



MARKETING / OFFICE / STAFF

Harvest Your Cash Crop

Lawton W. Howell

The decision to make the transition from an insurance-based practice to a cash practice is not the subject of this article. But, it is about harvesting more cash from your practice orchard.

There are many ways to harvest more cash from your practice, but here are three tactics that can improve your cash flow and provide real benefits to your patients:



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Program of Care

- Gift Card
- Discount Fees

Program of Care

Typically, after a comprehensive examination and consultation, the patient is given the cost to restore their spinal health. This could include any insurance benefits plus the cash portion which is the responsibility of the patient. A simple change to this protocol will enhance and improve your cash flow: offer three options. People love options. Some may be seeking pain relief; others may desire a holistic wellness plan. Give the patient the choice. Don't make the decision on their behalf.

Your program of care should include three plans: Basic, Optimum and Good, offered in that order. Your basic plan is the minimum care that you recommend. The optimum plan is what you would do for your family or best patient. And, the good plan, is the one that provides more than the basic, but is more affordable than the optimum plan. After the consultation with your patient, during the

financial component of the consultation, provide the patient with a printed form with the three options and the financial obligations for each recommended plan.

Answer any questions and then allow the patient to make the selection for the level of care they desire and collect the fee for the program of care. Some patients can easily cover a \$10,000 fee with their American Express Black Card, others may need to write a check and others will be unable to make the payment. If the patient is unable to prepay for their program of care, offer a payment plan. But avoid becoming a banker to your patients. Use third-party payment programs or other solutions that are best for your practice. You may want to avoid any third-party credit plan if subject to credit approval. When a patient is denied credit, it creates an uncomfortable situation between the patient and your staff.

Here's the psychology of this approach for improving your cash flow:

- 30% will select the basic plan.
- 20% will select the optimum plan.
- 50% will select the good plan.

Instead of getting 100% selecting your standard recommendations, you improve your cash flow with 70% of the new patient conversions. Allowing the patient to select the level of care they desire and can afford, they feel better about their decision to select your brand of chiropractic. And since the assumptive close is prepayment, you will find most patients will opt for the plan they can afford. This works in both the all cash or blended practice model and will have a significant impact on your cash flow.

Gift Card

The gift card industry is huge because it works. Most successful brands offer a gift card program and you can, too. Gift cards are purchased. Gift card sales are cash transactions. Gift cards are redeemed in the future, if ever.

There are three key tactic for using gift cards to improve your cash practice:

- Gift Card Sales
- Patient Prepayment Sales
- Promotional Gift Cards

While there are seasonable opportunities to market your brand of chiropractic in gift cards, they can be offered anytime. A customer or patient may wish to share your services or products with a family member, friend or co-worker for their birthday, anniversary or other special occasion. Massage is popular. But, other services like weight-loss, smoking cessation and any of your other products or services can stimulate gift card sales.

Gift cards can be for any denomination, \$25 to \$5000! And all are prepaid. During a holiday promotion, you could easily sell 100 cards for \$100 each. That's an extra \$10,000 in the bank! Add value to the gift card sales by offering gift wrapping! And, for those patients who elect to prepay for their program of care, you can issue them your branded plastic card for the value of their plan. You swipe the card as they utilize the plan services or products, providing a digital trail of transactions. Oh, by the way, a plastic card is much more impactful than a paper gift certificate.

[pb]Finally, you can use your brand of chiropractic gift cards for promotional purposes. Hand them out like business cards! The average person will have trouble tossing a "gift card" due to the high-perceived value of a gift card, as it is viewed the same as cash. For promotional purposes, you could establish a minimum value for each card with a random card at a higher value. The recipient

must visit the office to find out the value.

Another promotional tactic for gift cards is, when appearing at an event, arrive early and place a gift card under each chair in the room. At the end of your speech, let them know about the gift you have for them. You can also use them for drawings, contests or rewards. Gift cards provide high-impact promotional opportunities. There are many vendors offering a turn-key, custom branded gift card program.

Discount Fees

Offering discounts on your professional services can be illegal and you should ensure that any policy implemented in your office for discounting your usual and customary fees is validated and in full compliance with appropriate federal and state regulations. The worst discount is free; zero. This dilutes the value of all your professional services and is often used as an "inducement" to secure a new patient, which is generally against public policy regulations. You should always avoid offering discounts on your chiropractic professional services.

However, you can certainly offer discounts on products or non-chiropractic services. For example: you could offer a BOGO (buy one, get one free) on a tube of pain relief gel, stress massage or weight loss program. Contact your supplier and seek a special discount for this type of promotion or ask if they have any marketing support programs for their products such as spiff incentives or co-op marketing funds.



You can also use discount fee strategies for cross-selling and to increase traffic to your office. Cross-selling is a marketing tactic of encouraging additional purchases by tying a discount to a product or service to a regular fee. During an office visit, the patient is offered a discount on other products or services purchased that day. This could be a 20% discount on back care products or a new offering in your office. Using cross-selling can introduce your patients to other products or services and provide them with a preferred patient discount as an incentive.

When the patient prepays or pays cash, you could offer a discount that is reflective of the savings you derive from eliminating billing and collections from their third party plan. But, generally, this is limited in scope, unless you have a qualified discount group plan in your office. A qualified group discount plan allows you to have a dual fee schedule: discount for cash while billing for your usual and customary fees to third party plans. Generally, a discount plan must be qualified in your state to be legal, when a fee is charged for the plan.

Offering a discount plan can be an effective marketing campaign to attract new patients to your brand of chiropractic for those with limited or no chiropractic benefits or those with high deductibles and/or co-pays. This can provide you with a competitive advantage in your marketplace, thereby increasing your new patient production and improving your cash flow, when you have implemented all three of these tactics.

Insurance vs. Cash

The conversation regarding the practice model best for you is a topic for another time. However, the best determinant for making the decision is: 1) Is the reimbursement unprofitable based on your fixed overhead? And 2) does any one plan constitute a significant percentage of your total revenue? Both should be avoided.

Avoid plans where you actually lose money on each and every visit, on the hope you will benefit from other services and product sales. If one plan contributes a significant portion of your total collections, ascertain if you could survive if this plan was modified or terminated. Focus on keeping each plan below the "safe" zone if the worst was to occur.

The future of chiropractic will lend towards the cash practice model and the optimum cash practice, from our perspective, will be based on the concierge model. Three tactics. Three cash flow protocols. Three benefits for the patient.

Implement one or all three and you will significantly improve your bank account. Now, harvest your cash orchard!