have access to the best healthcare, while poorer patients are left in the cold.

"This is mind-numbingly disturbing," said Tom Russell, a law professor at the Sturm School of Law at Denver University, who specializes in health care law. "I perceive an ethical problem with this approach. It’s something doctors should try to get away from — not run toward."

Russell said he was particular disturbed by the concept of seeing patients based on their ability to pay the annual fee. Medical ethics, he said, don’t support that approach.

There are other problems with the MDVIP model.

The company is a wholly owned subsidiary of Proctor and Gamble, the pharmaceutical giant. P&G bought MDVIP last December, and some critics believe it did so to win access to more medical information.
Russell said studies have shown that even “give-aways” by pharmaceutical companies — desk weights, pens, cardholders — influence doctors’ decisions on which drugs to recommend.

“Of course, the doctors will say that the company doesn’t affect how they practice medicine,” he said. “But really, they pretty much are going to be influenced by the parent company. Every single empirical study out there shows that they are.”

MDVIP CEO Dan Hect said P&G has “absolutely no influence” over doctors, nor does it collect or receive individual medical information from MDVIP physicians.

“These are not franchises,” said Nancy Udell, communications director for the company. “The doctors maintain their independence.”

That said, Udell confirmed that P&G does gather “aggregate” information from MDVIP doctors about their patients.

The company uses that information to gauge patient satisfaction and to better understand what they’re seeing their doctors about.

So what do doctors receive? Basically MDVIP is a marketing tool for doctors seeking upscale clientele. Doctors receive patient referrals, as well as access to web technology that allows them to better track patients’ health. They also get help in referring their “excess” patient load to other doctors.

They also make more money than the average general practitioner. MDVIP doctors make $600,000 a year, as well as whatever they collect in Medicare reimbursements and commercial insurance payments. According to the U.S. Bureau of Labor Statistics, the median income for family-practice doctors was $168,000 in 2009.

“This (extra money) allows them to stabilize their practice,” Hect said. “It allows them to focus on a few patients, really develop that doctor-patient relationship. And it isn’t about the money, not for our doctors.”

Dr. Jon Cram of Littleton, one of six Colorado doctors who has so far switched to MDVIP, echoed that point.

“It isn’t about the money, it’s about a personal, satisfactory relationship with patients,” he said. “You can’t have that with 3,000 patients.”

Cram started a twice-weekly walking group with some of his patients, while some of his other patients recently attended a healthy-cooking seminar by a leading cardiologist. Because he has more time with patients, Cram said he has time to set up wellness programs and conduct more thorough examinations.

“A patient might come in with a sinus infection, but then I have time to check his blood pressure medication, or say, ‘You haven’t been checked for cholesterol in nine months. Let’s do it again,’” he said. “One patient came in complaining of stomach pains and because I had more time, I found out the real problem was atrial fibrillation,” a heart condition.

Hect, who became CEO of MDVIP when P&G bought the company, is proud of the company’s success. He said growth had been in the “double digits” for the past several years. The company now has 140,000 patients and 430 doctors across the nation.
“It’s a benefit to both patients and physicians,” he said. “They develop a relationship, so the doctor can provide the care that’s needed. There’s also a focus on wellness and prevention, which can keep people out of the hospital, even if they have chronic illnesses.”

The Centers for Medicare and Medicaid Services, as well as the Department of Health and Human Services, are keeping a close watch on the way concierge practices are billing.

The average payment for the most complex medical treatments in a family physician’s office — which take about 40 minutes of a doctor’s time — is $140.

MDVIP doctors claim to spend that amount of time with patients every time they see them, but billing isn’t allowed at that level for each visit. According to industry guidelines, follow-up visits are supposed to be billed at much lower rates, because they are supposed to take less time.

Medicare also is concerned that concierge practice patients might be paying $1,500 for treatments that are already covered by Medicare, and that doctors in these practices could be double-billing.

Norton and Cram said they haven’t changed the way they bill insurance companies or the government for the care they deliver.

Russell’s concern goes even farther.

“This isn’t even the best care possible; it’s the most care possible,” he said. “There is a difference. And doctors who are practicing in traditional groups are the ones that suffer — they will have even more patients because these doctors are seeing fewer. And they’re picking and choosing their patients. That isn’t what medicine is supposed to be about.”

The American Medical Association disagrees, saying concierge medicine is just another option for people. The group does have a list of ethical concerns for physicians who make the switch. Primarily, doctors cannot abandon patients, and they must following legal guidelines for billing, making sure the services provided under their concierge contracts are separate from reimbursable medical services.

Also, the retainer shouldn’t promote more or better diagnostic and therapeutic services, according to the AMA. And doctors should always care for patients, regardless of their ability to pay.

“Physicians have a professional obligation to provide care for those in need, regardless of ability to pay, particularly those in need of urgent care,” the guidelines read. “Physicians who engage in retainer practices should seek specific opportunities to fulfill this obligation.”

Hect doesn’t think that’s necessary. Many other doctors are available to take care of the indigent, he said.

“Americans have always had consumer choice in health care,” Hect said. “This is just another one of those choices.”

Other doctors don’t see the concern either. Nationally, more than 5,000 doctors are now part of some sort of concierge or retainer service, enticed by higher pay and fewer patients.

“I hope it takes spreads like crazy,” Cram said. “There’s no reason for it not to. It’s a better way of practicing. And younger doctors might actually go into general practice medicine once they see how satisfying it can be.”