

Cash-Based Care Benefits Patients and Practitioners

Kay Scanlon used to get quite a few clicks and dial tones when prospective patients called. Conversations tended to end abruptly after she revealed her office did not accept health insurance.

At first blush, a higher cost per visit doesn't seem to add up. But, in an era of rapidly rising out-of-pocket health care costs, paying more can actually save a lot of money.

Scanlon broke away from the traditional insurance model about four years ago when she converted to a cash-based practice.

It was a risk. But more and more, patients are paying greater attention to higher out-of-pocket costs. And it's an opportunity for effective physical therapists to rethink their business models.

Paying Means Saving

Traditional health insurance fosters a culture of more visits over a longer period of time, says Scanlon, PT, DPT, Dip. MDT. Steady billing and patient volume make dollars and sense to practice owners while premiums and co-pays seem standard to many who seek treatment.

The cash-based practice challenges that system. While it comes with its own challenges, it benefits both the patient and practitioner in Scanlon's case.

She credits the McKenzie Method® of Mechanical Diagnosis and Therapy® (MDT) for her success so far. The method's tendency to diagnose, treat and fix musculoskeletal problems quickly affords her patients fewer visits and less expense.

"They are paying out of pocket and it's worth it," says Scanlon, an adjunct professor of physical therapy at several universities in and around Philadelphia.

A patient could spend around \$70 in co-pays per visit to a physical therapist, perhaps two or three times a week. Compare that to the \$100 or so they would pay to visit Scanlon's practice with considerably less frequency. In many cases, the McKenzie Method allows her to treat most patients in just a few visits.

The evidence-based MDT clinical assessment and management system begins with a thorough mechanical analysis to establish a "cause-and-effect" relationship between historical pain behavior as well as the response to repeated test movements, positions and activities.

A systematic progression of applied mechanical forces utilizes pain response to monitor changes in motion and function to classify the disorder. Clinicians then develop a treatment program that empowers patients to treat themselves when possible.

“Most of them leave that first visit and feel much better right away,” Scanlon says.

That experience exposes the savings potential of MDT and inspires the word of mouth that keeps her practice sustainable.

Cash-Based Cornerstones

Every physical therapist counts on referrals to fuel their business, but it’s an especially important consideration for a cash-based practice like Scanlon’s.

“You’re only getting a limited number of visits,” she says. Because patients cycle through quickly, creative marketing is a must.

Programs at libraries have proved a great referral source, says Scanlon, who’s also engaged athletic and outdoor clubs. She’s contributed articles to internal communications in her office building and utilized e-newsletters to encourage patients she’s treated to recommend her services.

While the cash-based model is catching on to an extent, prospective patients may still be skeptical about paying entirely out of pocket. Become a minimalist to maximize a smaller patient base.

Scanlon works as a solo practitioner to keep overhead as low as possible. Operating without a staff (cutting out insurance saves the need for administrative personnel, for one) and in a smaller office space optimizes her billings. It’s also important to locate in an office building, where neighboring professionals can boost referrals.

Is a Cash Practice Right for You?

More patients are becoming more comfortable with the cash-based model and it’s something clinicians can certainly consider.

The evidence-based speed and effectiveness of the McKenzie Method makes certification something to explore for physical therapists new to the profession and longtime PTs alike.

It can be the key to cash-based success, as MDT practitioners create an instant differentiator from the competition.

“You’ve got to have something different than everything else out there,” Scanlon says, adding that establishing a niche factors into cashed-based success. “You have to be exclusive to MDT, not just dabbling.”

Check out this [free McKenzie Institute® webinar](#) for some cash-based basics and the advantages of using MDT to treat within that model. Visit the McKenzie Institute USA [website](#) for more information about the method and free resources.