

MEDINNOVATION

WHERE HEALTH REFORM, MEDICAL INNOVATION, AND PHYSICIAN PRACTICES MEET

Concierge Medicine - A Consequence of Health Reform Law

Richard L. Reece, MD

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Over the next decade I believe we are going to see a major transformation of American medicine. It won't be the kind of transformation that is normally discussed at health care conferences and at inside-the-Beltway briefings. Nor will it be the kind of change anticipated by the people who gave us the Affordable Care Act (ObamaCare). Instead, what I envision is a large migration of patients and doctors, and facilities and services out of the third-party payer system.

John Goodman, PhD, "The Future of Consumer-Driven Care", *Health Affairs Blog*, February 18, 2011

John Goodman, PhD, the economist who founded and heads the National Center for Policy Analysis in Dallas, is predicting a major migration of physicians into concierge medical practices in the *Health Affairs Blog* ("Future of Consumer-Driven Care," Health Alert, February 18). This does not surprise me. John has long maintained in the end market forces will trump government-dictated care. Concierge practices are a quintessential market response.

John says doctors want to get "out" of third party payer system. He is right. Third party intervention into medical practices drives up overhead, creates endless red tape, strangles innovation, subtracts from time with patients, promotes second guessing, prevents doctors from repackaging and repricing services, and, in the minds of physicians, reduces them to serfs of the system. We may have reached the limits of third party intervention.

Patients sense third party impediments too. Health care consumers are increasingly willing to go outside third party shackles in search of flexibility in negotiating, quicker access, more personal relationships, more time with doctors, and a higher level of amenities. The days of consumer-driven health care, long ago envisaged by Regina Herzlinger in her 892 page consumer tome, *Consumer-Driven Health Care: Implications for Providers, Payers, and Policymakers*, (Jossey-Bass, 2004), may have arrived.

ACA Shortfalls

In some ways, this migration of doctors into concierge practices represents a failure of the reform policies of the Obama administration and of the health reform law itself. The Accountable Care Act (ACA), after all, was designed to:

- 1) to bring more people into the system rather than push them out;
- 2) to change the fundamental nature of medical practice through data-monitoring and protocol-following rather than through more personal attention;
- 3) to lead to a more egalitarian system with the same level of care for everyone as dictated by government rather than individualist care desired by consumers and guided by physicians;
- 4) to achieve more universal access rather than having Americans drop out of a government-designed system.

Ironies

The ironies of the concierge movement are profound. It may precipitate an access crisis of unprecedented magnitude if more doctors cease seeing Medicare and Medicaid patients in concierge practices. At the same time, it may achieve what government sought in the first place - lower prices, greater efficiencies, transparencies, quality, and amenities.

Concierge practices are becoming more affordable as doctors charge a monthly rather than an annual fee. Consumers are being given the options of dropping the service should they please. Doctors are including more services in the concierge package. Consumers are demanding transparency of pricing and services, and doctors are providing it.

And, as icing on the concierge cake, most physicians who practice it, offer one-day service, quick telephone and e-mail responses, electronic prescribing, electronic health records, and promises to meet competitive pressures.