

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

Three Retainer Practice Models

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

Three Retainer Practice Models

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”

Impact on physicians

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