

PREPARATION FOR THE FUTURE

More and more doctors are switching from billing private health insurance plans to a primarily cash practice. If you are not already doing so, you might very well be in the future. In order to make this switch it takes planning to avoid a crash in your income, if the bulk of your existing practice consists of patients who pay via their health insurance plans. Based on interaction I've had with doctors I would like to make some suggestions on how this transition might be made in a positive and profitable way.

Continuing to treat patients under insurance plans that pay \$26.00 (some of which is a co-pay), in addition to the never ending administrative demand from health insurance companies, are the reason many doctors find it difficult to practice or find a viable alternative.

Based on surveys I have personally conducted; I will assume that a D.C. in Southern California should be able to successfully charge \$40.00 - \$60.00 per treatment on a cash basis. Note: Even if this amount is not much better than the \$26.00 you are receiving via private health insurance it's worth substantially more due to the omission of paperwork, follow up, and requests for records and reports to justify your treatment. We are going to use \$50.00 as an average for the calculations used in this article. Even at this rate you need to treat enough patients to meet your weekly costs while you are fully implementing this program.

PERSONAL INJURY CASES

In order to do more than meet your weekly needs you should also consider "Personal Injury Cases". If you work with my firm, we will average getting you paid \$120.00 a visit on your cases. This is an average figure, meaning some cases will net you a higher amount and some will net you a lower amount.

In order to get you \$120.00 a visit we first have to discuss your bills to determine if they are high enough to be able to get you paid at this rate, or so high that they go well beyond what will be considered to be "reasonable." Please understand that what I think is reasonable and what I can sell to an insurance company as reasonable are usually two very different things.

From the point of view of resolving personal injury cases, I would like to see your bills, including all your modalities (properly coded of course) come out to an average of \$140.00 - \$150.00 per visit. To make this crystal clear, I am talking about adding in ALL charges, including that of your initial visit, re-exams, final exam, etc. and simply dividing by the number of visits to your office for this Personal Injury Claim. Again by survey and the literature I have read, most soft-tissue injury cases require an average of 25-30 visits to return the patient to pre-accident status. If you submit a bill for \$4,500 for 30 visits, I will be able to pay you an average of \$3,600 (or \$120.00 a visit). Of course I will always try to get you your full bill, but realistically \$120.00 per visit is probably going to be the average.

THE PLAN

I am certain that all of you have a certain percentage of acute patients who come in and pay cash for a handful of visits due to some condition that arose on account of their own negligence or mistake. You surely also have a certain percentage who come in via their health insurance for an exacerbation of a reoccurring condition. What I am talking about in this article is a plan that will help you to procure cash-paying MAINTENANCE PATIENTS – totally separate and in addition to the patients mentioned above.

To successfully adopt and carry out this plan you must be willing to make some important changes in how you run your office. Perhaps the biggest change that needs to occur for many of you is a mental shift: to make the decision that you are going to take full responsibility for your economic viability and no longer be reliant on \$26.00 a visit for insurance patients (or on attorneys who make drastic cuts in your bills, don't communicate to you or your patients, and routinely drop your cases AFTER you have put in \$3,500 - \$4,000 or more in treatment). These changes are going to take some time but they can be done much quicker than you might imagine.

INTERNAL MARKETING

Internal Marketing is the most important and least utilized marketing tool by almost every doctor I know. There is no better referral source than a current or prior patient whom you have helped. You have relieved the patient's pain. You have improved the quality of their lives, and in many instances you may well have lengthened theirs lives too. Can anyone extol your virtues better than someone who has received these benefits? NO! Yet, when I talk to doctors about internal marketing, it is as if they have never even looked at it or have given it short shrift.

Sure, it's easier to rely on External Marketing. There is always some network or group trying to get you to pay them a fee for referrals. In referral schemes involving attorneys, some of you are working with attorneys who operate on a "one-third/one-third/one-third" division of settlement proceeds between the attorney, client, and doctor(s). You must examine what you are doing if you are working with attorneys who divide the settlement proceeds in this manner. You are in effect working at a greatly reduced rate. Whether you are paying a fee directly to a referral company, or indirectly (as in the case of attorneys operating as described above in which you end up get 30-40% of your bills) you are still paying handsomely for these patient referrals. When there are multiple doctors or facilities, all of the bills are included within the one-third that is designated for Medical Providers. Therefore, you receive a pro-rata amount of these bills, often netting you far less than even 30-40% of your bills. As you can see, relying on being part of procurement groups or being part of HMOs/PPOs in order to service your existing patients, is just not economically viable any longer. Perhaps even more important is that it makes you completely reliant on outside sources and ignores your very best referral resources, your former and current patients.

I am not telling you to just opt out of all your networks immediately, as it would surely cause a crash in your cash flow. Changing over into a cash maintenance practice that has a healthy amount of Personal Injury Cases (in which you are getting paid \$120.00 a visit) is not going to happen overnight but can be done relatively quickly. Here's how it begins....

