

INCOME +

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IDEAS FOR SUPPLEMENTAL INCOME

If you are like most private practice administrators, you are chasing the buck. Tracking down insurance reimbursement and patient co-pays is getting real old as rates continue to decline. What are you to do?

There are several ways to add income to your practice to supplement those elusive reimbursements. This brochure highlights some ideas you may consider.

CHARGE NO-SHOW FEES

If you aren't already doing this, you should be charging no-show fees for patients who miss appointments.

You decide your latitude. Mr. Hardnose applies this practice across the board; whereas Mr. Selective applies this only to the most blatant abusers. In any case, post this policy in plain sight and charge a big enough fee.

ADD INTEREST PAYMENTS AND FEES TO RECEIVABLES

Are you a bank? Do you get the feeling that you are a loan officer? OK, then don't act like one.

Make it clear to new patients that you charge interest to outstanding balances, and then follow through with this policy on your patient statements.

HOLD CONTINUING EDUCATION COURSES



You can sponsor continuing education courses for your peers. Whether you give the course or bring in a special speaker is up to you and your finances.

This can be a real benefit to local PTs who may not wish to incur the expense of travelling. Also, this is good promotion to fellow colleagues.

Charge a fee to cover your costs and add some profit to your bottom line. If you can hold the course at your facility, you can reduce costs and increase your profit margin.

SELL BOOKS



Why not sell books related to subjects of interest to your patients?

If you go into any pharmacy today, you will see a rack of healthcare books. People buy these. Why not add a display to your practice?

Call the publisher and work out a wholesale price to you (or volume discount). Sell the books at retail and add the profit to your bottom line. You'd be surprised how a book here and a book there will add up. Not to mention that you show your patients that you add more value to their visit to your clinic.

BUY A FRANCHISE

Another source of income is a franchise whose products and services are related to what you do. For example, you could invest in a golf franchise.

Several companies currently offer franchises to PTs. Typically the franchise promotes helping golfers with physical ailments improve their golf game by coupling PT techniques with golf goals.



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DEVELOP SPECIAL PROGRAMS

If you don't have the financial wherewithal to invest in a franchise, or you don't like what's available, start your own program.

The tradeoff of starting your own program is that you replace franchise fees with starting your own program from square 1, with all the associated tasks and costs. However, you will have more control.

Decide what unique services you could offer patients and new customers. Then draw up business and marketing plans.

BECOME A PRODUCT DISTRIBUTOR

If you go into any veterinarian's or optometrist's office you will notice products for sale. These products are directly related to the services that the professional provides. More importantly to the practitioner is that these products add income directly to the practice. Why not PT?

So, what's available? Consider the various products you use in the clinic or that you suggest patients use during and post therapy. You can call the manufacturer and ask if you can sign on as a distributor.

Unfortunately, in most cases, you won't be able to do the volume required to be a distributor. However, you may be able to negotiate some sort of volume discount to enable you to add a reasonable retail markup. Keep in mind that this includes products that may not be reimbursed by insurance. And yet, people will buy related products.

JOIN A NETWORK MARKETING COMPANY

Another way to be a product distributor is to join a company that distributes products through network marketing.

By the way, if you gagged when I said network marketing, you are obviously "out of the loop." Network marketing has been evolving over the past 50 years. It is where franchising was 20 years ago.

Anne Fisher, columnist for Fortune's *Ask Annie* comments, "Network (or multi-level) marketing is now a \$16 billion industry in the U.S., peddling everything you can imagine from vitamin pills to travel-agency credentials."

There are numerous companies selling health-related goods that distribute via network marketing.

CONSIDER ALTERNATIVE HEALTHCARE PRODUCTS

By the way, did you know 10% of the healthcare budget is spent on alternative healthcare products? This figure is expected to grow to as much as 40% during the next few years.

People are spending more on alternative products than they are on visiting their doctors.

CONFLICT OF INTEREST

If you consider any suggestion mentioned herein as a conflict of interest, set up your "other source(s) of income" under a different business entity (see your accountant about this). If necessary, have a non-medical staff member or outside person (what about your spouse or friend?) take care of all business transactions.

Keep in mind that it is not amoral or unethical to generate income. In fact, if you don't, you will soon be out of business.

MULTIPLE SOURCES OF INCOME

The bottom line is that if you want to practice PT and you don't like the reimbursement you're getting, you need to earn income from other sources.

Multiple sources of income will carry you through good times as well as bad times.

As John D. Rockefeller once said, "I'd rather earn 1% of the work of 100 men, than 100% of 1."

If you earn income from several sources, rather than simply based on your efforts as a PT, you will be successful at maintaining your freedom to practice the way you want.

RELATED INFORMATION

I am currently writing a book that will cover this information in greater detail, from listing sources of franchises and network marketing companies to describing better operational methods.

If you would like to be informed when this book is published, please email your request to jleer@ltc.mv.com.

OTHER LINKS

Visit the Opportunity online newsletter for additional articles related to improving your business practice. <http://www.mv.com/ipusers/ltc/pt/home.htm>.

CONTACT US

If you have any questions that I have not answered, or other ideas for adding income to PT practices, call Jon Leer at 603-644-8627, or email me at jleer@ltc.mv.com.

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