

Inability to Get New Patients: A Key Warning Sign of a Practice in Trouble

Brian Koslow

Is "getting new patients" the biggest obstacle facing your practice today? Chiropractors across the country say it is becoming increasingly difficult to attract new patients. This problem is leading many to take drastic and unnecessary actions, such as slashing fees below the break-even point, trying unethical or unrealistic marketing methods, and even selling their practices at firesale prices. I will outline specific, positive steps you can take instead.

First, let me assure you that if you are having difficulty attracting new patients, you are not alone. This problem is not your fault, but is symptomatic of a sea of change occurring within chiropractic and the way chiropractic has been practiced over the past 30 years.

The change of course is in third-party coverage for chiropractic: it's disappearing. Nearly 40 million people today are uninsured, and for the 200 million who are, their chiropractic coverage is being drastically reduced or eliminated. The problem is how to meet this challenge in the face of increased overheads and when you and your family have become accustomed to a lifestyle that is becoming hard to maintain.

Does the solution rest in getting new patients? Let me prove to you that your practice's present condition and your fatigue and frustration may lie elsewhere.

On October 21, 1994, the New York Times, beginning on page one, reported on a study undertaken by Lewis Harris & Associates and released by the American Medical Assoc. The study noted that one of every five Americans, or 34 million people, are suffering from migraine headaches, arthritis, low back pain or nerve pain that lasts a minimum of six months. These patients reported they were often unable to sleep; that they were less effective at work; that their relationships with friends and family suffered. Forty-four percent also said their doctors were unable to help. In the study, the doctors admitted they were frustrated because the drugs they were prescribing had no effect.

If you divide only these 34 million chronic sufferers by the approximately 40,000 US chiropractors in practice today, each of you would have 850 new patients. Could you today physically and mentally handle that many patients? Could your staff? Could your physical location? I hope you will readily admit the answer is "No."

Marcus Welby is Dead

The majority of chiropractic practices in trouble today are failing not because they cannot attract new patients, but because they are stuck in the old and now outdated "Marcus Welby" model. That model says you should be available 24 hours a day, seven day a week, with never a thought about whether or how you would be reimbursed for services rendered. This model persisted for years because costs simply were passed through to a faceless third party. As a result, insurance coverage enabled many chiropractors to succeed, despite clear evidence that many practices were badly run, staffed, managed, and underfinanced.

The only difference between 1995 and 1985 is that third-party coverage is no longer providing the drugs to mask the problems. Over time, the insurance companies, the HMOs and the self-insured corporations began to see you differently: not as Marcus Welby, but as a small business person providing a health care commodity. Until you come to understand this view and adapt to it, your practice's severely subluxated condition will worsen, not improve ... even if you attract 100 new patients today, tomorrow, and every week hereafter.

Get the HMOs to Beat a Path to Your Door

If you want to save your practice and preserve everything you have built, you must begin to think anew and accept that you are running a small business. That means becoming the most efficient and cost effective provider of chiropractic available in your community. Once you accept this challenge and meet it, everyone will beat a path to your door. The key is to get your practice to operate lean and mean, which means being well managed and minimizing waste.

I advocate striking a balance between chiropractic philosophy and good business management. Here are several recommendations:

Learn How to Run a Business

You may be an extraordinarily gifted chiropractor, but today that's no longer enough. To survive, you will also need to develop managerial, financial, marketing, and public relations skills.

Many practitioners have no idea how to manage for results. They want to hire good people, but don't know what qualities are necessary, or don't want to pay more than the minimum to compensate competent, skilled staff. They want their staffs to have a chiropractic commitment, but never educate them about chiropractic, let alone put them under chiropractic care. In addition, many chiropractors wear too many hats and are afraid to delegate. They want referrals, but their patient and staff communications, or lack thereof, are often at odds with that goal.

It's not your fault. You studied healing, not business. But it's never too late to learn how to interact on a daily basis with patients, partners, staff, insurance companies, HMOs, etc. Every phone call that comes to your office, every communication you and your staff have with the outside world is either building your practice or killing it. It you think I'm overstating the case, the New York Times reported on Nov. 25, 1994 that, according to two separate studies, doctors who were technical whizzes but lacked empathy and good communications skills were far more likely to be slapped with malpractice suits.

