

The Myth of the High-Volume Practice

Tom Necela, DC

I'd like to dispel a common myth in chiropractic today - namely that a practice may only be profitable at high volume. By my estimations, 95 percent of chiropractic practices are participating in this model; however, only a small portion are actually properly geared up to do it successfully. Certainly there are exceptions to every rule, and anyone who has been in practice for more than a handful of years probably knows of a successful DC whose practice produces excellent income without seeing large quantities of patients per week. Despite this, the myth of the high-volume practice is alive and well.

Let me be clear: This isn't about criticizing doctors who see upwards of 500 patients per week or who have practices that would otherwise be considered high volume. Having spent the first part of my chiropractic career in this model, I know it is possible to get people well and keep them happy providing such care. What I do want to communicate is that this model of practice is not the only route to financial success in chiropractic. In fact, for many practices, it is not even an advisable method of business-building because it does not fit well with some chiropractic techniques, delivery systems or modes of care.

Looking Back to See Ahead

In order to fully understand how the high-volume model became the dominant method in chiropractic and to successfully navigate away from that mode of care, it is useful to see how it evolved. Before insurance reimbursement was a possibility, the high-volume method of practice was not only predominant in chiropractic, but also virtually a necessity. When charging cash for a service, the more patients you saw, the more money you made. The limits of how much you could charge were not dictated by an insurance fee schedule, but by what the market would bear.

In effect, the chiropractor down the street (if there were one) pretty much charged the same ballpark of fees you did. Fees were generally bundled and all-inclusive, except perhaps for X-rays. In other words, if the chiropractor's adjustment fee was \$20, the patient could receive an adjustment, advice on exercise or modalities - all for that same \$20. In many cases, the adjustment was the only service provided.

As insurance reimbursement started appearing on the radar, chiropractors began to include other services, such as X-rays or examinations, in the billing scheme. By the 1980s, when chiropractic coverage by insurance reached its peak, DCs could virtually bill for everything and anything under their scope and delight in the fact that they were actually paid (many times without question) for these services. Unfortunately, some chiropractors realized this and quickly began providing multiple services, some valued more for their reimbursement than therapeutic merit. This increased billings and the costs of care skyrocketed.

During the '80s, for the first time in chiropractic history, it was possible to achieve financial success without high volume due to the fact that reimbursements were so plentiful. Docs who had high-volume

practices when these "golden days" came around experienced once-in-a-lifetime surges in income.

The Crash of the Third-Party Train

By the time the '90s hit, many chiropractors noticed insurance reimbursements were beginning to "dry up" and increased scrutiny was being placed on claims. HMOs that came on the scene placed great emphasis on limiting reimbursements and even the number of visits that were reimbursable.

As the century turned, many chiropractors who had been spectacularly successful throughout the '80s and to some extent, the '90s, were becoming frustrated with the changes in the marketplace. Some did not (and still do not) know how to cope with the "new style" of practice and reimbursement that has emerged.

[Evidence-based care](#), utilization review, IMEs and other such entities that did not exist years ago are now staples of the 21st century marketplace. Recovery audit contractors and [post-payment audits](#) are here now and, because of their massive profitability for third-party payers, are the waves of the future.

The New Reality

Due to these massive changes that have altered the chiropractic scene, the high-volume practice no longer makes sense as the only viable route toward profitability. After all, what good is it to see 500 patients a week if denials, delays or audits reduce payments to the same level as when you saw 100 patients a week?

Unlike the days of the cash practice, when minimal record-keeping sufficed, adequate documentation is now demanded of all services. Those who cannot afford to develop the systems, retain the personnel or purchase the software necessary to run a high-volume practice while maintaining adequate records would do better to slow down and strive for excellence on a smaller scale.

In the '80s, reimbursement may have been available for anything and everything, whereas today's practitioner may be faced with justifying why certain services were performed. Again, sound documentation is necessary to get paid and increased attention may need to be placed on [proper billing and coding](#) - especially if an auditor comes knocking.

Can All This Be Achieved at High Volume?

This is the big question, and the answer is that certainly it can. However, a quick look at [chiropractic's dismal record of submitting correct claims to Medicare](#) would show that, as a profession, we have not "mastered the insurance game." Instead, much of our profession is still consumed by the idea of seeing more new patients and increasing visit numbers, despite the fact that we are not even being paid properly for the claims we do submit.

Some in our profession are still "stuck in the '80s" (or perhaps even the '70s), acting as if volume is the solution to all their problems. Again, I remind you that I am not against the concept of a high-volume practice, but I do not believe it is the cure-all for everything that ails chiropractic today.

A "Radical" Solution

I would propose a different solution, one that I believe to be mere good business sense, but apparently is viewed by some as a sort of "radical" idea. Why not focus on improving reimbursements for the

patients we already have, rather than continually striving to add new ones? This "improvement" can take several forms, all of which will help our businesses:

- Improve documentation so our services are deemed medically necessary and appropriately paid, and denials are reduced.
- Educate ourselves on sound coding principles so we can accurately describe what we do, appropriately bill for it, and refute post-payment audits that would state otherwise.
- Outsource or oversee billing so we can add efficiency and professionalism and decrease claims rejected for preventable billing errors.
- Develop additional revenue streams by providing ancillary products that benefit our patients (rehab equipment, nutritional supplies, etc.) or additional services that complement chiropractic (massage, acupuncture, etc.), all under the same roof.
- Grow our self-esteem so we bill for *all* services we provide (regardless of what third-party reimbursement will be) and for the good work we do. (If it's not worth billing, then why are you doing it?)

21st Century Possibilities

At first glance, these simple solutions may not seem like much. And take note that the concept of doubling new patients or tripling patient visits is intentionally left out. This is because in my experience as a consultant, I have yet to run across a practice that is properly maximizing their income, regardless of its size. In other words, even the largest practices are losing money by having to unnecessarily "fight" for payment due to poor documentation. Practices of all sizes face denials for services that should have been paid but were improperly coded. Virtually everyone can improve billing and collections by focusing on implementing efficient systems or eliminating common mistakes.

The 21st century practice is not without its possibilities for success. If we would just slow down and pay attention to the massive income that most of our practices are unnecessarily leaving on the table due to our sloppy habits (some leftover from the '80s), we would be able to provide patients with the quality care they need *and* increase our income without the burden of constantly striving to see more patients or feed our new-patient monster.

If you have been struggling in practice or have been noticing that an increasing amount of effort is required to run your business (without a proportionately increasing reward), it is likely you are laboring in a practice model that doesn't actually fit your practice style. Like a driver going down the wrong road, accelerating your speed (adding more patients to the system) won't help; you will just go the wrong way even more rapidly.

The common consequences of going in the wrong direction are burnout, frustration and lack of profitability. Today's competitive marketplace has also added several new penalties for not playing "the game" correctly: postpayment audits and even criminal investigations. When you stop and think about it, personal dissatisfaction, financial loss and perhaps even legal troubles are high prices to pay for simply driving down the wrong road.

Take some time to think about how you practice and how you are paid to see which model fits you. As I stated earlier, there is nothing wrong with running a high-volume practice if you are styled and prepared to do so. If you are not, perhaps it's time to take a turn and get on a different road that will lead you to your desired destination and away from frustration.

APRIL 2009