MANDATORY MEETINGS

Immediately implement a procedure that is always carried out in your office whereby all new, as well as existing patients, attend a mandatory 30 minute talk on how maintenance chiropractic care can improve the quality of their lives. This meeting is held once a month. You make it a requisite part of the treatment plan to attend such a meeting one time and one time only. The theory is that you will have enough new patients or returning (former) patients who have never come to a meeting on this topic. The idea is to have 15-20 people each month attending this meeting. If room for 15-20 is an issue, then naturally, the meetings can be held more frequently. I would suggest you do them on Saturday morning or on an off day (if you normally work Saturday morning). If you schedule these meetings during the week, hold them after normal working hours as you are more likely to get a better attendance.

SUBJECT MATTER

You should speak on the necessity for each of your patients to see you twice a month to maintain their health. Not because they are unhealthy or in pain, but because there is a much greater chance that they will remain healthy, active and pain free by seeing you twice a month for maintenance care.

You can certainly tell the patients that seeing you twice a month on a maintenance program is likely to be more cost-effective for many people and it will greatly enhance their quality of life. They will avoid the greater costs in many cases of having to treat after major flare-ups which could be prevented by better routine care. All of these advantages should be very real to your patients and most would agree that \$100 a month is not too much to pay for gaining these benefits. After all, you are addressing people who already have experienced the value of chiropractic care, or at least (in the case of new patients) are well enough informed to the point they want to seek treatment from you. However, if you want to offer a hardship rate for some who factually can't afford \$100 a month, of course, you are free to do so and I applaud you for it. However, I would like to emphasize the fact that generally people will accept and agree that the \$100 per month expenditure is well worth it for improved health! The goal here for these meetings is to enlighten your current, new, and recently released patients to the point that they understand and agree to see you for maintenance care twice a month. I am positive that every D.C. knows very well the material you need to impart to patients to support the claim that bi-monthly maintenance care is highly beneficial and vitally necessary to virtually every single individual. tings during the week, hold them after normal working hours as you are more likely to get a better attendance.

ECONOMIC VIABILITY

How many patients would you need to see twice a month at a cost of \$50.00 per visit to sustain your practice? Again, by survey, I have learned that the answer is in the vicinity of 100 people on a bi-monthly maintenance program. One hundred patients generating 200 cash paying visits per month translates to \$10,000 each month. Perhaps, some could survive on less and some may need more but this is a good baseline survival amount.

WHAT MIGHT HOLD YOU BACK

For most of you this should be very easy. I am asking you to talk to your patients about a subject on which you have a great deal of knowledge and expertise. Maybe for some who are not natural speakers it will be difficult, and something you are not eager to tackle. However, the potential advantages to your business, and your mission to your patients, make it something you must take on and complete. Insurance companies and health care providers in the future are not likely to become more accommodating, nor are they likely to increase their level of payments. Your survival as a doctor may, and in my opinion, probably will depend on you adopting this plan.

BEYOND THE BASICS

Earlier I suggested that \$10,000 a month is a good solid base income; a survival amount. But there is room to expand and prosper well beyond that level, and personal injury cases can play an important role in that, as well as other plans and sources you might envision. It is no small benefit to earn a \$3,600.00 fee on a single personal injury case, in which you have treated a patient for some 30 visits at \$120.00 per visit over a 3 month period. Once you have 100 people on your maintenance program and these 100 people are (internally) marketed to properly, they will generate many personal injury cases for you per month, not just from themselves getting into accidents but from referrals that they send to you. Your survival as a doctor may, and in my opinion, probably will depend on you adopting this plan.

USE AN ATTORNEY YOU KNOW AND TRUST

These 100 people are your major referral source. They should know as part of the educational meetings you have held, that you are there to treat them on a lien basis if they (or someone they know) is involved in a personal injury accident. They should also know that you will work with a proven attorney to get their bills paid, in addition to any other compensation their cases might merit. It would be helpful to them to be informed that all this can be done without any up-front out of pocket expenses to them. They should be aware too that it is your choice as to whether or not you take their case on a lien basis, and that the best way to insure you always do so is for them to come and see you immediately after any necessary emergency treatment has been rendered following their personal injury accident. This will allow you to recommend an attorney who will serve them well, protect your lien rights, and stay in touch with you during the process. We have covered in earlier newsletters the many benefits of retaining an attorney as early as possible in the claim process to increase the chances of a good recovery, and you are welcome to visit our website for copies of these articles. Your survival as a doctor may, and in my opinion, probably will depend on you adopting this plan.

DON'T FORGET TO INCLUDE PERSONAL INJURY PATIENTS IN THE BI-MONTHLY MAINTENANCE PLAN

This should be very easy to do. The patients with personal injury claims will have just come through a series of treatments for their various conditions, and with your care will have been taken from having acute pain to a vastly improved state. The value of chiropractic care in general, and your treatment in particular, will be very real to them.

So, naturally, they should be very receptive to hearing from you about the long-term benefits of ongoing maintenance care; separate and apart from their recent personal injury claim. You simply outline the same information and benefits discussed with your other patients in getting them onto a maintenance plan. In other words, you incorporate these recently completed personal injury patients into your cash-paying (twice a month) maintenance plan.

And so it grows.