

Eli's Rehab Report

Business Strategies: Boost Your Bottom Line With Cash-Pay Options

Discover wellness programs -- a jackpot you can't afford to pass up.

When insurance reimbursement doesn't cover your costs, a private practice is a sinking ship. That's why therapists need to get creative with how they are making money -- and the opportunities are plentiful in cash-pay services.

One option is to offer patients a cash-pay discount in lieu of billing insurance. This may, in fact, save patients money in the long run if they have a high deductible or if your flat rate is a better deal than their insurance reimbursement. You might bring in more profit, as well, without the middleman taking a cut.

The second option, which we'll discuss in this article, is offering preventive and wellness programs.

Know the Wellness Service Potential

Think you can't convince patients to spend outside the realm of insurance? Think again! People spend money all the time on fitness, wellness, and prevention -- you just have to show them that you are the ideal source.

Example: "There is a tremendous desire for parents to see their kids excel in sports, and they will pay money for that," says **Michael Weinper, PT, DPT, MPH**, president and CEO of PTPN.

Who better than a physical therapist to consult to maximize athletic performance and prevent injury? You now also have a relationship with a client and will be their first stop if they do get injured.

Shift your paradigm from thinking of only treating injured or ill patients. "We need to think of our patients on a continuum of wellness, from patient to client and not necessarily get rid of them [once they are well]," Weinper stresses.

Bonus: "The profit margins in cash-pay services are much more dramatic than they are in illness treatment because the therapist doesn't always have to provide the care or the supervision in a wellness program," Weinper points out. For example, your practice might have a massage therapist or a couple athletic trainers on staff bringing in income toward your bottom line.

Grab the Keys to Cash-Pay Success

If you're going to embark on the wellness services journey, follow these tips to point yourself in the right direction.

1) Invest time in your patients. Jason D. Waz, PT, president of Competitive Edge Performance, Inc., in Oldsmar, FL, left a large, corporate rehab setting whose therapists saw up to 30 patients a day, to open his own practice where he could spend more one-on-one time with patients and foster a cash-pay revenue stream.

"Early on, my partner and I spoke personally to potential clients, and 90 percent of the time, it would be a no-brainer for them to come in because they weren't just talking to a receptionist and knew we had a sincere interest in helping them," Waz, member of PTPN, says. "And once we had them, very rarely did we lose them."

It was hard work up front, Waz admits, but if you show the patient your value and build their trust, it's worth it in the long run because they'll keep coming back, tell their friends " and their doctors.

2) Find local niches. "Give yourself an identity by being the best at a specific niche," Waz recommends. His practice focuses on sports performance and fitness and is considered the go-to place for sports-related injuries in the Tampa area.

Tip: "Look at your community's needs," Weinper says. "If you notice lots of working mothers, you might offer massage therapy services for them after-hours." Other areas he recommends exploring include childhood obesity, women's health, athletic performance, and of course, baby boomers. (Think healthy aging: fall prevention and balance, osteoporosis prevention, etc.)

3) Tap into your inner salesperson. You can also make money selling wellness products. Orthotics, exercise bands and equipment, arch supports, pedometers, workout videos, and heart rate monitors are just a few examples.

"Not only can PTs get these wholesale, but through PTPN's Physiquality program, we've established relationships with vendors who sell to our members at great discounts so that profit margins can be even better," Weinper says. And you have an advantage as a therapist because you have the expertise to point the client toward the product best for them, with your expertise.

Food for thought: According to a PTPN study, 62 percent of consumers already believe that physical therapy has developed programs for healthy aging, and 90 percent believe physical therapy has developed programs to improve flexibility and mobility. "If consumers believe that, we're letting other people infringe on areas where we have great opportunities," Weinper says. "Our clients believe in us. They've gotten better with us, and we just need to learn to adapt our practices to offer more of these cash-based services."