

# Medicine, Minus the Middle Man

## Concierge Physicians Emerging as Health Care Option

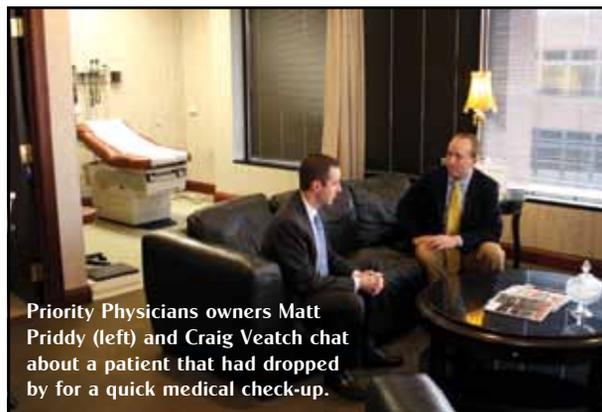
**O**ne night two years ago, Mike Donahue was considering a trip to the emergency room. Instead, he phoned the on-call physician he has access to after regular business hours and she suggested he come in to be evaluated.

“She offered to open the office and see me, and I took her up on that. At about 7:45 that evening, I was in their office,” he recalls.

Donahue has been a patient with Indianapolis-based Priority Physicians, a private medicine practice, for about five years. Private medicine (also known as concierge medicine, though physicians are trying to move away from that term) provides patients and physicians a direct relationship with little or no involvement from third parties, such as insurance companies. Patients typically pay per visit or an annual retainer fee and have direct, comprehensive access to their physicians.

“(The doctor) made the offer. I thought, ‘She’s home. She’s with her family.’ But I thought, ‘If I’m wrong, if this isn’t minor and I wait 12 hours, I’ll feel bad because I made the wrong decision,’” he says. “So, I asked her to come in, and she was just fine with it. She was not only professional, but she put me at ease that evening. That’s why they made a fan; they made a friend in me.”

Donahue’s health concern turned out to be “nothing to worry about.” But, he asserts, “If I hadn’t been a patient of Priority Physicians, I probably would have gone to the ER, with all the costs associated with that. It has an impact



Priority Physicians owners Matt Priddy (left) and Craig Veatch chat about a patient that had dropped by for a quick medical check-up.

on the whole system because of how I was able to get attention that evening.”

### No outside influence

Doctors Craig Veatch and Matt Priddy opened Priority Physicians in 2002 as the first private medicine practice in Indiana. A few other practices have opened here since.

The private medicine concept has only been around since the mid-'90s, but it's growing nationally. Tom Blue, executive director of the American Academy of Private Physicians (AAPP), points to about 4,400 private practices around the nation today.

“There’s a strong argument that primary care has no business being paid for by insurance. Insurance is designed as something to protect you from disaster. Everybody



During visits, patients are invited to sit and drink water or coffee and relax in the examination suites while the doctor gives unlimited time to discuss medical questions and history. The initial visit typically lasts half a day.



**Patients can take it easy in their examination rooms with access to a computer, television and full restroom while they wait for test results. Patients also have 24/7 access to doctors Shelagh Fraser, Priddy, Veatch and Emily Szewczyk.**

needs primary care; that's not a risk – that's a fact," he contends. "Primary care doesn't cost that much. People don't understand the cost of actually collecting money from an insurance company. It creates a great deal of friction and adds little at the primary level."

Priority Physicians doesn't accept insurance, though most of its patients do have some insurance to pay for pharmaceuticals or specialty medical needs.

Priddy reasons that by not accepting insurance, physicians and patients are the only ones making health care-related decisions. One example: Treadmill stress tests, which are standard and included for all Priority Physicians patients, typically are only reimbursed through insurance in a diagnostic fashion – when someone is having chest pain or cardiac symptoms.

"On our healthy patients, we use them much more as a gauge of their level of fitness and a comparison from year to year," he declares. "We still use it for a diagnostic standpoint from a cardiac view, but we're also able to use it from a fitness standpoint. That would be impossible to do in a regular practice because prevention isn't paid for.

"In a perverse way, in a typical physician's practice, until you walk in the door and they take that insurance card, they don't make any money off of you. It's doubly bad that the sicker you are, the more money the physician makes and they're not paid to spend a lot of time with you. It's a lot better to get you out the door."

The current American primary care model is the problem, according to both Priddy and Veatch.

"This is not an indictment of other primary care doctors; they do the *best* that they can with the way the system is set up," Priddy emphasizes. "We try to go back to the way most other professionals are paid and say, 'We're physicians. We're professionals. You pay us for our time and you can have as much or as little time as you need, and we're going to spend our time and resources as much as we can on keeping you healthy.'"

