

The Bottom Line

Editorial Staff

The following is an interview with a chiropractor who "appeared" to be very successful. Unfortunately, his success was limited. This chiropractor asked that his identity not be revealed. In place of his real name, we have used the name "Dr. Gross." -- *DMP, Jr.*

An exclusive "DC" interview with a former PMA client

DC: "Dr. Gross," were you a PMA client?

Dr. Gross: Yes, I was.

DC: How much did you earn in your first year with PMA?

Dr. Gross: Well, gross earnings of \$325,000, approximately.

DC: And then in your second year?

Dr. Gross: In my second year, I earned somewhere in the range of, I think, \$375,000.

DC: Were you with PMA for more than those first two years?

Dr. Gross: No.

DC: What PMA recommendations do you think helped you to earn this much money?

Dr. Gross: Well, I think their general office procedures helped quite a bit. I also feel that their ad, (I say ad; they had a number of ads but there was only one ad that I found worked very well for me) definitely helped to get a lot of new patients to come into the office. And basically that's it.

DC: Did you end up spending more for various services or items than you normally would have spent had you not been a PMA client?

Dr. Gross: Yes, definitely. That was the problem. I did a lot of services and seemingly I made a lot of money but I had nothing left. As a matter of fact, I was more in debt, my expenses were higher than my income.

DC: Can you give us some idea of where you spent the additional funds?

Dr. Gross: Well, I spent a lot of money on unnecessary staff. I spent a lot of money on unnecessary equipment that I was told I needed to buy, and bought. And basically had to pay very expensive premiums on a monthly basis for this equipment. I was locked into five year leases. At one point I was paying somewhere in the range of \$8,000 a month just for equipment.

DC: Did you lease this equipment from PMA?

Dr. Gross: Not directly from PMA, but through various companies that they had endorsed.

DC: Did all this expenditure cause a problem with you in paying PMA their normal ten percent fee?

Dr. Gross: Absolutely.

DC: Can you give us some explanation of what took place?

Dr. Gross: Well basically, what happened was that I was doing particularly well initially. About the first half-year or so -- I mean, I just sky-rocketed in terms of services. So, I was seeing a lot of people. I wasn't collecting very much money, however, but I was seeing a lot of people and treating a lot of people, helping a lot of people through chiropractic, but I really wasn't making much money.

Now, in addition to the expenses that I had to pay, (for the leases) I also was told to continually advertise and we tried a whole bunch of different things. It was basically that one ad that did most of the work.

I spent thousands of dollars on a bunch of other things that didn't do anything at all, other than get me further into debt. I was told to hire more people. Basically, I could have run my office with three people maximum, and I was told that I needed five. There are a whole bunch of different things that they advised me to do that really backfired from a financial standpoint.

So what was happening was that they were saying my services were sky-high, but I wasn't getting much money coming in. Particularly over that first half-year. Now after that period of time, some of my money started coming in. I was so far in debt that everything that was coming in was immediately going out. And out of that I had to pay PMA also.

Now, I have to say in all fairness to PMA, they didn't pressure me a lot. They just said, "Well, keep paying us." I forgot how much it was, I think it was something like \$75 a week, initially. But, I was contractually obligated to pay them ten percent of my collections. Eventually, push came to shove and I had to start paying that and I just didn't have it in most cases. So it was putting me in a very, very difficult situation.

DC: So, in essence you had to pay PMA almost \$70,000.

Dr. Gross: Well, I had to pay them a lot. Actually, more than that.

DMP,JR: Do you suggest then, that you weren't able to pay this all at once?

Dr. Gross: Right.

DC: Did you borrow money to pay this off or did you just extend your payments out past the two years?

Dr. Gross: I extended my payments.

DC: How long did it take you to actually pay them off?

Dr. Gross: I still haven't paid them off.

"DC" .: So this has been how many years so far?

Dr. Gross: We're talking about almost five.

DC: And do you expect to have them paid off in maybe another year or two years?

Dr. Gross: Well, hopefully. Maybe. Maybe not. It just depends on how things go.

DC: Did you communicate this problem to PMA?

Dr. Gross: Yes, we've told them quite a number of times.

DC: What kind of response did they give to you?

Dr. Gross: Their basic response was that they didn't pressure us a lot. I mean, they would let it go -- let's say for a few months whereby we couldn't pay much money and then they would call us again, and when we would tell them, we would explain to them that we didn't have the money and we were doing our best to pay it.

But in reality I didn't think that it was mine that I should actually pay because I hadn't derived any major benefits from it.

As a matter of fact it's been to my disadvantage because it got me further into debt. But they said, "Well, that's just too bad. You know you owe us the money and it needs to be paid." That was their reply. I was talking to their collection people.

DC: How would you change the PMA program if you could change it today and make any changes you wanted to? How would you change the PMA program to make it more fair for the doctor/client?

Dr. Gross: Well, probably two options come to my mind. Either pay a flat rate, a reasonable sum of money. Anywhere in-between \$5,000 to \$10,000 would be a reasonable amount to pay to them.

Or, instead of extending the contract over a two year period of time, (where the client was responsible for paying ten percent of collections over a two year period of time) to pay it maybe just for six months.

Because of what happened in my case, in all fairness I'm trying to give you both sides of the story. I'm not saying that PMA is a total ogre and it's valueless. They helped me initially in certain areas. Like, in otherwords to increase my services. They didn't do very much for me in terms of helping me to collect my money and to basically control my overhead, but they really helped me a lot to create a large practice very quickly by their basic office procedures, their management procedures, and their advertising program.

So basically for me PMA worked for about six months. Then after that they outlived the usefulness. After that I felt I was really paying money for nothing and it was due to my own labor and my effort that I was getting anywhere.

Part of the problem (was) with their old program. There was really no emphasis on chiropractic itself and what you could actually do for the people. It was a feeling that you would get from them that all they were interested in was what can these people do for you. In terms of every patient was just a

dollar sign, and that was something that bothered me after awhile ethically.

It bothered me right from the beginning, but I was in a situation where I didn't have much choice. It was either sink or swim. That's why I went along with their procedures for a period of time, but even during that time I always had these problems with dealing with people as dollar signs.

With the lack of emphasis that they placed on the fact that we were doctors and we were here to help people to regain their health. And I think that's a big thing for a lot of doctors. They need more of the chiropractic principle and more emphasis on the fact that we're here to help people. If you help them and you do it ethically, then that money's going to come to you anyhow.

DC: Did you feel encouraged to over-utilize?

Dr. Gross: Well, I don't think that I over-utilized. Because I always had these ethical feelings about things. I think that I dealt with my patients fairly, even at times where I felt I didn't know where my next dollar was going to come from and how I was going to pay my next bill. I always fought that inclination. But the overall feeling that I got from PMA, (and I think that a lot of the other doctors will verify this) that it was to get as much as you possibly could out of the insurance companies.

DC: Let's assume now for a moment that the PMA program won't change at all, and there was a young doctor who maybe is still in school, or has just gotten out of school, and is considering PMA. What would you tell that person?

Dr. Gross: My overall experience would be that you could get what they offered you from other practice management groups for much less money. And I would refer them to management groups that I have since discovered had more ethical standards and more emphasis on actually providing a service based on chiropractic principles.

DC: Thank you very much, "Dr. Gross."

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