

## The Three Most Cost-Effective Practice Improvements for Chiropractors

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In today's tightfisted economy, chiropractors seeking to grow their practice or improve their income are intently shopping for what will bring them the biggest bang for their buck. For many, the days when they could throw some money toward a marketing scheme, a new piece of equipment or even additional staff and hope for the best are over. Today's market-savvy chiropractors want to be assured that their hard-earned dollars will be well-spent. As a result, a common question I get asked is: "How can I improve my income?"

Before I give my opinion on the matter, I typically ask the chiropractor if they are sure they really want to *just* increase their income. Most shout: "YES!" A few stare at me as if I have just spoken to them in Cantonese. "Of course I want to increase my income," they respond aloud, stunned by the very fact that I have repeated their basic question back to them.

The reason I hesitate in answering this question is that most chiropractors don't truly look at growing their practice from a broader perspective. On the other hand, the astute entrepreneur would immediately ask me the *costs* involved with increasing income. For example, if method A produces \$50,000 in income at a cost of \$30,000 and method B produces only \$40,000 but at a cost of \$5,000, then method B has a superior return on investment and lower total cost.

So, perhaps a better question to ask is: *What are the most cost-effective improvements I can make to increase income?* If your first guess is spinal screenings, patient appreciation days, referral contests, handing out business cards, long-term care plans, or any other of the common methods used, keep reading, because the answers below may surprise you.

### Cost Effective Improvement #1: Self-Improvement

A surefire way of improving nearly any aspect of your business is by making improvements to the owner of the business - that's you. For many chiropractors, admitting areas of weakness or realizing skills sets they just don't possess is difficult. After all, in a way, all chiropractors have already achieved a level of success at the start of their practice. They have made it through chiropractic college, earned a degree and a license, and fulfilled lifelong goals of doing so. But most DCs are not thrilled with that diploma for long. They now face the bigger challenge of thriving in practice. Despite this sizable hurdle, the idea of hiring a coach, consultant or any other such advisor is one many chiropractors resent and initially refuse.

For those with a well-developed sense of self-discipline, they may be able to conquer their shortcomings on their own. For the rest of us, spending time and money on personal development is a necessary step toward successful practice development. While some DCs may struggle with financial management, others will find their success stifled by their own self-esteem. Still others would find that their practices would benefit from putting some solid systems in place or learning a specific skill set that would help them develop their unique abilities.

Any way you slice it, one of the most important steps of your business development is the

realization that you cannot do it all alone. Unfortunately, there are many chiropractors who stagnate in practice at the same level or go their entire career learning this the hard way or refusing help altogether. One of the most cost-effective improvements you can make in your practice is to focus on areas of self-improvement that will help you, the owner, get past obstacles that are in the way of your growth.

### Cost-Effective Improvement #2: Coding

In the [Oct. 9, 2009 edition of \*Medical Economics\*](#), health care consultant Keith Borglum plainly states his answer to the question of what you should do to improve your practice: "The most cost-effective improvement is usually in improving your coding." Here's the reasoning behind Borglum's proclamation:

"An extraordinary number of physicians fail to stay current in their knowledge of coding, resulting in reduced reimbursement or delayed and denied claims. Many physicians purposefully undercode out of fear of penalties for overcoding or unbundling. Others leave their coding to support staff - an inappropriate approach virtually guaranteed to result in errors."

Although he is speaking in reference to medical doctors, in my experience, we chiropractors are really no different. In chiropractic school, we were taught examination procedures based on creating a working diagnosis so we could accurately assess the patient's condition and create an appropriate plan of care. In other respects, our exams were also about protecting ourselves from malpractice resulting from potential hazards that could be misdiagnosed. But I have yet to meet a chiropractic graduate from *any* school who was taught how to properly document an exam for purposes of correct coding and billing.

As a result, most fall into one of the two camps mentioned above. Conservative chiropractors tend to undercode or underbill, thus denying themselves reimbursement for procedures they actually performed. More aggressive chiropractors tend to bill for procedures out of some sense of justification for the time they spend performing a service that may not necessarily match up with coding or documentation requirements. As a result, they overbill or upcode.

Many clients come to me seeking ways to improve income, but most also have some predetermined methods they believe they need to use to achieve this and hope I can somehow teach them a new "trick" or "secret method." On the contrary, most clinics I see would benefit not from something new, but by returning to the old.

In other words, chiropractors can reliably improve income by making sure they are being paid for what they are *already doing*. They can increase revenues by maximizing reimbursements and minimizing errors that cause them to leave money on the table. Proper billing, coding and documentation can help you achieve this - without the added expense of new equipment, extra staff or additional funds in the marketing department.

If you want to get down to pure return on investment, taking a coding class for \$100 could easily uncover at least *one* item that you could improve. Even if that resulted in a \$25 increase for a service or procedure you performed just a few times a week, that could result in a \$5,000 increase over the course of a year or a 50:1 ROI!

### Cost-Effective Improvement #3: Passive Income

Coding improvements surely are a smart way to boost income, but even correct coding implies that you, the doctor, still have to go to work and produce services. This is known as "active income" in that you must participate in the performance of the service in order for it to generate revenues.

Unfortunately, the great trap in chiropractic that limits our profitability is that most chiropractors stop there. They never get past the active income stage and develop passive income streams in their practice.

Don't panic - I am not talking about getting involved in selling multi-level marketing products, risky real estate ventures or other passive income strategies often touted on late-night infomercials. There are passive income streams easily accessible to every chiropractic office and, for the most part, they are massively underutilized in our profession. In my opinion, [the most profitable passive income stream available to chiropractors is massage therapy](#).

Only 30 percent of the chiropractic profession uses massage therapy in their office and some of those doctors utilize very part-time practitioners who probably shouldn't be counted in these numbers. However, a recent Gallup poll indicated that nearly 70 percent of the population wants massage therapy to be covered by their insurance and 77 percent of the Fortune 100 companies offer massage! In addition, a recent survey of massage graduates conducted by the [American Massage Therapy Association](#) indicated that 68 percent of therapists say they are not busy enough in their practice.

Smell a win-win-win situation here? The public is clamoring for massage therapy. Graduates are plentiful and admittedly not busy enough. You can be the referral source that helps them get busy and you can reap the rewards of their work. All without lifting a finger!

Wait - it gets better. Done the right way, your massage department can be ultra-profitable because you already have the facility and most of the equipment to operate this business (so your overhead will be super low). Massage therapy can operate during your hours and/or hours you are not normally in the office (thus producing revenue when you are not typically earning any income). You can use the leverage of your current practice and patients to help you create near-instant profitability through the addition of massage therapy services. (Unlike starting something new from scratch, this business hits the ground running.).

So, are you ready to boost your income without working more hours or seeing more patients? First, start by improving yourself and developing the areas of weakness that are holding you back. Second, maximize your revenues by improving your coding so you can get paid for what you do. Finally, develop passive income streams that will bring in revenue even when you are not working. Start with massage, which is by far the easiest and most profitable, and expand from there. Implement all three of these strategies at once and you will be well on your way to making 2010 your best year ever!

JANUARY 2010