Good management also means being able to hire and fire people. You can no longer afford to hire or keep people who can't cut it. We see practices that are failing because the practitioners are too nice. They make poor hiring choices, and then, because they hate conflict, stick with that individual long after they should have been let go.

Develop Financial Savvy

Some of the payment deals being cut in the average practice today are shocking and actually debilitating. I've never heard of anyone trying to negotiate a surgical fee, yet this is now an accepted part of many chiropractic practices. Every time you play "Monty Hall," you reduce the efficiency of your practice, because instead of having one or two payment plans you have 100, 200, or 500 payment plans. If this weren't bad enough, individualized payment plans increase the likelihood that your key CA will quit for a less crazy environment. Why put at risk the one person who ensures that you get paid?

My approach is based instead on hard numbers: calculating an actual cost-per-office visit and adding in a fair profit margin. How you then achieve that margin, whether it's from having a cash practice, third-party reimbursement, etc., becomes an issue of building a balanced practice and long-term marketing plan.

Develop a Long-Term Marketing Plan

Many chiropractors have difficulty attracting new patients because they do not create long-term internal and external marketing plans. Instead, they only worry about getting new patients when the waiting room is empty or when there is "extra" money available for advertising.

Practicing without a year-round marketing effort is like practicing without an adjusting table. Until you fully commit to ongoing internal and external marketing, you will always be operating at less than full capacity. We recommend thinking of marketing the way you would if you were investing based on dollar cost averaging. Each month you invest a fixed amount of money and resources in marketing, irrespective of how full your waiting room is or whether you have cash on hand or not. This approach will give you a full patient pipeline year-round, and will provide the lowest cost-per-patient average possible.

Recommit to Chiropractic

Many chiropractors spend endless hours trying to decide which hot new growth stock or industry to invest in. I wish I could put chiropractic on NASDAQ, so you would see that, like Dorothy in the "Wizard of Oz," there is "no place like home."

Chiropractic, like computers and software and all of those fabulous multimedia deals you fantasize about, is still in its infancy. If you think chiropractic is too competitive or that it will be destroyed without third party coverage, think again.

There are five billion people on the planet. In China and India (1.7 billion people combined!) they have been successfully practicing natural medicine for thousands of years. Thanks to the newly signed Asian-Pacific and GATT treaties, these countries will have the financial and technological capability to demonstrate to the world that the best medicine may be no medicine, but rather, natural health care. Imagine the boost chiropractic will receive when that happens!

Now is the time to expand your vision, not shrink it. Realize that the biggest growth industry of the 21st century is right under your nose. Chiropractic will be here long after we are dead and gone and our children are gone. When you talk about chiropractic, let everyone with whom you come in contact see the fire and passion in your eyes. When they see you fully believe in chiropractic, they will too. Suddenly your referral or "new patient" problems will cure themselves.

Build a Successful Team

One of the qualities that makes a corporation successful is the recognition that different people are suited to different tasks. They understand that success demands a wide range of skills -- technical, administrative, and managerial -- and hire people who excel in each area.

Unfortunately, I see too many practitioners who are trying to run their practices by the seats of their pants. They have a CPA who gives tax advice, a lawyer who gives legal advice, and even a broker who gives investment advice. But they have no one who gives them sound, long-term business advice. It's very hard to be objective with yourself. For too many doctors their objectivity begins and ends with "I need more patients."

For an objective perspective, you need professional outside help, someone who cares enough about you and your practice to tell you the truth. A cookie-cutter approach just won't cut it anymore.

Ultimately, however, you are the master of your fate. The chiropractic profession is at a crossroads, and only you can decide which road to take. You can continue to blame external causes for your problems, such as the American Medical Association or the insurance companies -- or you can adjust to the new reality.

I believe you can and will succeed once you choose to think anew. The solution is to look internally, to yourself and to your practice and consider what you can learn and change. Many of our clients are choosing to accept change, rather than fight it. Those who have chosen to change are excited about tomorrow, about what the future holds for them, their patients, and for chiropractic. Break with the old way of doing things and take control of your destiny today!

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