

Strategies for a Non-HMO Practice

Peter G. Fernandez, DC

Remember the little guy in the comic strip who walked around with the sign reading "THE END IS NEAR!?" Well, today's chiropractors are beginning to look like that little guy. The black clouds of negativism are hanging over the chiropractic profession.

Association journals indicate that the influx of new patients has decreased by 25 percent. Chiropractic periodicals are filled with doom and gloom, i.e., practices are down 30 to 40 percent, and thousands of DCs are going out of business.

Where are our patients going? The answer, no surprise, is to HMOs. In 1993, 53 percent of the public was enrolled in HMOs; in 1994, 63 percent; and in 1995, 70 percent. If the same percentage of increase continues, 77 of the public will be enrolled in HMOs in 1996, 84 percent in 1997 and 91 percent in 1998. Other factors will compound this problem. Medicare, Medicaid, workers' compensation and personal injury will soon become a part of the HMO and managed care system.

Does the future hold any hope for the chiropractic profession? The answer is a resounding "Yes!," if we pay attention to the current trends and develop innovative strategies to re-design our practices.

The first step requires a change in attitudes, concepts and methods of practice. We have to filter out the negative comments and articles in the press. We have been suffocated by the reporting of a "bad health care climate." What we need to recognize are the tradewinds of natural health care that can alter this climate.

We need to see our health care problems as new challenges. We didn't arrive at our professional level without effort, tenacity, and the overcoming of many obstacles. Henry Ford said, "If you think you can or think you can't, you're right." And today, we are in a hotbed of negative thinking.

Our practice environment is better than we think. I began practicing in the early '60s when NO insurance covered chiropractic. Our profession's reputation couldn't have been any lower. The public perception, as well as that of most health care professionals, was that chiropractors were quacks. Today, we have an admirable reputation, satisfied patients, and more than half of our patients are covered by some type of insurance.

The chiropractic climate is healthy today compared to the '60s and '70s. Ten years from now, we'll be talking about the "good old days," and the good old days will be today. Doctors that have committed to changing their methods of practice will be major players in the better days to come. What is needed is a willingness to explore new ways to deliver our services and creative strategies to attract new patients.

The following is an outline of what my consulting firm will be concentrating on with clients in 1997. Our firm's teaching and consulting is designed specifically to assist chiropractors in building large

practices outside the HMO system. Implementing these procedures will allow chiropractors to build thriving practices despite the inroads of HMOs and managed care.

Strategy One

Get out of debt! This means reducing your overhead and increasing your services to increase your profitability. Sound simplistic? There are many ways to accomplish this. Remember, we're concentrating on a "natural health care climate." Low overhead and increased profitability makes your practice less vulnerable to future storms.

Strategy Two

Develop a large, thriving, financially successful practice outside of the HMO/PPO/managed care system. Sound impossible? You seldom hear of these successes, but it's being done every day! Once again, we hear of the doctors being defeated by the new system of health care.

If you are serious about building a thriving practice, independent of HMOs and managed care, find a practice consultant today. One word of advice: choose a consultant who practiced in the '60s and '70s, prior to insurance coverage. Someone who never practiced in such an environment cannot teach the skills needed for a cash practice or one with restricted insurance coverage. If you don't want to obligate yourself to a consultant's contract, hire a consultant that allows you to pay by the seminar. If you don't like the idea of hiring a consultant, go to Parker -- he provides excellent training and speakers.

Consultants are viewed a little like chiropractors were in the early years. Can they really help? Once again, the evidence is sound. While the average practice is down 30 to 40 percent, between 80 to 85 percent of the clients I consulted with in 1995 had their largest practice year.

Before you contemplate hiring a consultant, make sure you are willing to change. What worked in the '80s does not work in the '90s. Be open to learning and incorporating new, dynamic, and futuristic ways to practice.

Strategy Three

This is the time to polish your interpersonal skills. Today's chiropractors need to develop the close rapport with patients that old-time DCs had. Treat your patients so well that they won't consider switching to an HMO practitioner even if their insurance coverage has changed to HMOs. Again, sound impossible? It's being done every day!

Strategy Four

Offer your patients services they cannot find in the HMO/managed care systems. If you offer them services they want, even if they know they have to pay for them, your practice will flourish. Such specialized services as preventative health care, spinal curvature restoration, rehabilitations, stress reductions, ergonomic evaluations of facilities, etc., will HMO-proof your practice. This is just the beginning of a long list of techniques I have developed for my clients to counter the HMO trend.

Strategy Five

Hire and train people to build your practice for you, such as massage therapists, exercise

physiologists, public relations professionals, practice representatives, HMO representatives, etc. The list is endless!

Strategy Six

Consider a multi-discipline practice. The addition of medical doctors, psychologists, podiatrists, acupuncturists, etc., to your practice can create phenomenal growth.

Strategy Seven

Open new profit centers to spur your business growth. Add associates, finance other DCs into practice, open satellite offices, start a chain of clinics or incubators (where multiple chiropractors practice in the same facility). All of these unique opportunities bring in additional income. Consider these additions to your practice that will give you a leading position and increase your cash flow.

Strategy Eight

Develop special fee structures for patients in HMOs so that they will choose your care rather than that of an HMO practitioner. These patients are going to HMOs for financial reasons. Make it financially attractive for them to come to you.

Strategy Nine

Work aggressively to get into HMOs. Sound like a contradiction? Actually, I outline a process for my clients to enter HMOs. I believe that the successful practice of the future will be totally financially independent of the HMOs, yet still hold HMO contracts. The majority of your future income should still be from non-HMO sources.

Develop stronger interprofessional relationships so that other community business leaders will recommend you to their HMOs. You will need to learn who to contact and how often, how to pass an HMO inspection, and what information to provide them.

When joining an HMO, avoid the plans that severely limit the number of patient visits or services you can render. A good barometer: if the HMO guidelines are within 20 percent of the Mercy Conference guidelines, join it. If care is more restricted, look for another HMO.

Strategy Ten

Make sure your name is prominent in your community. Make it synonymous with chiropractic in your area. A great deal of newspaper coverage is free of charge.

If you are an advertising doctor, analyze your return on investment (ROI). Most advertising today delivers a poor ROI because more than 70 percent of the public is enrolled in HMOs and, therefore, won't respond to your advertising. New specialized advertising is necessary in the current marketplace.

Many doctors equate a practice outside the HMO/managed care system to a high volume, low fee, straight practice. And they can't envision themselves becoming chiropractic athletes, treating 100+ patients a day. While this type of practice may be suitable to a small minority of our profession, the majority are not interested. Most want to examine their patients, diagnose, use therapy, and render

quality care.

Unfortunately, these activities often do not fit into a high volume, low fee type of practice. The successful chiropractors of the future will learn how to develop quality cash and low insurance coverage practices. Such practices exist today. Both styles of practice are possible, as I have clients of both philosophical disciplines.

Peter Fernandez, DC
Seminole, Florida

NOVEMBER 1996