



How Concierge Medicine Practices Like ChenMed and SteadyMD are Disrupting Ambulatory Care

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Introduction

In the past decade, ambulatory care options have drastically expanded in number and diversity, offering consumers a growing network of alternatives to mainstream primary care offices and emergency departments. As new players continue to disrupt the ambulatory care landscape, traditional health care systems face increasing pressure to protect their outpatient market share as they compete with the following types of disruptors:

- Virtual Care Providers
- Concierge Medicine Practices
- Urgent Care Clinics
- Retail Care Providers

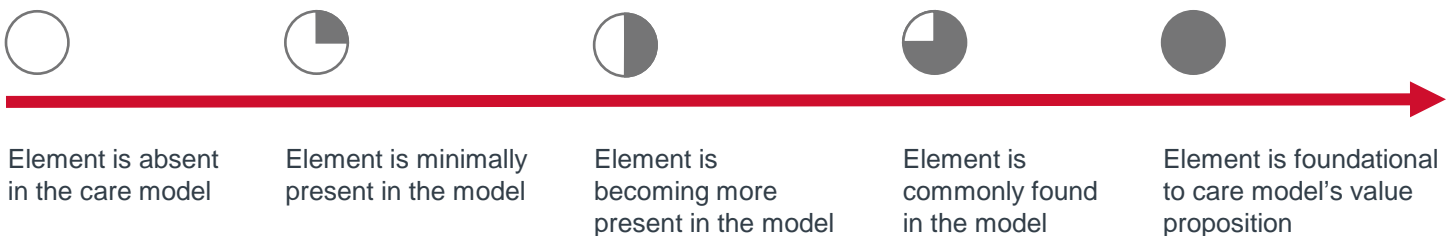
While none of these disruptors are new to the health care industry, innovative players in each category have recently pushed the boundaries of consumer-centric care, which will further threaten traditional hospitals and health systems as they try to retain and grow their patient bases. They do this by meeting consumer demands for convenience and delivering on one or more key value drivers:

1. Access
2. Care continuity
3. Digital convenience
4. Price transparency

Virtual care, for instance, uses digital information and communication technologies to increase access to primary and specialty care services for busy, cost-conscious consumers. Similarly, the value proposition of urgent care is low-cost, on-demand care offered during extended hours and in convenient locations. Retail care settings provide convenient hours and locations combined with price transparency and, frequently, an onsite pharmacy. In addition to enhancing access, concierge medicine practices differentiate themselves by promising superior consumer service and personalized care.

This brief provides an overview of the major trends, players, and future outlooks in these four categories of disruptors. In addition to case studies featuring innovative players in each category, we score and compare alternative care models across the four key value drivers.

Scorecard legend



Source: Advisory Board research and analysis.

EXCERPT

Concierge medicine practices

Disruptor





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Concierge medicine practices

In concierge medicine, also known as boutique or retainer-based medicine, patients receive more personalized and convenient care, typically in exchange for a periodic fee.

Current take	Future take
<ul style="list-style-type: none"> Concierge medicine practices most commonly provide primary care (internal and family medicine). Demand for concierge-style services has contributed to growth in subscription-based services for different patient segments at a range of price points. <p>Of 17,000 doctors surveyed nationally</p> <p>7% Practice concierge medicine</p> <p>9% Plan to practice concierge medicine in the next few years</p> <p>3%-6% Yearly growth in provision of concierge medicine services</p>	<ul style="list-style-type: none"> Concierge care will move in several directions: one section of the market will offer “concierge lite” services to a wider population at a lower price point, while another will focus on a narrow consumer base and provide more wraparound, personalized, or specialized services. Specialized concierge medicine models will include service line-specific offerings, especially in cardiology and pediatrics, and population-specific offerings, such as programs for chronically ill or elderly patients. In next-generation concierge models, patients will select the membership from several levels of service and access that best aligns with their preferences. Concierge practices will embrace digital technologies, including virtual platforms and patient portals, to offer more convenient and customizable care.

