

## Concierge Medical Practice Network Acquired by P&G

Cleared by the Federal Trade Commission on December 11, 2009, Proctor and Gamble (P&G), a Cincinnati based consumer and household product giant, will be acquiring complete ownership of MDVIP, Inc., a concierge medicine network that they had acquired a 48% minority stake in 2007.<sup>1</sup> Based out of Boca Raton, Florida, MDVIP serves over 111,000 patients in 28 states and the District of Columbia through a network of over 310 physicians.<sup>2</sup> Each physician's practice case load is limited to a maximum of 600 patients, allowing them provide more timely and customized service to each patient, in addition to providing a more comprehensive personal healthcare plan.<sup>3</sup>

Physicians in concierge medicine provide care to their patients for an annual retainer fee, a significant portion of which is retained by the physician.<sup>4</sup> Although the services provided by these physicians are similar to those provided by traditional physician offices, concierge medicine allows for same day appointment availability; longer patient visits; and, home visits, benefits which are often not feasible in modern primary care delivery.<sup>5</sup> Additionally, concierge medicine often provides a greater proportion of health and wellness services, which emphasize preventative care and cooperative care plans.<sup>6</sup> Patients benefit from increased access to physicians, who assist in guiding them through the continuum of care.<sup>7</sup> Benefits to physicians include a lighter patient load, more time spent with individual patients, and less administrative paperwork.<sup>8</sup> Although hospitalizations or other problems that cannot be dealt with in-network are not covered by the concierge fee, patients can often supplement their concierge network with insurance coverage or pay out-of-pocket for these services.<sup>9</sup>

P&G currently have no reported plans to change the management or strategy of MDVIP, which will continue to operate, for now, as a wholly owned subsidiary.<sup>10</sup> Prior to purchasing MDVIP, 20.8% of the products sold by P&G were products related to health and wellness.<sup>11</sup> However, in August 2009, P&G announced plans to sell its prescription drug operations to Warner Chilcott Ltd. allowing P&G to invest in its more lucrative consumer healthcare businesses.<sup>12</sup> The acquisition of MDVIP marks P&G's continued expansion and growth within the healthcare industry and the growing popularity of concierge medicine as a healthcare delivery model.

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- <sup>1</sup> "P&G Buying Remaining Stake in Concierge Doc Network MDVIP" by Andis Robeznieks, Modern Healthcare, <http://www.modernhealthcare.com/article/20091218/DOSE/312179938> (Accessed 1/5/2009); "Proctor & Gamble Taking Ownership of Concierge Network" Modern Physician, December 28, 2009 <http://www.modernphysician.com/apps/pbcs.dll/article?AID=20091228/MODERNPHYSICIAN/312289943> (Accessed 1/5/10);
- <sup>2</sup> "MDVIP Corporate Fact Sheet" MDVIP, <http://www.mdvip.com/newcorpwebsite/aboutus/aboutmdvip/corporatefactsheet.aspx> (Accessed 1/2/2009).
- <sup>3</sup> "MDVIP Corporate Fact Sheet" MDVIP, <http://www.mdvip.com/newcorpwebsite/aboutus/aboutmdvip/corporatefactsheet.aspx> (Accessed 1/2/2009).
- <sup>4</sup> "Proctor & Gamble Taking Ownership of Concierge Network" Modern Physician, December 28, 2009, <http://www.modernphysician.com/apps/pbcs.dll/article?AID=20091228/MODERNPHYSICIAN/312289943> (Accessed 1/5/10); "Retainer Practices Discussion Paper" By American Academy of Family Physicians, <http://www.aafp.org/online/en/home/practicemgt/specialtopics/designs/retainer.html> (Accessed 8/03/09), p.1.
- <sup>5</sup> "Do Boutiques Deliver Better Care" By Scott MacStravic, HealthLeaders: Information to Lead, February 9, 2004, <http://www.healthleaders.com/news/print.php?contentid=52125> (Accessed 8/04/09).
- <sup>6</sup> "Do Boutiques Deliver Better Care" By Scott MacStravic, HealthLeaders: Information to Lead, February 9, 2004, <http://www.healthleaders.com/news/print.php?contentid=52125> (Accessed 8/04/09).
- <sup>7</sup> "The Elephant in the Room: Why does nobody talk about the real problems with healthcare today" By Nancy Wilson Ashbach, Family Practice Management, Vol. 9, No.9, p. 12.
- <sup>8</sup> "The Elephant in the Room: Why does nobody talk about the real problems with healthcare today" By Nancy Wilson Ashbach, Family Practice Management, Vol. 9, No.9, p. 12.
- <sup>9</sup> "Boutique Medicine: A New Threat to American Health Care or a Logical Way of Revitalizing the Doctor-Patient Relationship?" by Jennifer Russano, Journal of Law and Policy, Volume 17 (2005), p. 324.
- <sup>10</sup> "Proctor & Gamble Taking Ownership of Concierge Network" Modern Physician, December 28, 2009, <http://www.modernphysician.com/apps/pbcs.dll/article?AID=20091228/MODERNPHYSICIAN/312289943> (Accessed 1/5/10).
- <sup>11</sup> "Proctor & Gamble Taking Ownership of Concierge Network" Modern Physician, December 28, 2009, <http://www.modernphysician.com/apps/pbcs.dll/article?AID=20091228/MODERNPHYSICIAN/312289943> (Accessed 1/5/10).
- <sup>12</sup> "P&G Drug-Unit Sale is Seen Signaling More Shuffling" The Wall Street Journal, August 25, 2009, <http://online.wsj.com/article/SB12511103292353427.html> (Accessed 1/13/10).

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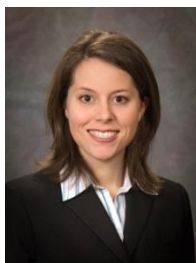
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