

FOUR OVERLOOKED SECRETS OF SUCCESSFUL CHIROPRACTIC PRACTICES



"Over the course of 13 years as the Network that Works for Chiropractic, we've found that the fastest growing and most profitable practices share some common traits.

Luckily, with a little bit of effort and research, almost every practice can benefit from these best practices."

- Dr. Ray Foxworth

1) STRONG PATIENT COMMUNICATION STRATEGY



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Take Advantage of Technology

- According to the 2019 Healthcare Consumer Trends Report ([NRC Health, 2019](#)), the thing patients want more than any other is convenience, and the best way to meet that need, is through technology.
- Most patients like to find a provider online, book their appointments online, complete and submit their paperwork online, and pay for the appointments online after their visits. And if they can do it all from their phones instead of their laptops, even better!
- In the past, the patient experience began with the yellow pages, but today it begins with Google. It's important to remember that 71% of patients will typically check online ratings before seeing a new provider ([SoftwareAdvice, 2020](#)). Have your patients post reviews on sites like Google, Facebook, and Yelp. This is a must to attract millennial patients. 97% of consumers make decisions based on product reviews. ([Gartner Research](#))
- Every single person (patients, vendors, other healthcare providers) you communicate with (inside and outside your clinic) is a potential referral source. You want your patients and visitors to feel like a welcomed guest or family member when they call the office or walk through your doors. Greet them by name, get to know them. In business, upwards of 70% of people who take their business elsewhere do so because they perceive an attitude of indifference.
- Are you paying attention to your online reputation and what your patients want (or in the case of negative reviews, don't want) from you and your team? How do you handle a negative social post, online review, or other feedback? Comments should be reviewed daily, and when you receive negative feedback, handle it yourself. Depending on the information received, the patient should immediately hear from you or the practice manager. Even if the issue seems trivial or out of your control, listen to what they are saying and be responsive.
- Check the various doctor referral sources to ensure your information is accurate and up to date. For instance, ChiroHealthUSA, one of the largest discount networks for chiropractic, receives over 2,500 searches on the provider search directory each month looking for affordable chiropractic care.

1) STRONG PATIENT COMMUNICATION STRATEGY (CONT)

Make Social Media Work For You

- More than half the world's population (3.8 billion people) is active on social media. ([oberlo.com](https://www.oberlo.com), 2021)
- One study found that 63% of patients judge a practice's online presence before making healthcare decisions. ([inc.com](https://www.inc.com), 2018)
- Doctors are seeing the benefits –60% of them say social media leads helps them improve the care they give their patients.
- In March, Instagram and Facebook usage grew by 3.7% and 2.5% respectively. ([BusinessofApps.com](https://www.businessofapps.com), 2021) The platforms have even created guides on how to maintain connections with your patients.
- Use social media to build trust and combat misinformation. According to Pew Research Center, more people now get their news from social media than from newspapers. This can give rise to misinformation that seems credible but can-do real harm. Just be sure to cite credible sources to amplify your expertise and bolster your case. Your community will be better informed and healthier, and you will be seen as the trusted advisor who is looking out for them
- Connect and communicate with patients. Pain can cause many people to throw all patience out the window, so good, reliable communication is essential. And more and more, people are using social media to communicate with businesses when they need help. Yet, there is a persistent gap between how often customers use social media for support, and how often businesses monitor social media for questions. Don't think of social media as an afterthought in customer communication, something to check at the end of the day. The opportunity to communicate in real-time with a patient or prospective patient is there if you're ready to take advantage of it.



1) STRONG PATIENT COMMUNICATION STRATEGY.(CONT)

Practice Your Patient Conversations

You've heard the old joke, "How do you get to Carnegie Hall?" Answer, "Practice-Practice-Practice!" Becoming comfortable having conversations with patients, whether clinical or financial, is at the heart of earning their trust. And for that, you should identify your team members who shine in that area to have those conversations, and for everyone in the practice, PRACTICE!



- Communication failure is to blame for more than 70% of serious adverse health outcomes. ([The Joint Commission](#))
- About 60% of the time, patients leave their doctors unsure of what they are supposed to do. ([The Joint Commission](#))
- Most malpractice claims filed against clinics have nothing to do with the care a patient receives. They're over financial issues. (NCMIC) Being able to deliver a Financial Report of Findings to patients will remove any confusion over your fees, what is covered by payer sources, and what they will be responsible for paying.
- A great exercise for clinics is to create a grab-bag of common patient questions/concerns. Pick your top 5 patient objections, sit down and discuss them as a team, and practice your responses. Draw from the bag each week at your staff meetings until you know them by heart. It will feel uncomfortable at first, but over time you'll be more comfortable, you'll convert more patients, and your practice will grow. Add new objections to the bag regularly.