Concierge medicine scorecard

Access	Care continuity	Digital convenience	Price transparency
 <p>High membership fees limit access, but more practices are offering affordable rates and some are even catering to low-income patients.</p>	 <p>Progressive concierge practices go beyond providing referrals and communicate with other providers to manage their patients' care.</p>	 <p>Innovative concierge medicine practices use digital health tools, including telehealth technologies and electronic health records, to improve ease of access.</p>	 <p>Consumers usually pay a set periodic membership fee. In select models, the annual fee covers all services rendered; in most models, additional copays and fees are required but listed up front.</p>

Major players



- MDVIP
- Signature MD
- One Medical Group
- Concierge Choice Physicians
- Atlas MD
- Iora Health

Innovative players



- ChenMed
- Oak Street Health
- SteadyMD
- Forward
- Sherpaa

Source: Concierge Medicine Today, "Specialty Concierge Medicine Increasing... 2015 and Beyond," May 2014, available at: <https://conciergemedicinetoday.org/2015/08/13/trend-specialty-concierge-medicine-increasing-2015-and-beyond/>; Concierge Medicine Today, "Stats and FAQs," August 2017, available at: <https://conciergemedicinetoday.org/stats-faqs/>; Medical Group Strategy Council, "Assessing the Case for Concierge Medicine," available at: <https://www.advisory.com/research/medical-group-strategy-council/white-papers/2016/assessing-the-case-for-concierge-medicine>; Advisory Board research and analysis.

Case example: ChenMed

Concierge medicine model customizes care delivery for dual-eligible patients



CASE
EXAMPLE

ChenMed

Concierge primary care practice for moderate- to low-income seniors, primarily in the Southeast

ChenMed operates 40+ concierge primary care clinics in the Southeast, specifically for moderate- to low-income seniors with complex, chronic conditions. In addition to providing enhanced access to services through same-day walk-in appointments, ChenMed offers onsite pharmacies and diagnostic testing, wellness services, door-to-door transportation, and more personalized care through increased face-to-face time with providers and customized electronic health records. Compared to Medicare beneficiaries in ChenMed's service areas, ChenMed patients average 28% fewer hospital admissions and 34% fewer emergency department visits.¹

ChenMed provides value beyond traditional concierge medicine benefits

Basic concierge benefits



Immediate access

Physicians offer same-day, walk-in appointments in addition to scheduled visits.



Increased face-to-face time

Small panel sizes allow for extended face time with physicians, improving doctor-patient relationships.



Premium customer service

All staff demonstrate commitment to delivering high-quality patient experience.

Added benefits at ChenMed



Transportation services

Courtesy transportation provided to and from clinics.



One-stop-shop for all care needs

Labs and pharmacies are available onsite; access to wide range of specialists is included in membership.



Personalized care

Proprietary EHR designed to support care delivery for chronically ill patients; physicians allowed to dispense medications at time of patient visit to increase compliance.

Why is ChenMed innovative?

Unlike the majority of primary care-focused concierge practices, ChenMed tailors its services to a specific patient segment with a demonstrated need for coordinated, convenient, and personalized care. Beyond providing the basic benefits of concierge medicine, such as increased physician availability and longer face-to-face visits, ChenMed emphasizes care coordination and immediate access to medications and diagnostic tests.

Why is ChenMed disruptive?

The ChenMed primary care model has proven to improve population health outcomes, reduce costs, and increase patient satisfaction. As ChenMed continues to rapidly expand to new health care markets, the success of its operational model will remain a competitive threat to other providers, especially those operating under risk-based contracts.

Source: ChenMed website, available at: <https://www.chenmed.com/>; ChenMed, "Concierge Care for Low-Income Seniors: How High-Touch Care Improves Outcomes and Reduces Costs," September 2017, available at: <https://www.chenmed.com/news/report-finds-value-based-care-model-leads-significant-cost-savings-health-gains-seniors-six>; Health Affairs, "Innovations at Miami Practice Show Promise for Treating High-Risk Medicare Patients, June 2013, available at: <https://www.healthaffairs.org/doi/10.1377/hlthaff.2012.0201>; Advisory Board research and analysis.

