CONCIERGE MEDICINE

What Does It Mean for Ophthalmology?

Paula Tarnapol Whitacre

An administrator reported a recent conversation with her boss, an ophthalmologist in a solo practice. His personal physician had converted to concierge medicine, and he began wondering if the model, in which patients pay an annual fee in exchange for more personalized care, would fit the ophthalmology practice.

The short answer: No.

But for this administrator to respond more effectively—and for others who might be asked by their ophthalmologists and patients about concierge medicine—it's helpful to know more about what concierge medicine is and why it is not a route that ophthalmology practices have taken.

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THE CONCIERGE LANDSCAPE

Concierge medicine, also known as direct practice, retainer medicine, or private medicine, is considered to have begun in the Seattle area in the mid-1990s. Concierge medicine now ranges from extremely wealthy individuals hiring personal physicians to multi-location practices that, as one such practice advertises, "provide quality care for the cost of a gym membership."

In the middle of that range are practices that charge a $1,500 to $2,000 retainer fee per year, according to a 2010 study prepared for the Medicare Payment Advisory Commission (MedPAC), a Congressionally appointed entity. The fee covers such benefits as an annual, prevention-oriented physical; next-day appointments; and direct access to the physician via phone or email. Physicians have a lighter patient load and can spend more time with each patient.

Almost all of the 756 concierge-model practices identified in the MedPAC study were in primary care, mostly internal medicine, followed by family medicine. Of the handful of specialists, none was in ophthalmology.

To Travis Singleton, senior vice-president with the physician search and consulting firm Merritt Hawkins, concierge care is becoming part of the complicated healthcare landscape, which he noted increasingly encompasses physicians employed by hospitals or physician groups. "Nine out of 10 newly hired doctors in the past year went into some kind of employed arrangement," he said, referring to a survey his firm conducted for the Physicians Foundation.

Singleton believes that one of the most significant findings of his firm's survey is that employed physicians see 17% fewer patients per day than their independent counterparts. This is occurring, he noted, as patient numbers are on the increase, whether because of the Affordable Care Act, Medicaid expansion, an aging population, or other reasons.

"We have an already taxed system to meet current demand at the same time as demand is growing. That leads to alternate systems, which is where concierge fits in," he said. "It's not the end-all, be-all of all our problems, but it fills a niche." While the niche remains small, the numbers are growing—the survey found about 7% plan to "switch to a cash/concierge practice" in the next 1 to 3 years. In addition, Singleton said, concierge practices, once considered a "bi-coastal phenomenon," are now located across the country.

MEDICARE AND CONCIERGE CARE

Concierge-model practices that have Medicare patients must be very clear about which services their retainer fees cover—and those services must not be anything normally covered by Medicare. Within the U.S. Department of Health and Human Services, the Office of the Inspector General (OIG) and the Centers for Medicare and Medicaid Services (CMS) have clearly stated views about concierge medicine and its connection to assignment agreements.

In 2004, OIG issued an Alert, still in effect, that states, "Medicare participating providers can charge Medicare beneficiaries extra for items and services that are not covered by Medicare. But when participating providers request any other payment for covered services from Medicare patients, they are liable for substantial penalties and exclusion from Medicare and other Federal healthcare programs."

To further clarify, in 2013, OIG elaborated that "the special services for added payment are known by various names and may include 'concierge care,' 'boutique medicine,' 'retainer practice,' or 'platinum practice.'" For example, in one often-cited case, OIG found the services covered by a physician's annual concierge-type fee, such as the physical, did violate the assignment agreement; the physician settled the case by paying more than $100,000 in penalties.

Among the physicians surveyed by Merritt Hawkins, more than 50%, whether concierge or not, have or are planning to take steps to limit their numbers of Medicare patients. But the patient population of most ophthalmology practices is different than general medicine and many other specialties, as it is heavily tilted toward the elderly who are oftentimes Medicare beneficiaries.

For this reason, Kevin J. Corcoran, COE, CPC, CPMA, FNAO, president of the Corcoran Consulting Group, believes that the vast majority of ophthalmologists should not pursue concierge care. "If you're an ophthalmologist who primarily sees elderly patients, they mostly have Medicare," he stated, "and CMS' attitude is adverse to concierge care in almost every respect."

Corcoran did note some practices see primarily healthy patients for refractive surgery, or do not treat disease, and don't accept insurance. "In these situations, Medicare is inconsequential and concierge care is plausible," he pointed out. "In contrast, if you're a corneal specialist treating corneal ulcers and other serious eye disease, patients expect you to take their insurance, or they will simply go someplace that does."

IF NOT CONCIERGE, THEN WHAT?

The OIG and CMS acknowledge that Medicare does not cover all services, noted above. "Concierge medicine is different from premium IOLs, femtosecond laser refractive cataract surgery, and other items and services that Medicare does not cover," Corcoran stressed. "It's important not to confuse these ideas. Concierge medicine is really about a personal service contract with the beneficiary that might involve covered services."

Tal Raviv, MD, who has practiced in New York City for more than a decade, recently developed three packages of premium cataract services as part of what he terms "concierge cataract" care. Acknowledging that the term is partly a marketing tool, he noted, "I call them 'concierge patients' because they are paying out of pocket for additional coverage." He does not charge the kind of annual fee associated with the model of concierge medicine described above.

Emphasizing that practices should consult with their own experts to ensure they are in compliance with all laws and regulations, he said of his own practice, "everyone gets the same level of service, but there is a little more hands-on feeling for [the concierge patients]."

At Precision Eye Care in Huntington, New York, Richard Davis, MD, has introduced what he calls "concierge surgical service" for patients who pay out-of-pocket for premium cataract procedures. In this case, a staff member is designated as the patient's Surgical Concierge Coordinator. "The concierge service involves having a personal concierge, who is one of your surgical technicians who will actually guide you through the process," Davis explains in a videotaped interview on the practice website.

In some cases, Corcoran said, ophthalmologists ask about concierge medicine as a way to boost revenue and avoid regulators. While Corcoran is leery of this motivation and generally cautious about concierge care, he points out that ophthalmologists can offer wellness and preventative services, such as the screening that Medicare does not cover (see Box).

"When ophthalmologists seek ideas to fill the economic shortfall created by lower reimbursement rates, I ask them, 'What are the things you don't already do that could benefit patients?'" he said. "One of those is wellness care." *AE*

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ELEMENTS OF WELLNESS

With concierge medicine off the table for most ophthalmologists, what might your practice consider instead? Kevin J. Corcoran, COE, CPC, CPMA, FNAO, president of the Corcoran Consulting Group, offered this list as a starting point.

- Screening visual fields
- Screening in young children
- Screening for AMD by assessing macular pigment
- Visual function screening
- Completion of driver's license renewal certificates
- Counseling by a physician about wellness and prevention
- Telephone calls and emails related to wellness.

"As you present a wellness package, do not include services that overlap with covered medical care," advises Corcoran.

Note: Wellness programs can also be established for employees to improve productivity and your practice's bottom line. To learn more, see the HR article by Armstrong and Mitchell, page 16. –Ed.