2) THEY VALUE THEIR SERVICES, AND THEIR FEES REFLECT THAT



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Be direct when it comes to discussing the cost of care. These days, patients demand price transparency. Giving them the runaround is not going to cut it. Additionally, apologizing for the cost of care doesn't help much either. When your fees are set at, or near, market value, it empowers you and your staff to confidently present the cost. Pair that with a solid clinical report of findings, and you have given your patient a reason to value the care you have recommended.

Take a step back and stop thinking of your fees based on who is paying the bill. Your fee system should be structured in layers made up of your Actual Fees/UCR Fee Schedule, Contracted Fees, Mandated Fees, Hardship Fees, and Compliant Network Discounts using a DMPO.

You need to know your cost of doing business. According to a national survey a few years back, overhead in a typical chiropractic practice averages 50%. Many doctors can't tell you their actual cost of doing business. Without this number, how can you know if you're profitable? The formula is straightforward.

- List monthly fixed expenses (rent, business loan payments, equipment leases, etc.) and a 12-month average of variable and non-monthly expenses (utilities, payroll, taxes, etc.)
- Determine your average number of office visits per month for the past 12 months.
- Determine your average ACTUAL reimbursement per visit (Total income divided by total visits for the year)
- Divide the average overhead expense by the average number of office visits to get your Average Cost per Visit.
- Divide the Average Cost per Visit by the Average Income per Visit to determine your Average Overhead Percentage.



2) THEY VALUE THEIR SERVICES, AND THEIR FEES REFLECT THAT (CONT)

Here's How Your Worksheet Should Look:

Average Monthly Overhead	\$15,000
Average Monthly Visits	550
Average Income Per Visit	\$60
Average Monthly Income	\$33,000
Average Cost to Deliver Visit	\$27.27
Average % Overhead	45%

As you can see in this example, the average cost to deliver care is \$27.27 per visit ($\$15,000 / 550$). This number helps us to understand the minimum amount the clinic must collect per visit to break even. The goal is to be profitable so that means earning more per visit.

The next step for determining your fees is to gather research on each code's market value in your zip code. Check the website fairhealthconsumer.org. It is a great way to collect this information quickly.

You are limited to a maximum number of searches per week (10), so start with your most commonly used codes. It would be best if you also pulled all the published fee schedules for your state, such as Workers Comp, PI, etc. An evaluation of provider fee schedules from one state showed that 80% of the providers were not charging as much as Workers Comp allowed. Your fees should not be so far below your market averages that you are undervaluing the services you provide and leaving revenue on the table.

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Speaking of insurance, are you signing contracts for LESS than your cost to deliver care? (\$27.27) You must read your provider's agreements and understand every stipulation you are agreeing to before signing.

Far too often, doctors find out that a procedure regularly performed in the practice isn't covered or, it's bundled under the terms of the contract.

Additionally, providers may choose to add a new service or product only to find that their provider agreement allows for reimbursement in the fee schedule at a rate lower than the cost of the product or service. It is crucial to stay on top of changes from insurance companies so that you can make an informed decision when it comes to deciding whether to participate in a particular health plan.



3) THEY HAVE PAYMENT OPTIONS INCLUDING PROPER DISCOUNTING



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Auto-Debit

- Today, more and more people pay everything online or have it drafted from our accounts. This a passive way of paying our bills.
- Setting up an auto-debit system in your practice allows you to utilize a payment schedule that works with your patients' budgets and builds a steady stream of revenue for your practice.

Hardship

- Hardship plans may only be given to patients based on verifiable need which is often tied to federal and state poverty guidelines. And there are strict documentation requirements.
- If you have a hardship policy, those discounts should not be open-ended. You should also make sure your hardship discounts are in full compliance with your provider agreements and any other applicable state or federal laws.
- By discounting properly, you can reserve hardship plans for those who truly qualify and avoid the compliance mine field associated with them.

Time-of-Service Discounts

- In certain states, Time-of-Service Discounts, sometimes called prompt-payment discounts, are permitted and legal.
- By definition, patients who receive these discounts MUST pay for their services when leaving that appointment.
- They cannot be billed for their treatment.
- If you offer Time-of-service discounts, remember that they must be legally defensible and must accurately reflect the costs saved from bookkeeping and administrative costs.
- If your actual cost for billing is in the 5-15% range, and you are giving 30-50% discounts, this is NOT a Time-of-Service or Prompt-Payment discount. It is actually a "dual fee schedule" which is illegal in most states.
- Always remember that federal law supersedes state or local laws in an audit.

