

# WASHINGTON BUSINESS JOURNAL

April 16, 2010

## Concierge docs find a pulse

Written by Kathy Robertson

Rachel Wells panicked when her 3-year-old daughter's fever recently soared above 105 degrees at 11 p.m., so she contacted Dr. Kristine Burke — again.

Wells had been to Burke's office that afternoon and sent her a text message at 5 p.m.

Burke talked Wells through a long night of ice packs, tepid baths and fever meds as the family struggled to break the fever without exposing an immune-deficient child to the germs and chaos of the local emergency room.

The fever broke at 3 a.m.

Wells pays a flat annual fee of \$1,500 for personal access to Burke and says it's worth every penny. She's not alone. Despite the recession, highly personalized, or "concierge," medicine has climbed to more than 5,000 practices nationwide, according to the National Center for Policy Analysis in Dallas.

The approach was virtually unknown a decade ago and is projected to increase to 17,000 doctors by 2012, the center's senior fellow Devon Herrick said.

Most concierge doctors charge hefty membership fees for personalized care around the clock — and limit the number of

patients they accept in order to make this possible. Fees cover a thorough physical exam and coordination of care, but most patients still use health insurance to pay for hospitalization and specialists.

"Imagine phoning or e-mailing your doctor about a question or emergency any time, day or night," Herrick said. "You could get information at 2 a.m. that could save a trip to the emergency room or doctor's office. Some concierge doctors even make house calls."

Dr. Bob Nelson of Carmichael does. He goes directly to patients: at home, at work, in a nursing home or for coffee and talk at Starbucks.

"There's little overhead, and in homes, I can recognize things I wouldn't in an 8-by-8 sterile room, like fall hazards and need for a raised toilet seat," Nelson said. "The whole goal is to avoid the ER if we can."

If one of his patients does end up in the ER, Nelson sometimes goes there, too.

Nelson is busy. In fact, he stopped taking new patients briefly last month to catch up. He has 70. Most primary-care doctors in the region have more than 2,000 patients.

## **Fewer patients, more time**

Burke made the leap to concierge medicine in October, after 12 years in a busy primary-care practice in Folsom.

The business had mushroomed over the years to a two-physician office with three mid-level providers and about 6,000 patients. It was allowed to grow because the only way to make ends meet on insurance reimbursement is on volume, she said.

In 2008, patient visits slowed with the recession. Burke sank a lot of money into an electronic health record system to improve efficiency, but it never worked right and had to be replaced.

“I had been thinking wistfully about concierge medicine for a number of years, like many others, but was afraid to make the leap,” she said. “When the practice became financially unsustainable and needed to change, I decided to go for the level of service I wanted.”

The new practice offers two options for personalized care, with the top tier including the doctor’s cell phone number and access 24/7. Prices range from \$500 to \$1,600 a year for a single adult and \$1,500 to \$2,900 for adult couples; there’s no additional charge for unmarried dependent children under the age of 24.

Burke has a few hundred patients now. She sees between six and eight patients a day, about a third what she did before and far less than the 25 to 30 patients many local primary-care doctors treat in a day.

“I feel less like my focus is on putting out the immediate fires,” Burke said. “I can address the issues and teach them about the disease.”

The fee comes on top of the regular health insurance most of her patients carry; essentially, patients pay more to get more. About half the office revenue comes from insurance, while annual fees bring in the balance.

Overhead in a large Folsom office has been challenging, but Burke renegotiated the lease. Supply costs have dropped with fewer patients, but staff had to be cut in half, and the office isn’t likely to break even for a couple more months.

Hard choices had to be made.

“Do I walk away because I don’t want to work for somebody that expects me to see 25 to 30 patients a day — or do I do something different and provide the personal care I think everybody deserves?” Burke said.

## **Happy docs**

“It’s going well, but slowly, as I’ve wanted,” Nelson said.

“I love what I’m doing,” he said last week after a house call to a patient with emphysema. “I get to spend as much time as I need with patients.”

Katie Little’s family hired Nelson to take care of their mom, who has a tough time getting to a doctor’s office for care and used to end up in the ER instead.

“She’s not in great health and will not get a whole lot better, but the family is at peace,” Little said.

Dr. Monty Peterson, who opened Boutique Family Medicine in Rocklin in 2006, says the approach is all about customer service. He’s kept the price low — \$60 a month for

adults — and has a full practice, capped at 620 patients.

Dr. Robert Taylor, the concierge pioneer in the region, made the switch in 2005.

“What I’ve learned is everybody wants the personal touch,” Taylor said. “But it takes courage. We were the first penguins in the water. That’s where all the food is — and all the sharks. It’s a sea change when you do these things.”

Growing popularity raises hefty questions about access amid a national shortage of doctors, since concierge physicians drastically cut their number of patients.

The California Medical Association rides the fence on the issue because it has members who like it and members who don’t.

“We don’t have a policy encouraging or discouraging it,” spokesman Andrew LaMar wrote in an e-mail.

A member of the American Academy of Private Physicians, a Virginia-based nonprofit that supports concierge doctors, Burke was struck by the buzz at a recent conference.

“It was a roomful of happy, excited docs,” she said. “You just don’t see that often.”