1. Based on a 2017 evaluation of 37 ChenMed senior medical care centers in six states.

Case example: SteadyMD

Online concierge practice enhances access, personalizes primary care



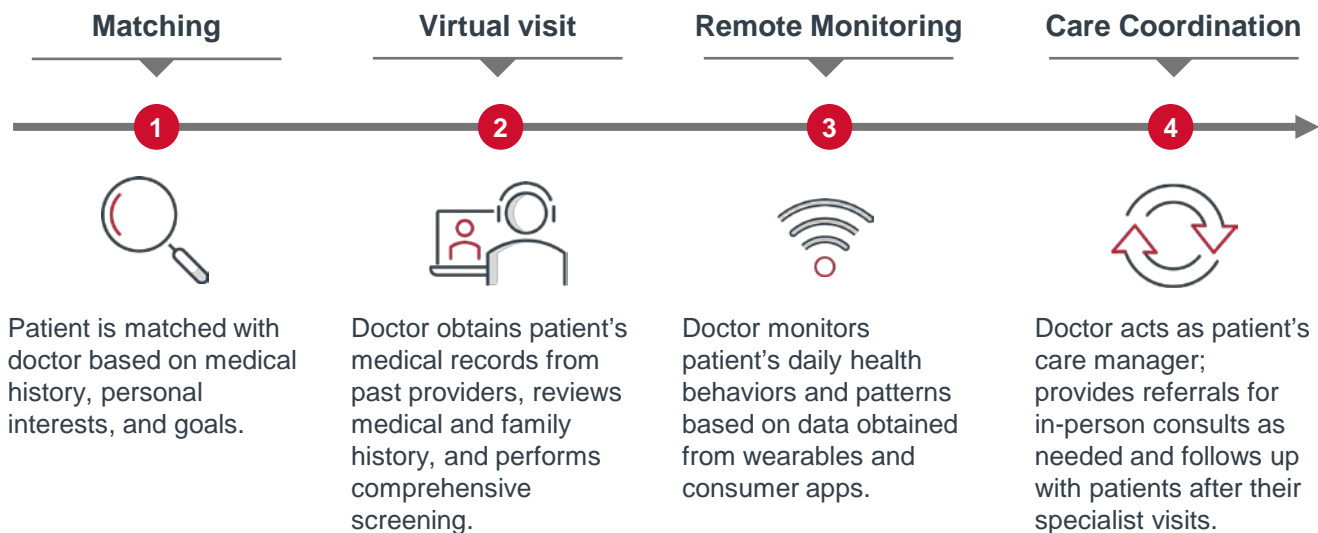
CASE
EXAMPLE

SteadyMD

Online primary care concierge practice with a focus on delivering customized preventive care

SteadyMD, founded in 2016, provides concierge-level primary care services on an online platform for a small monthly fee. Small panel sizes offer the same benefit of increased face-to-face time found in brick-and-mortar concierge practices. Combining virtual visits, secure messaging, and data from consumer devices, SteadyMD's platform increases patient access and customizes the delivery of preventive care. The company raised \$2.5 million in capital in March 2018 to fuel its growth, and it currently operates eight online primary care practices.

SteadyMD patient's virtual concierge care experience



Why is SteadyMD innovative?

SteadyMD combines virtual care technology with concierge-style services to offer premium access and personalized primary care services to its members. The SteadyMD model takes a segmented approach to care delivery, pairing patients with doctors who match their preferences. An integrated digital platform allows patients to receive immediate care from dedicated physicians who have a comprehensive understanding of their history, needs, and daily health patterns. Additionally, the provider only interacts virtually with patients in the SteadyMD model. When in-person care is needed, the provider refers the patient to another care provider.

Why is SteadyMD disruptive?

SteadyMD addresses the common shortfalls of traditional concierge and virtual care practices by making concierge services affordable and virtual care more personalized. SteadyMD's unique model meets the consumer demand for convenience and delivers superior customer service, adding pressure on traditional primary care providers to rethink their consumer strategies.

Source: SteadyMD website, available at: <https://www.steadymd.com/>. Advisory Board research and analysis.

Preview resources available with membership

Virtual care



Implementation resource: [Telehealth Industry Trends](#)

Download ready-to-present slides covering telehealth technology, adoption, and best practices to help frame your next strategy meeting and build a strong foundation for your presentation.

Concierge medicine



Research report: [The Consumer-Oriented Ambulatory Network](#)

Learn how concierge care can fit in your larger ambulatory network strategy by appealing to key demographic groups.



Expert insight: [What is concierge care?](#)

This cheat sheets provides a quick orientation to concierge care models, trends, and best practices.

Urgent care clinics



Implementation resource : [Urgent Care Center Pro Forma](#)

This tools has the data you need to determine if there's urgent care demand in your market and if an urgent care investment would be profitable.



Research report: [Key Considerations for Investing in Orthopedic Urgent Care](#)

Download the strategic planner's guide to establishing and operating successful orthopedic urgent care services.

Retail care



Research report: [The Consumer-Oriented Ambulatory Care Network](#)

Learn how to profitably meet consumers' demands for affordable, accessible care by building a competitive, coordinated, and high-performing ambulatory network.

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