3) THEY HAVE PAYMENT OPTIONS INCLUDING PROPER DISCOUNTING (CONT.)

DPC and Concierge Practices

- While these models may work well for the medical community, the medical and chiropractic models as we all know them are distinctively different.
- The typical patient seeking primary care services from their PCP is about 4x a year, making it easier to set a reasonable fee for DPC service due to lower frequency and utilization rates/episode of care.
- The typical patient seeking chiropractic services, particularly on an episodic basis, can be in the 17-21 visit range.
- Practices make their money in DPC and Concierge when patients ARE NOT seeking care, which is contrary to the chiropractic experience.
- Therefore, you MUST know your cost of doing business, meaning the cost to deliver care on per visit basis so you will know whether you stand to lose money using this model.

Provider-Funded Discount Memberships

- Organizations are emerging that offer providers a program that allows them to pay a monthly fee in exchange for being able to “gift” memberships to their patients at no charge.
- There are federal laws regulating how much practices can legally give away to their patients.
- If free patient memberships equate to a discount of \$15 per visit, or \$75 over the course of a year, it could be interpreted by auditors as an “inducement,” which can carry huge fines and penalties for EACH OCCURRENCE.
- Be cautious when considering this alternative.

3) THEY HAVE PAYMENT OPTIONS INCLUDING PROPER DISCOUNTING (CONT)

DMPOs Such as ChiroHealthUSA

- Discount Medical Plan Organizations are considered the gold standard for compliantly offering discounts to patients.
- Using this method, lower fees may be extended to patients who join the DMPO, giving them access to contractual network discounts, similar to BCBS, Aetna, and Cigna.
- DMPOs are regulated by the departments of insurance in many states.
- When your fees are set correctly, offering contractual network discounts to all patients, not just cash patients, will actually help grow your practice AND your bottom line.
- Going into 2020, ChiroHealthUSA practices averaged 20% higher revenue.
- ChiroHealthUSA practices also see 50% higher patient retention when offering the program.
- A 5% increase in patient retention can boost profits by 25% to 85% ([Business News Daily, 2021](#)).



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Plan For The Unknown

In the year before the pandemic, several consultants and speakers stressed the importance of OSHA (Occupational Safety and Health Administration) safety to chiropractors across the country.

Until then, most believed that it did not apply to chiropractic offices. We all learned that it did and does. We can no longer keep our heads in the sand when it comes to OSHA standards and what OSHA, the Centers for Disease Control and Prevention, and state/local health departments say about managing the spread of disease in the workplace for our employees and our patients.

Guidelines change frequently, something else we learned in 2020. You have great resources available to stay on top of these changes, such as your state and national associations.

- If you have not already done so, you need a written action plan for preventing the spread of disease in your workplace, which includes personal protective equipment requirements, new systems for managing patient care, expectations for employees, and more.
- Not only should this be in writing, but it also needs to be communicated with your entire team. When employers fail to communicate, inform, and ensure that employees know what's expected, then it will be harder to hold them accountable and won't allow you to take appropriate actions when necessary.
- Let your patients know all you are doing to mitigate risk. They'll feel safer in your clinic if they know you have taken every possible precaution.

4) THEY ARE NIMBLE AND MAKE COURSE CORRECTIONS EASILY (CONT)

Cash Reserves

- You should have anywhere from six to nine months of a company's expenses stored in a cash reserve.
- For an established business, this number can be determined by looking at your cash flow statement from the previous year.
- If you're a startup, estimate it by using your projected cash flow and business budget.
- Cash reserves aren't just good for pandemics though. This form of backup is used for any kind of emergency, whether it's a worldwide one or an industry-specific one.
- Every business, and every business owner, should have a reserve of money to utilize when unexpected costs arise or when revenue suddenly drops.

Have an Emergency Plan

- Pandemics aren't the only things a business needs to prepare for. Over the past few years, practices have suffered damage from floods, hurricanes, tornadoes, ice storms, wildfires, etc.
- One of the best things you can do for your business is make sure you have a plan that addresses all the potential emergencies you might face, what everyone's role is to ensure continuity, and how you will communicate your situation with patients.

THANK YOU



As the demand for chiropractic services increases, so will the scrutiny that comes from auditors. If your house is in order, you can stay focused on your patients. When you are focused on your patients and their outcomes, your practice will grow.

Never has there been a better time for the profession to establish itself as the foundation for host health. If you need help with ANY aspect of growing or protecting your practice, call us and we'll point you in the right direction.