



4 WAYS TO

INCREASE

YOUR PRACTICE'S **REVENUE**

Fewer than 50% of physicians hold an ownership stake in a medical practice. Many join healthcare systems as employees. "We're seeing it changing fast," said Mark E. Smith, president of Merritt Hawkins, told the New York Times for a story.

There are many reasons for this: burnout, regulations, costly malpractice premiums, and insurance company control always land near the top.

Stabilizing revenue is another challenge occupying many physicians' minds. From concierge medicine to nutritional counseling, there are available alternatives. Continue reading for a rundown of several such options as well as action you can take today to generate revenue for your practice.

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CONCIERGE MEDICINE

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Concierge medicine is a healthcare model in which patients pay a primary care physician a monthly or annual fee in exchange for more personalized care.

Medscape's Physician Compensation Report 2018 states that physicians offering concierge service to patients earn approximately \$309,000 per year. That's an uptick from the \$296,000 annual income reported by physicians who provide neither concierge nor direct pay service.

Those numbers don't tell the whole story, though. Concierge medicine is a topic that intrigues physicians beyond financial reasons. That's because it allows them to shift from a "production-line," bottom-line-driven care approach to one that prioritizes the patient. And that's a big deal to them. One survey revealed that just 14% of physicians felt that have the time they need to provide the highest standards of care to patients.

The process of transitioning to a concierge medicine model includes:

- Notify — and seek input from — the closest members of your sphere of influence. Your spouse, select members of your staff, and close colleagues can provide invaluable support.
- Curate a team of consultants. Interview several, even the ones with whom you may already have a relationship. Keep accounting, legal, and other issues in front of you so that there are no surprises down the road.
- Maintain your current office space unless a move is necessary. An immediate change might alarm patients. It may give them the impression that the difference is more significant than it is and leave them feeling uncomfortable. Plus, concierge-style physicians usually find that they require less space — not more. Make sure you know what you need before deciding on a multi-year lease.
- Prepare your staff. Share with them your vision for the revitalized practice and why it's an exciting and positive change ... albeit one with some ups and downs at the start.
- Share your enthusiasm with patients. Once the time comes to announce the change (some physicians do this a year out), avoid any appearance of apologizing for or regretting in any way your decision. This change means more personalized care, improved communication, and an affordable alternative to today's often chaotic and confusing healthcare costs.

Price Waterhouse Cooper found that people are willing to pay almost 15% more for an annual physical if they received an exceptional customer experience. Distinguishing your practice's service through the concierge medicine model is one way to deliver just that sort of experience.

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BODY COMPOSITION TESTING

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Internet-connected weight scales. Wearable fitness devices that can make phone calls. 3D-printable prosthetics. We're in something of a golden age of health-related technology right now.

One of the most exciting devices at the forefront of this tech wave is dual-energy x-ray absorptiometry or DEXA. A DEXA is a research-grade whole-body assessment machine with applicability that stretches across a range of demographics:

- **Seniors:** In 2000, Americans 65 and older accounted for 10% of the country's population. By 2017, that figure jumped to more than 15%. Here's how the New York Times characterizes the future: "In less than two decades, the graying of America will be inescapable: Older adults are projected to outnumber kids for the first time in U.S. history."
- **The middle-aged:** There are already more middle-aged adults in the U.S. than there are children. They are generally the least satisfied among all age groups, in part because of the pressure on them to care for children and aging parents. Their health suffers as a result.
- **Millennials:** Soon to account for roughly 73 million people in the U.S., this group is more tech-savvy than any other. More than nine-in-ten (92%) own smartphones, for example.

Add to those figures the fact that there are more obese people in the U.S. than there are people who are merely overweight, 1 in 3 U.S. adults is prediabetic, and obesity rates among children and adolescents continue to climb.

Enter DEXA, which works across a broad range of patient sizes and conditions so that physicians can determine the precise locations of muscle, bone, and fat in a patient. There isn't a segment of our population today that could not benefit — in some cases significantly — from having such information available.

As Americans continue to age, muscle tone and bone density will be two critical factors in designing an effective health plan for patients. Muscle tone for its importance to balance, movement, and energy levels. And bone density for its role in heading off or addressing issues related to osteoporosis.

Identifying a patient's fat composition is equally important. Especially when it comes to visceral fat, linked as it is with metabolic disease, insulin resistance, and risk of death. Visceral fat is strongly linked to metabolic disease and insulin resistance, and an increased risk of death, even for people who have a healthy body mass index.

A seven-minute DEXA scan provides physicians with vital data on muscle tone, bone density, and visceral fat (among other things). It's as swift as such an exhaustive overview can be, meeting the needs of both the physician (personalized care) and the patient (fast, clear information).

