Retainer-Based Physician Practices

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What is a retainer-based physician practice?

- Model of practice (typically for primary care) also known as “boutique” or “concierge” medicine
- Physicians charge patients a monthly or annual fee
- Patients receive enhanced services, such as:
  - Longer appointments
  - Same-day appointments
  - Extensive annual physical exams
  - Physician’s cell phone number
Project Overview

• How many retainer physicians are there and where do they practice?
  ➢ Search of directories, news publications

• What are their characteristics and how do their fee structures work?
  ➢ Interviews with individual physicians, consultants and management organizations

• How are they affecting Medicare beneficiaries’ access to care?
  ➢ Interviews with beneficiary counselors and organizations
Number of retainer physicians is small, but appears to be growing

- 1996: First retainer practice opened
- 2005: 146 retainer physicians found in GAO report
- 2009: 756 retainer physicians found by this project
Characteristics of retainer physicians

Among the 756 retainer physicians we identified:

• Almost all practice in metropolitan areas
  – As expected, we identified more retainer physicians in larger MSAs
  – Some MSAs have a higher ratio of retainer physicians to population

• We identified at least one in all but 11 states

• Most practice primary care

• Most practice with no other retainer physicians at their business address
Three Retainer Practice Models

Model 1: Fee for extra services

- Retainer fee covers some extra services and higher level of access
- Physician continues to bill separately for visits
  - Some accept insurance, some do not
- Fees in the practices we interviewed ranged from $600 to $4,200 annually
  - Common charge: $1,500
Model 2: Fee for care

• Retainer fee covers all primary care; physician does not bill patient or insurance for primary care visits

• Fees in practices we interviewed ranged from $1,500 to $5,400 annually
Model 3: Hybrid

• Physicians offer a retainer model *option* in their practice

• Patients opting for the retainer model receive enhanced services relative to the non-retainer patients.
  – Example: In one hybrid practice, non-retainer patients now seen more by a PA
Reduced patient panels

Patient panels for the 16 physicians we interviewed:

- Before starting retainer practice: **at least 2000 patients**
- Current: **100-425 patients**
- Target: **400-600 patients**
Who are retainer patients?

• Several physicians reported no demographic changes in their patient panel when they changed to a retainer-based practice.

• Those who did report demographic shifts noted an increase in:
  – People with complex medical conditions or multiple chronic conditions.
  – People for whom “time is more important than money.”
Physicians reported:

- More time to spend with patients and do care coordination
  - “This is the kind of doctor I envisioned myself being”

- Less stress and burnout
  - Several respondents said that prior to retainer model had been exploring leaving medical practice altogether

- Hardest part: Always on call
  - Many give their cell phone numbers to patients
Impact on beneficiaries

• Hard to measure; patient population is small
  – Some physicians stated that they offer more preventive care and better continuity of care which improve patient outcomes
  – Another physician stated that while patient experience is better, their medical outcomes are no different

• Patient counselors did not report increased access problems created by growth in retainer physicians
  – Counselors cautioned that for patients with chronic illness, changing physicians may be especially disruptive