



Written by [Bob Adelman](#) on February 12, 2013

Doctors Fleeing Medicare, Moving to Direct Primary Care

Concierge medicine, or “direct pay” medical practices, are looking more and more attractive to doctors fed up with the difficulties, paperwork, and unreliability of Medicare, according to a January 30 [article by Bruce Japsen](#), *Forbes* magazine’s healthcare specialist. Within the next three years, one of every ten physicians practicing in the United States today expects to move from “mass-medicine” to individualized healthcare by walking away from Medicare altogether and letting their patients pay them directly.



The reasons to leave “mass medicine” continue to mount as the federal government’s involvement in healthcare grows. There are the most obvious ones: red tape, delays, low payments, excessive overhead, the pressure to see enough patients every day to keep the practice viable, and so on. There’s also the pressure to refer patients out to expensive specialists as a way to relieve the workload of trying to see 30 to 40 patients every day. There’s the fear of malpractice lawsuits as well, often resulting in doctors ordering unneeded tests “just to be sure.” Then there’s the uncertainty about fees: At the last possible moment, Congress decided to extend the so-called “doc fix” by putting off once again the 27-percent cut in Medicare payouts.

Back in May 2010 the American Medical Association (AMA) could see [the handwriting on the wall](#). At that time 17 percent, or more than one in every six physicians contacted, said they were already restricting the number of Medicare patients in their practices, with 85 percent of them saying it was because Medicare payment rates were too low, and 78 percent saying the threat of further budget cuts made Medicare an “unreliable” payer. Nearly two-thirds of the doctors polled said they were seriously considering opting out of Medicare and using some form of private agreement with the patients directly.

Concierge medicine started in 1996 when Dr. Howard Maron of Seattle began charging his patients directly for his services, but he never used the term “concierge”. He said, “I know what a concierge is, but to describe what I do as simply opening doors [isn’t accurate] ... I prefer [to call it] highly attentive medicine.”

Initially such “highly attentive medicine” came at a very high price, ranging upwards of \$5,000 to \$10,000 per patient per year. It made sense for those who could afford it as they knew they could see their doctor anytime they needed to, day or night. He provided additional services as well, such as dietary or lifestyle management advice.

Dr. Steven Knope, a Tucson physician, operates his concierge practice for [just 125 patients](#), each of whom pays him \$6,000 a year. Says Knope, “The idea behind it is nothing more than a return to the days of Marcus Welby,” referring to the popular TV show in the early ‘70s depicting a doctor spending all the time necessary to attend to his patients without watching the clock or worrying about the overhead.



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Neil Sapin, a Glendale, Arizona, physician, charges less, about \$1,500, but has a larger practice. He used to run himself ragged trying to keep up with the flow of patients necessary to cover all the expenses of his practice: “I used to see 18 patients per day, but [over time] I’m up to 24 or 25. It [became] difficult to give people as much time as I’d like to.” So he went private, dropping his workload from 1,600 patients to just 500. His patients have access to him any time of day or night and they can access their medical records from a home computer at any time and send him questions about their health via e-mail. Sapin says this allows him to spend more time with those who need him, and he also has time “to stress preventive health and dietary counseling.”

Dr. Helene Wechsler in Scottsdale went private after 15 years in traditional practice, and now sets aside a minimum of 30 minutes with each patient or longer, up to two hours if necessary. She even makes house calls. Said Wechsler, “Patients who are very sickly appreciate having a doctor who can take more time and make sure [that] all of their needs are being met.” Wechsler runs her practice with just an office manager and a medical assistant. She added, “Not only am I much happier, but my patients are much happier.”

However, “concierge” practice comes with some significant baggage, often being described as “healthcare for the wealthy,” and being accused of taking doctors out of traditional practice just as ObamaCare and its 30 million uninsured people will be looking to take advantage of healthcare they didn’t have or couldn’t afford before.

And so the concept of “direct primary care” (DPC) has evolved, featuring groups of physicians who share overhead while staying out of Medicare. The *New York Times* has called DPC “[concierge medicine for the masses](#),” and it costs less, much less, than the high-end medical practices usually associated with the term: between \$50 and \$60 a month.

The [Direct Primary Care Coalition](#), headed by up Dr. Garrison Bliss, a private-practice physician who got tired of the treadmill of government-regulated mass medicine, explains the logic behind the innovation:

Imagine if we relied on auto insurance for “primary care” for our vehicles (fluid changes, tire rotations, wiper blades). Think of the paperwork and billing hassles we would endure for each little oil change. The overall cost of auto maintenance would increase to cover the business overhead. Soon, fewer Americans would be able to afford auto insurance, with serious ramifications for liability, setting the stage for a national crisis.

It’s a ridiculous idea, isn’t it? Yet this is the way that health care works in America today.

The growth of DPC is remarkable, with practices already operating in 24 states, treating more than 100,000 patients. For a modest monthly fee — about the cost of a gym membership — patients get personalized care, lab tests, basic x-rays and, when necessary, stitches. No co-pays to meet, no deductibles to keep track of, no “permission required” for ordinary procedures. There are no unnecessary trips to the emergency room, nor visits to specialists when the primary doctor can handle the matter in the office.

Naturally the insurance industry isn’t too happy about it, but at present there’s little they can do. For the moment, “concierge” medicine and its more modest iteration, “direct pay” medicine, is increasingly being seen by patients and doctors alike as a way out of the maze of medical practice requirements caused by government intervention in what used to be a simple transaction: a private matter between a doctor and his patient.



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