The GE Lunar iDXA Bone Densitometer is one prominent DEXA machine, but there is enough variety in the field to accommodate practically any budget and office space. And the range of affordable tests that can be made available to patients — body composition scans, hip and spine scans, and lateral vertebral assessments (LVA) — provide reliable variety to practice revenue. An active practice producing several tests per day can experience an annual net revenue of over \$150,000. For a cutting-edge device that runs approximately \$700 per month, such an approach is worth a look.

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AESTHETIC MEDICINE

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In popular science fiction movies such as “Logan’s Run” and “Brazil,” cosmetic surgery goes beyond being merely “hi-tech” into a realm perhaps more appropriately called “impossible-tech.” Perfect changes to a person’s face or physique in the blink of an eye with no discomfort lingering for even a minute.

Cosmetic procedures today aren’t there yet (and likely never will be). They have, however, advanced to the point where introducing them into your practice is not only feasible but is something that takes place across the country with regularity.

Such procedures may include Botox, Restylane, laser treatments, vein removal, and skin care products. U.S. physicians with state medical licenses may administer a variety of treatments regardless of their training.

But just because you can do something doesn’t mean you should do something.

Before diversifying your practice with aesthetic medicine, it’s helpful to ask yourself several questions.

- Is the local market already well-served – or, worse still, saturated – with a similar treatment?
- Do patients within my practice bring up and/or seek referrals for such treatments? Would they be happy to receive such a procedure in my practice?
- Are my expectations aligned with, and my budget prepared for, gradual growth in this area as I ramp up the aesthetic medicine portion of my practice?
- Have I considered how the practice will market the new service(s)?

For practices with more than one physician:

- How will our physician compensation models work?
- How does the compensation plan work, initially and at different points in time?
- If a productivity-based scheme is implemented, will our earnings be based on billings or collections?

In a healthcare market undergoing continual change, it’s difficult to pinpoint with accuracy how much adding aesthetic medicine to your practice’s offerings will boost the bottom line. That said, a range of \$20,000 to \$30,000 in profit per month (following an initial investment of up to \$250,000) is feasible.

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NUTRITION COUNSELING

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Conceivably a companion service to a practice's body composition testing, or offered separately: nutrition and weight loss counseling.

There's a need for them. Recent research suggests that fighting the stigma that accompanies being overweight has led many to understate the health risks of being overweight. In addition, many of us do a poor job estimating how much we weigh. Only 39% of men and 17% of women correctly estimated their weight.

Offering nutrition or weight loss services, then, is a win-win situation. Your practice picks up an additional revenue stream; your patients receive much-needed support tackling an epidemic that is shortening lives and placing tremendous stress on the healthcare system.

Practices expanding their service portfolio are already offering weight management and nutrition services for patients with dietary restrictions or who want to develop a healthier approach to eating. For a good reason: the U.S. weight loss market is now worth \$66 billion. Irrespective of your patient mix, it's likely a safe bet there's a need for these services among it.

"A community hospital in Texas – an entire hospital – leveraged a focus on wellness services such as an exercise center to help fund construction of an entirely new structure."

A study that observed the integration of nutrition services into a primary care practice found that all parties involved – patients, the dietitians, and practice physicians – were greatly satisfied with the model. The dietitians' presence meant that patient counseling for conditions such as diabetes, dyslipidemia, and obesity was available; counseling the doctors did not have time to provide. The dietitians were not at a particular practice full-time but regularly visited each. "Patients had better access to dietary services provided in familiar settings and family doctors learned about dietary counseling through direct feedback from dietitians," the study concluded.

RESOURCES

There's no reason to wait. The following nutrition resources allow you to provide patients with takeaways that connect your office with healthful eating.

The American Academy of Family Physicians offers members a free toolkit of nutrition resources for patients; the toolkit is free for members and can be accessed online.

The Academy of Nutrition and Dietetics offers downloads you can personalize to your practice.

Healthy Eating on the Run: A Month of Tips

<https://www.eatright.org/-/media/files/eatrightdocuments/n-nm/healthyeatingontherun.pdf?la=en&hash=FA974432130CD445655FBDA235D90BE2B6817FDC>

Smart Snacking for Adults and Teens

<https://www.eatright.org/-/media/files/eatrightdocuments/n-nm/smartsnackingforadultsandteens.pdf?la=en&hash=CA7BDF27EB5947E8C56528534C7BE9BC5C4B54E8>

Eating Right with Less Salt

<https://www.eatright.org/-/media/files/eatrightdocuments/n-nm/eatingrightwithlesssalt.pdf?la=en&hash=223306C13E176B6CE781AE5E6C51721D8A3B371B>

Power Up with Breakfast

<https://www.eatright.org/-/media/files/eatrightdocuments/nnm/-powerupwithbreakfast2017.pdf?la=en&hash=C8CD9CE7F4723550B3DEFE8538A88CE7FBF7F381>