

Doctors bypass Medicare system

Physicians hope fees or membership plans will maximize time with patients and increase income.

By KRIS HUNDLEY, Times Staff Writer
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ST. PETERSBURG - Last month, Dr. Gigi Lefebvre did something few Florida doctors ever do: She officially dropped out of Medicare.

Her decision to opt out of the government program - eliminating her right to be reimbursed by Medicare for her services - was part of a new practice model for the St. Petersburg physician, who has never hesitated to challenge the status quo.

Lefebvre, who completed her residency at Bayfront Medical Center in 1988, has never been part of HMOs or accepted many insurance plans. Now she takes no insurance of any kind.

Patients who want to remain under her care must pay for each visit or sign up for a low-cost variation on the "concierge" model, paying a monthly retainer of \$65 for service.

"The only thing that has changed is my financial relationship with my patients," said Lefebvre (pronounced La-fev), whose revamped practice opened in late October. "Now I work for the patient, not the insurance company. Isn't that the way it was always supposed to be?"

Lefebvre may appear to be tilting at windmills, considering how closely the traditional medical community is tethered to the insurance industry. But some wonder if she isn't on the vanguard of a trend.

Caryn Caldwell, executive director of the Pinellas County Medical Society, said that while Lefebvre's approach is unusual, it reflects a common frustration among physicians pressed to see more patients to make up for declining reimbursements.

"I give her credit for trying something different," Caldwell said. "Doctors are looking for other models because the marketplace leaves them very few alternatives. And if Congress doesn't do anything about Medicare cuts, you're going to see more and more physicians discontinuing the program."

According to a recent government report, about 112 physicians nationwide have changed their practices to a concierge model. Their membership fees, however, average between \$1,500 and \$2,000 a year, compared with Lefebvre's \$780 annual contract. Most concierge doctors also continue to bill Medicare and private insurance plans for services not specifically covered by the concierge contract.

Lefebvre, 45, said she was forced to make dramatic changes to her practice to salvage both her finances and her life. A solo practitioner who built a fiercely loyal patient base - many of them health care professionals - Lefebvre said she found herself working longer hours and making less.

Last year she said she earned less than \$70,000 working 14-hour days. Family practitioners nationwide earned an average of \$147,000 in 2004, according to a survey by Medical Group Management Association of Englewood, Colo.

"My best income was in 1995," Lefebvre said. "For the past 10 years, I've been building a reputation but losing money."

Because she capped her practice at 1,200 patients and refused to see more than two patients an hour, Lefebvre limited the number of reimbursable office visits per day. Hospital rounds and managing her business consumed her evening hours.

As reimbursements by Medicare went down, so did insurance payments, which are usually pegged at 80 percent of Medicare rates.

Unwilling to see more patients faster, Lefebvre said she had two options: Leave town or start over. She interviewed for a physician's position at a maximum security prison in Angola, La., her home state. Then she decided to give private practice one more chance. In August, she notified patients that she was closing her existing practice, moving to a new location and establishing the new fee plan.

"It was scary," said Lefebvre, who went into debt to buy a building for her new practice on 66th Street in the Tyrone area. "But I figured I had nothing to lose."

So far about half of her patients have responded to her letter. Only 100 signed up for the membership plan, which covers 10 office visits and 20 hospital visits by the doctor a year. About 500 patients said they'll pay out of pocket for office visits, which cost \$50 to \$150, depending on the length of visit and complexity of illness.

Patients with private insurance can try to get reimbursed from their insurer for Lefebvre's services, or they can apply the expense toward their annual deductible.

Lefebvre said many Medicare patients have decided to leave her practice, believing they should not have to pay extra for care. Previously, about two-thirds of her caseload was Medicare; now she believes it is about one-sixth.

"They think they've paid into the system and they have rights, and I don't disagree," she said. "But if you look at what they get in a five-minute doctor's visit, you have to ask if it's worth it."

(Though she has opted out of Medicare, Lefebvre can still order tests and admit Medicare patients to hospitals, with the cost of those services covered by the government.)

Other patients have decided to stay with Lefebvre, regardless of the cost, because they value her time, expertise and intimate knowledge of their medical histories.

Carole Crane, a registered nurse at Bayfront Medical Center, said her family and her mother will continue to see Lefebvre on a fee-for-service basis, even though the cost will no longer be reimbursed by their insurance.

"What we pay her will go toward our insurance deductible," said Crane, whose family has Blue Cross Blue Shield health coverage. "There's not a big difference between paying a \$30 copay for an office visit and paying Gigi for her services."

Bonnie Robarts-Gay, another longtime patient who is on both Medicare and Medicaid, opted for the membership plan even though she has limited income. "If I can't see Gigi, I won't see anybody," she said.

Though Lefebvre's membership fee is a bargain compared to most concierge-style practices, the motivation behind the practice change is the same.

Dr. Ronald Fernandez is one of a handful of doctors in north Pinellas County who have switched to the concierge model. (Fernandez does not offer a fee-for-service option.)

Fernandez and Dr. David Brecher, who share an office in Palm Harbor, had been caring for about 3,000 patients each when they switched to concierge practices in July.

"Because of cutbacks in reimbursements and doubling of my malpractice bill, I was working harder and harder and spending less time with the patient," said Fernandez, who has been in practice 25 years. "I was going to have to drop from 15 to 10 minutes (per patient) and I couldn't stand it anymore."

Fernandez and Brecher affiliated with MDVIP Inc. of Boca Raton, which helped them switch to a concierge practice. Patients pay \$1,500 a year, \$1,000 of which remains with the doctor, with the rest sent to MDVIP. In return, patients get a comprehensive annual physical, no-wait appointments and the doctor's cell phone number. MDVIP doctors continue to be reimbursed by Medicare and private insurance for covered services.

Fernandez, 61, said only about 300 people signed up for the new service. He finds it ironic that some of his wealthiest patients - those who take regular cruises and buy new cars each year - deemed concierge care too expensive.

"I do feel a great many people have misguided priorities," said Fernandez, who thinks his compensation will stay about the same despite the drop in patient numbers. "But I feel like I'm doing something for people now, instead of just seeing numbers."

Lefebvre said it is too early to tell if her new practice plan will work. But she no longer needs a billing person to file insurance claims. And rather than waiting for insurers to reimburse 80 percent of her fee for an office visit, she receives the full amount, in cash, directly from the patient at time of service.

"Even with fewer patients, I think I will make more money," Lefebvre said. "I figure I've got one shot. Now I'll see if my reputation carries me through."

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