

Benefit Fact Sheet

What is it?

Concierge medicine— sometimes called direct practice, retainer or boutique medicine— is a primary care physician practice that charges an annual fee to patients in exchange for enhanced medical care and/or more convenient and timely access to medical services. A core element of Concierge medicine is that the physician limits the size of his/her practice in order to increase the time available to spend in patient care. While a typical primary care practice working within a managed care network might serve 2,500-3,500 patients, a Concierge physician will typically limit practice size to 300-600 patients.

Concierge patients pay an annual fee in order to be part of the Concierge practice. The annual fee can range from \$1,000 to \$10,000 or more, with most ranging between \$2,000 and \$4,000 per patient per year. This fee often includes a comprehensive annual physical exam, although most of the fee is allocated to offsetting revenue the physician loses by having committed to serving fewer patients.

Concierge providers assert the following benefits to their patients:

- Guaranteed same day or next day appointments and little or no time waiting for the physician once at the office.
- 24/7 access to the physician via email and cell phone.
- More time with each patient to understand health conditions, health risks, and to build treatment and wellness programs focused on the patient's needs.
- More time to oversee care when the patient needs a specialist or hospitalization. Many Concierge physicians will meet patients at the emergency room and oversee their care both in the emergency room and after admission. Concierge physicians will even accompany a patient to certain appointments with specialists.
- House calls when required.
- More time for the physician to conduct research and engage in continuing education.
- More time for office staff to follow up with patients to ensure that lab, x-ray and specialist visits are completed.

Concierge medicine has been criticized as a movement toward creating a higher level of care for people with greater financial resources. Critics of Concierge medicine worry that the practice will exacerbate what is already a shortage of primary care physicians available through traditional HMO and PPO health plan networks.

Do employers offer Concierge medicine?

Concierge medicine is not a benefit plan offered by employers. HR and benefit professionals should be aware of Concierge medicine in order to be better prepared to discuss how insurance and related benefits work for plan participants who choose to participate in a Concierge practice.

How does Concierge medicine interact with benefit plans?

Concierge medicine physicians are typically not a part of HMO or PPO networks and it is important to note that Concierge medicine is NOT a replacement for insurance. Other than physical exam services that may be embedded in the annual fee, Concierge providers bill their patients for medical services provided in their offices. Because a Concierge physician is typically not a part of any provider network, the patient is required to pay the full cost of the billed charges.

Patients covered by a PPO are usually eligible to receive reimbursement under the non-network terms of their insurance coverage. Reimbursements paid for non-network providers are limited by a plan's usual, customary and reasonable (UCR) provisions, and the patient is responsible for the difference between what the insurance company pays and what the Concierge provider charges for the office visits.

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The annual convenience or access fee paid to a Concierge physician would likely not qualify for reimbursement under medical insurance plans, FSAs or HSAs. Qualifying medical services under Section 213(d) of the Internal Revenue Code must be directly related to “*the diagnosis, cure, mitigation, treatment, or prevention of disease, or for the purpose of affecting any structure or function of the body.*” Some Concierge providers break down their annual fees into those directly related to medical services (i.e., physical exams) and those related to convenience and accessibility. Fees directly related to medical services are likely covered under Section 213(d) and as such may be eligible for some level of coverage under benefit plans.

Informational link(s)

- [AARP Article](#)
- [CNN Article](#)
- [Newsweek Article](#)
- [Physician authored book on Concierge Medicine](#)

Pros and cons (for the patient)

Pros

- Time savings
- Convenience
- Potential for more thorough diagnosis/treatment
- Physician has time to invest in developing wellness as oppose to exclusively treating disease

Cons

- Expense of annual fee
- Higher out-of-pocket cost due to loss of network discounts

This Fact Sheet is designed to provide a general overview of the benefit program, service, or regulatory act it describes. The information included in this document is not a substitute for legal or professional opinion relative to a plan sponsor's particular fact pattern. Your ArlenGroup consultant can answer more specific questions relative to its application for your organization. A menu of additional topics is available online at: www.arlengroup.com/facts.