## Different strokes, different folks

Not all private practices are modeled the same way. Some have a membership-based yearly retainer; others charge per-visit fees. Some accept insurance; others don't.

Priority Physicians offers membership for an annual retainer fee on a sliding scale related to age. Children up to 24 years of age are \$1,400, for example; adults over 70 cost \$7,500.

Those fees cover 24/7 unlimited, direct access to physicians (including by phone, email or text message), same-day appointments, house calls when necessary and complete medical coordination by the physicians. Veatch once spent approximately 45 minutes cleaning out an elderly patient's medicine cabinet (which included throwing out a bottle of cold medicine from 1972) to ensure she wasn't taking dangerous combinations of drugs.

First visits typically last a half day, include blood work (test results are analyzed and returned during that time), a comprehensive physical, treadmill stress test, heart and lung scans, medical history review and an opportunity for the patient to discuss any and all health

issues with the doctor.

One of the biggest selling points to Priority Physicians membership is that each doctor is capped at 200 patients.

"The average primary care office is about 3,000 patients. We have just south of 700 patients in our office, and there are four physicians. From a service standpoint, and the amount of time, it's one of the big things that separate us from other physicians across the country," Priddy explains.

Blue notes that while Priority Physicians is "on the higher end" of the private scale, other practices are less expensive. And the idea that this is "health care for rich people" is no longer the case.

"Most (private practices) on average are more around the \$150 per month range. This is essentially subscription-based primary care for those that are uninsured. There are so many different flavors of private medicine," he comments.

### Avoiding unhealthy outcomes, expenses

Prevention is a key to successful private medicine.

"A lot of companies are starting to get that report back from the insurance company that shows you have four out-of-control diabetics on your staff, you have six people with hypertension that is poorly managed and we're dinging you for that," Priddy indicates.

Along with doctors Shelagh Fraser and Emily Szewczyk (and soon a fifth physician), the Priority Physicians team employs the use of extensive annual exams and preventative techniques and tests for its patients.

Veatch affirms the importance of preventative measures.

"I just spent three-and-a-half hours with a relatively healthy 46-year-old, but when you scratch beneath the surface and look at his cardiovascular risk, it's through the roof. I think we can impact his health substantially going forward," he observes. "We're trying to be preventative in nature; that's the way the model needs to be in the country."

**By not accepting insurance, Priddy enjoys a "new-old" direct relationship with his patients.**



Priddy points to anecdotal evidence about the impact of private medicine.

"Every time we keep somebody out of the emergency room, it saves somebody several thousand dollars," he stresses. Every time we keep an elderly patient from taking an ambulance from their nursing home, it saves \$10,000 in unneeded CT scans, MRIs, imaging, when all they had was a urinary tract infection – if only someone had seen them two days before they went downhill.

"I'm not sure it's such a bad thing for the American public to reconnect with what things cost."

### Is it the answer?

Uncertainty with the future of health care has people on edge. But that doubt might push more business toward the private model.

"I think that all things health care reform will only fuel the demand for private medicine. (Reform) is only going to increase the crowding and increase the pace, so they (patients) value the relationship even more," Blue contends.

Priddy points to the looming primary care physician shortage as a concern and suggests that offering private medicine as an option for medical students might make a difference.

"As a physician, I'm as concerned about the changes in health care as any other doctor would be. My main concerns have little to do with this model of practice and just in general with the fact that we're going to have 30 million more insured lives, and I don't know where they're going to find the physicians to take care of 30 million more people," he remarks.

Priority Physicians Chief Operating Officer Joe Rizzuto sees private medicine as just one piece of a greater health care solution.

"The solution is probably going to be an aggregate of a lot of ideas coming together, and this is one component. You can look at this and it's great that these patients are able to have this experience here, but is it scalable? It's very obvious that's not scalable," he expresses. "We are one component of the solution; there are a lot of good ideas that are taking shape. We're a factor, but a stable and growing factor."

Higher expectations in health care are driving the growth, Rizzuto concludes.

"(Private practices) are manifesting because people are expecting more out of their health care. We are proud to be in a spot where we can be responsive to that," he notes. "We expect the trend to continue to grow, whether it's through corporate accounts or the random private individual seeking it out. There are paths out there that lead to better health outcomes and cost savings for everyone."

#### INFORMATION LINK

**Resources:** Matt Priddy and Craig Veatch, Priority Physicians, at [www.priorityphysicianspc.com](http://www.priorityphysicianspc.com)

Tom Blue, American Academy of Private Physicians, at [www.aapp.org](http://www.aapp.org)