



## **Developing a Concierge/Retainer Practice: Options for Conversion**

By Suzanne Dewey

Primary care physicians are frustrated and looking for options on how to practice medicine in a more satisfying manner. A manner that still allows them to take care of patients the way they need to be taken care of while eliminating the physician's constant need to scramble and work harder just to make the same income.

### *Experimentation/Opting Out/Concierge*

Some payers are experimenting with new models like the medical home model. Some physicians are completely opting out of practicing medicine and retiring early. And some physicians have decided to look further into developing a concierge or retainer practice.

A retainer practice alters the revenue flow by adding an annual membership fee paid directly by the patient in exchange for more services and greater access to the physician. Many of these practices offer more extensive annual exams, same day appointments, no waiting and 24/7 access directly to the physician.

### *Options Along the Concierge Path*

If you are considering a concierge or retainer practice, you have several options on how you transition your practice from a traditional model to a retainer model. You can go it alone, you can obtain advisory assistance or you can become a part of a larger organization that specializes in concierge medical practices.

### *The Company Option*

Joining a company that specializes in concierge practices will not only help you assess the viability of your practice to make the transition but will also help you make the actual transition. This organization will then provide support services for the new practice. In exchange for these services, the company takes a percentage of the annual retainer. The most established company providing this option is MDVIP ([www.mdvip.com](http://www.mdvip.com)) but there are a few other organizations that also offer attractive programs such as ModernMed ([www.modernmed.com](http://www.modernmed.com)) and SignatureMD ([www.signaturemd.com](http://www.signaturemd.com)).

Essentially these companies become your partner. They provide infrastructure and resources to help you develop and maintain your practice. They will initially assess your practice, interview your patients, examine your patient panel in terms of payer, age, location and activity. They will determine whether your practice will "fit" their model. If you pass this initial analysis, they will then work with you to convert your practice and exist as a concierge/retainer practice affiliated and branded to their company.

You will have access to their marketing and legal resources which are two key areas of concern for transitioning practices. Depending on the organization, you may also gain



access to billing functions, electronic medical records and other technology enhancements like patient portals.

If you chose the company as partner route, you will lose some autonomy. Each company has specific protocols for their members (your patients) – type of annual exam, specific service offerings, need to make house/office calls, number of scholarship patients, etc. While many of these items can be worked out during the contract formation, some of these companies need to insist on features to keep their brand consistent and their offering consistent to the patient members.

Patient fees vary depending on which company you choose. There can be a fixed fee schedule or there can be some flexibility in the fees based on your panel assessment. Typically you convert your entire panel but at least one of the organizations allows you to maintain a percentage of your traditional patients while building your concierge practice.

The companies will not charge you for the assessment and in most cases they will share some of the results but they are making a decision about you and your practice. This assessment guides them and helps them learn about you and the viability of your practice being successful in their particular model. If your practice does not fit, you will not be invited to join the company.

If there is a fit, there will be an on-going contractual relationship between you and the company. Again, think “partnership.” The organization will also collect an on-going percentage of the annual retainer fee. For example, if you charge an individual \$1,500 each year to be a member of your concierge practice. The company will take a portion – let’s say \$500 and you will keep the remaining \$1,000. This arrangement exists for the life of the contractual partnership.

#### *The Consultant Option*

Many physicians want to retain the autonomy they are accustomed to and prefer not to establish a partnership with an organization. But, they still need some guidance as they convert their practices.

A consulting firm can offer that guidance. There are a few firms who offer this kind of service (Corporate Health Group, Special Docs and my own, Forte Partners, LLC). These organizations offer a menu of options in assisting in the transition. They can conduct the preliminary research of your patient panel working with you to determine the types of questions you want answered. They can conduct a panel assessment based on age, payer, geography, activity, etc. These types of assessments are done in concert with the physician and the results are proprietary information that is “owned” by the physician.

Once the assessment is done, the consultant can help you decide if it makes sense to convert your practice and what the potential difficulties might be in the process. While many physicians are tempted to skip the panel assessment step, it is an opportunity to get



a good look as the pricing and concept sensitivity of your patients and can save you significant complications down the road.

The consultant will typically provide you with a plan for next steps once you decide to move forward. The plan takes into consideration the physician's needs and time-frame. Items such as payer notification and developing a membership agreement are steps that need to be taken with legal counsel. The consultant may have a referral for this work or you may prefer to use your own legal counsel. Either way, this is not a process you want to engage in without having legal advice.

Once the platform is set with the panel assessment, legal guidance, pricing and service offerings determined, the consultant can either advise you on how to transition the practice or can be retained to do much of the tactical work.

Once the work is done, the working relationship with the consultant can come to an end. Unlike the company option, there is no on-going partnership – no lasting financial arrangement.

#### *The Doing It Alone Option*

There are physicians who prefer not to be obliged into a relationship and opt to transition their practice from a traditional model to a retainer model. The physician and his or her staff can follow the same steps with the other two options but they must do everything themselves. While this is the least expensive option, it often does not work out to be the lowest cost option.

There are articles/information from other physicians who have converted their ([www.medscape.com/viewarticle/570378?src=mp&spon=21&uac=92857FY](http://www.medscape.com/viewarticle/570378?src=mp&spon=21&uac=92857FY)) practices and resources are available for purchase from a variety of sources. Forte Partners, LLC ([www.fortepartnersllc.com](http://www.fortepartnersllc.com)) offers a tool-kit for the independent physician that provides templates and check-lists for converting on your own. It will still be necessary for the physician to retain legal counsel.

#### *Options Compared*

Which option is best? Each option provides significant benefits. With the company option, you have access to on-going resources (legal, marketing, tech) and are buoyed by a solid infrastructure, but you are essentially taking on a partner who has expectations of how things should be done and requires an on-going revenue share. With the consulting option, you can have things your way but will pay upfront expenses to make the transition. Once the transition is done, the practice remains yours alone with no revenue sharing but you will not have access to on-going resources. And finally with the solo option, you will have everything done by you and your team, you will know the process intimately. But, it will take its toll on you and your staff while you make the transition. You will not have the benefit of others' experience or best practice knowledge (or legal resources) but you will not have an up-front expense like you will if you have a consulting firm.



The choice is really about what fits you best. The take away with any of these options is that you end up with a practice that is better suited for you (lifestyle balance) and more beneficial for your patients.