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THE OFFICE

Alternative Models of Care

After 15 years of managing a full-time–equivalent panel of 2,000 patients for the University of California, San Diego Medical Group, Dr. Martin C. Schulman was burned out and frustrated at not being able to fully address the needs of his patients. In 2005, he transitioned to a new model of care, one he describes as a hybrid between a micropractice and concierge care. In this month's column, Dr. Schulman provides some pointers for those who are thinking of taking the plunge into an alternative model of care

There are many alternative models of care, but two of the most common—concierge and micropractice care—provide patient-centered care by limiting the number of patients per practice. Concierge practices do so by charging an annual fee, typically at least $1,500; micropractices tend to limit patient panel size by keeping staff and other overhead costs as low as possible.

I tried to meld the two models. For one person, I charge a $600 annual fee, which doesn't cover visits but provides 24/7 access to me via cell phone or e-mail, and same-day, hourlong appointments scheduled in one-hour increments so they occur on time and are unhurried.

My overhead costs are relatively low. I have one staff member who is a combination medical assistant and receptionist. My medical records are electronic, so there's no file clerk, and I have a cash-only ("insurance-free") practice, so there's no billing person. Accepting only cash means that my collection rate is near 100%, and my accounts receivable are near $0. Patients leave with a statement of their CPT and ICD-9 codes for their visits so they can file their own insurance claims. I only need to charge 125% of Medicare rates for E&M (evaluation and management) services and less than that for procedures.

Credit card information is collected to bill the annual fee in quarterly installments. To attract families, annual fees are adjusted based on the number of family members.

Base the model on the population you're serving. If you're in an area where people have quick and easy access to their physicians, a concierge model of care will not bring added value. But if you're in a heavily managed care area, there's a good chance that concierge care will do well. Is the community likely to support an annual fee? Do many of them have health savings accounts? For relatively healthy individuals, a micropractice with a low or no annual fee is more appealing. Patients with chronic conditions will perhaps benefit most from a concierge model practice.

There are a number of concierge practice advisors and management companies. Several of them are members of the Society for Innovative Medical Practice Design (www.simpd. com), a national organization with many concierge physician members.

Dr. Gordon Moore started the ideal micropractice (IMP) concept (www.idealmicropractice.org), and a community of IMP physicians share ideas and resources at http://health.groups.yahoo.com/group/Practiceimprovement1.

Keep an open mind to ways to stay solvent. I supplement my practice income by subleasing space to specialists and doing travel consultations and immunizations for nonmembers. I supplement my personal income with a part-time, nonclinical family medicine position with the Physician Assessment and Clinical Education program at the University of California, San Diego.

My goal is to grow to a steady patient panel of around 500 patients. Only a third of my current patients came from my former medical practice, so most of my patients are new. Networking opportunities can be a springboard for patient recruitment (I belong to a meets-weekly community business group and the local chamber of commerce). I also provide brochures to my patients and local specialists. Finally, have a practice Web site to promote your practice and explain your philosophy. Mine is www.martyschulmanmd.com. ■

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