Sample retainer case study: Direct-to-Employer arrangements

Physicians interested in Direct-to-Employer arrangements should review the sample retainer arrangement case study to see how a physician found increased professional satisfaction after adapting it for her practice.

Case study: Sample retainer arrangement

Dr. X is an internal medicine specialist with a solo-practice located in a suburban metro area. Five years ago, Dr. X was seeing 25 patients per day, spending about 15 minutes with each, and spending the rest of the day fulfilling administrative and billing-related responsibilities. Increasingly, Dr. X felt that she wasn’t spending enough time with her patients to give them the care and attention they needed.

Dr. X’s patient panel was aging, so it wasn’t a surprise that more issues needed to be addressed. On the other hand, she knew that if she spent more time per patient without a change in payment, she would have increasing difficulty covering her overhead. Dr. X started looking to whether transitioning her practice to a retainer model might work. After considering her patient panel, her practice’s financial health, her own professional satisfaction, and the AMA Code of Medical Ethics Opinion 11.2.5 on Retainer Practices, Dr. X decided to make some changes.

Today, Dr. X’s practice charges an annual $5,000 membership fee in exchange for a “personalized medicine experience.” In addition to her professional medical services (for which she still bills insurance directly), Dr. X now also responds to patients within one hour, via phone, text, or email, on a 24/7 basis, offers same-day appointments, covers the valet parking provided at her medical office building, offers beverages in the waiting room, and makes house calls one day per week. In an average day, Dr. X sees 7 patients, spending about 45 minutes with each. With fewer administrative and billing-related tasks, Dr. X has more time to do same-day research on clinical topics, follow up with patients, and review patient records to identify those who are behind on recommended preventative procedures.

After Dr. X moved to a retainer practice model she experienced a drastic reduction in the size of her patient panel; more than she was expecting. Many established patients were not willing or not able to pay the annual $5,000 fee in addition to the premiums they were already paying to maintain health
insurance coverage.

To make ends meet, Dr. X decided to market her new retainer practice directly to employers. She learned that a major local employer was expanding with plans to attract top-level talent, in part, by revamping its executive concierge medicine program. After a few months of discussion, Dr. X entered into a contract with the employer to be one of a small group of retainer-model practices available to executives with the employer paying the $5,000 annual fee on the executive’s behalf.

Since then, Dr. X has entered into similar agreements with two other employers. She occasionally visits these executives at their place of work in addition to providing 24/7 support via phone, text or email among other services.

Compared to five years ago, Dr. X has seen a small uptick in her practice’s financial health. But for her, the most drastic change has been an increase in her professional satisfaction. The additional time she now spends with patients and on patient care has directly translated to better outcomes for her patients, particularly reduced emergency room visits and hospital admissions and improved management of chronic conditions.

Review a different case study: value-based arrangements

While some practices may benefit from a retainer arrangement, other practices may instead prefer a value-based arrangement. This was the case for General Motors (GM). Beginning in 2019, GM began to offer a new health benefit option to its 24,000 non-union employees in Michigan: a Direct-to-Employer, risk-based arrangement with Henry Ford Health System. Learn more about the General Motors & Henry Ford Health System case study.

More articles on Direct-to-Employer arrangements

The AMA has developed these additional materials to help physicians navigate available opportunities and negotiate terms that reflect the practices' goals and preferences.

- Case studies, custom networks and contract terms (overview)
- Snapshot: Physician-employer engagement: Direct-to-Employer arrangements
- Model checklist: Physician-employer engagement: Direct-to-Employer arrangements


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