

Doctors on Retainer

Physicians restructure their practices to offer more personalized care in exchange for an upfront fee.



AFTER 20 YEARS SPENT PRACTICING FAMILY MEDICINE in the Wheaton area, Dr. Steven Armbrust started feeling burned out – not from the technical rigors of treating patients, but from the increasingly difficult struggle to provide care in the face of slashed insurance reimbursements and skyrocketing insurance premiums.

“Nobody in my practice was happy,” Armbrust recalls. “My patients were frustrated because they had to wait weeks to see me. My kids were frustrated because they never got to see me. I was working 12 to 14 hours a day trying to fit in everyone who needed my help, and my wife was in survival mode trying to pick up the slack. I kept telling her it would get better, but I could see it wasn’t anytime soon.”

So in February, Armbrust sent letters to his 3,000-plus patients telling them that if they wanted to continue seeing him for their medical problems, they would have to pay an upfront fee of \$1,500 per year per person or \$2,700 per year per family – over and above the normal costs of lab tests and office visits.

When his new “personalized care” practice kicked off this month, Armbrust expected to have about 500 patients and, he says, a lot less stress and higher quality treatment for the same revenue.

Whether it’s called personalized care, boutique care or concierge medicine, doctors charging annual retainers to limit their practices is attracting more and more physicians, who see it as their only alternative to working in fast-paced insurance-driven “medical mills.” Though it’s generating controversy in some parts of the country, several west suburban doctors have already joined the concierge care movement, and others are expected to follow in the coming years.

“This has been a good move for me,” says Dr. Scott Kolbaba of Wheaton, who switched to a personalized care practice last year. “I feel I can be a real doctor again because I’m not being pressured to push patients in and out of my office every 10 minutes just to break even.”

Kolbaba and Armbrust both blame health insurance companies for making the traditional “Marcus Welby”-style

medicine that inspired them economically unfeasible. Many insurers have repeatedly lowered how much they reimburse doctors for treating their clients and set limits on what tests and procedures they’ll pay for, even if doctors feel those procedures are necessary.

“Insurance companies don’t negotiate with doctors. They just dictate what they will pay us, regardless of how much it actually costs us to deliver care,” says Armbrust. “If you look at how successful insurance companies are on Wall Street, it’s doubtful that will ever change.”

The rapid pace of high-tech medical advances has also outstripped society’s ability to provide them to all patients, Kolbaba adds. “So many of the new procedures and medicines are so expensive that the insurance companies have had to negotiate some discounts to keep their overall costs manageable,” he says. “It’s great that we have them because we’re able to save lives that would have been lost before, but the question is still how we can pay for them when they cost too much for patients to pay for.”

Some doctors have abandoned working with insurance companies entirely, opting out of preferred provider networks and charging their full fees directly to patients. Instead, concierge care practitioners ask their patients for an annual retainer so they can afford to accept low insurance reimbursements without having to overload their schedules to increase their earnings per hour. The upfront fee enables the doctors to cover their practice’s overhead costs, so they can focus their efforts on fewer patients, presumably with better, more personalized care.

The retainer entitles each patient to same-day office visits, house calls at no extra charge, a pager number to contact the doctor directly, longer appointments, and preventive medical services, among other amenities that vary from practice to practice.

While critics charge that concierge doctors are specializing in “diseases of the rich” at the expense of patients who cannot afford to pay up front, Kolbaba and Armbrust maintain that their services are within reach of patients at most income

levels and that they actually save patients money in the long run.

“The retainer I charge amounts to \$3-\$4 per day. I don’t know that that’s exclusionary,” Armbrust says. “By keeping patients out of the emergency rooms and urgent care centers, by not making patients sit in my waiting room and by using preventive medicine, I’ll probably save them more in time and money than the retainer costs them.”

“I have wealthy patients and I have patients who are on public aid,” Kolbaba adds. “I also give scholarships to patients who need this level of care and really can’t afford it.”

Lucy and August Donckers happily pay Kolbaba’s annual retainer because his house calls and same-day access enable Lucy, a retired nurse, to care for her husband in their west suburban home despite his Alzheimer’s disease. “When Dr. Kolbaba told us he was changing to personalized care, my first thought was ‘That’s a lot of money to pay up front,’” Lucy recalls. “But it’s tax deductible and in our case, it’s nothing compared to what we get for it. I don’t drive anymore, and I can’t lift my husband, so I would have to hire a driver and an aide to get him to the doctor’s office. If his condition changes, I can just pick up the phone and get answers and whatever help I need. Once I called Dr. Kolbaba at 10 past 5 in the evening and I had new medicine for August by quarter to 6.

Wheaton resident Patricia Beal chose Dr. Kolbaba as her primary care physician after he switched to personalized care. “The way I see it, I’m buying a part of his time and paying for the ability to use it if I need it,” says the retired chief financial officer. “I’ve never called him and found the line busy, and it’s refreshing to not talk to the nurse when I’ve asked to talk to the doctor.”

“I can’t fix the current system,” concludes Armbrust. “But I am no longer going to compromise my patients, my children and my wife to practice medicine in a way I don’t believe in.”

– Denise Linke