

CashPractice™

White Paper

“Creating Long-Term Practice Members”

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Creating Long-Term Practice Members

I believe the ultimate goal of every practice (including yours) is to have patients accept and complete your treatment recommendations, then go onto a wellness or maintenance program. In other words, you want patients to become long-term members of your practice. This is a key point. **Practice Membership is what you are after.** Patient's who not only stay with you for years and years, but who come in for care regularly, not just once in a while. If this does not ring true for you, you may as well stop reading and cancel your membership now.

Do you have this goal? Read on then. The secret that I have learned through extensive trial-and-error research is that to create long-term practice members, you have to “identify and remove opportunities for patients to decide whether they should continue care or not”. In other words, every time your patient has a decision to make as to whether they should “purchase more care”, that is an opportunity for them to exit your practice.

What I discovered is the following. Limit these exit opportunities and patients naturally become long-term practice members. What blew me away was that this strategy works even with below average patient education and philosophy.

But wait. You've been taught that patient education and strong philosophy are the most important aspects of creating long-term members. Has that strategy worked for you yet? If that was all there was to accomplishing the goal, then you would not be reading this now.

Before you think I'm downplaying the importance patient education and the doctor having a strong understanding of the principles of chiropractic, I am not. They are important. However, just like great chiropractic results don't always equal patient referrals; patient education and philosophy alone will not build a membership based practice.

So let me repeat this. By limiting the exit opportunities, patient will naturally become long-term practice members. If you grasp what I am about to review here and you couple this new breakthrough discovery with your patient education and core philosophy, your practice will explode with practice members.

I have already figured out the exit opportunities. You already experience them, but have failed to do what was needed to remove them. The exit opportunities are a result of the “payment plan” you use in your office. So, let's review the four types of patient payment plans commonly done in our profession that lead to members exiting your practice prematurely.

1. Pay-per-visit
2. Block of visits
3. Prepay plans
4. Insurance only patients

Pay-Per-Visit patients have to make a decision every time they come to see you. This is by far the worst method you could use for creating practice members. They have an opportunity to exit after every visit. Downside: Patients quit after just a handful of visits. Upside: None.

How about **Blocks of Visits**? You were taught to just have the patient buy a block of 10, 12, 20 or whatever visits. That way the patient does not get scared away with a big commitment. Or, you tell them that you'll treat for a while, see how they will do and then expect them to buy more blocks. How's that working for you? Many patients going onto become long-term practice members with that model? Not

really. These patients will typically stay for one, two or sometime even three blocks of care. Upside: Patients stay longer. Downside: Patients eventually leave.

I know. You were taught to ask your patients to **Prepay** for their entire care plan and they get a discount. That way they are committed to staying on the care. How's that working for you? Well I can predict the following. If you have good communication skills, you are pretty successful at getting almost anyone to prepay for a full year of care. Congratulations. My question to you is – How many of those patients are still with you years later? How many patients do you have that have had four, five even six hundred of visits over five, ten or more years? If you're being honest with yourself, you know it's not too many. Although prepays seem to work (on the surface) I will show you how they actually sabotage your ultimate goal. Upside: Patients seem more committed at first. Downside: Patients drop out at end of prepay plan and money collected is not yours until the care has been rendered, leaving you liable for large refunds if the patient stops care early.

How do I know all this? I've tried all these methods and I've interviewed doctors all over the country doing these. Practices built on prepay or block of visits always need new patients because the long-term retention is so poor. Although the patients follow your initial treatment plans, they typically fail to become long-term practice members.

Do I even need to address the **Insurance Only** patient? They come as long as their insurance is paying and stop the moment it ends. That may have been an acceptable model many years ago, but with such limited insurance coverage nowadays that model is gone with the dinosaurs.

So if none of these methods work, what does work? Before I reveal the answer, I need to review one more concept. What did we say our ultimate goal was? To create practice members. Members? Hmmm? That is quite different than "patients". What does the word "members" imply?

Do members pay for membership with any of the methods described above? Or do they typically pay a recurring membership fee? Is that fee paid in person or is automatically collected? How often do they make their membership payment?

Let me illustrate. Let's pretend you're my patient, you just completed your initial corrective care and I am about to recommend my wellness plan to you.

"John, great news; you got really great results with the corrective care program and you're ready to go onto our wellness plan. The next year is \$1,800."

Or I say this. "John, great news; you got really great results with the corrective care program and you're ready to go onto our wellness plan. Your monthly payment is going from \$267 down to \$147."

Which scenario do you think creates more long-term practice members? By placing your patients on automatic, recurring, monthly payments you are reducing the exit opportunities. In the first scenario, even though the patient prepaid their initial corrective care plan, they tend to drop out when the wellness plan is introduced. Prepay will sabotage your practice because of this.

But wait, you say, I like prepays because patients seem to be more committed to their care plan. I agree that the patient tends to be more committed to their care – at the beginning. What I discovered was that unfortunately that sense of commitment only lasts about a third of the treatment plan. Then the patient's commitment level falls off. This is where good patient education can help, but it's an uphill battle.

In comparison, patient's who make monthly payments never seem to lose their sense of commitment to care. Even with "just ok" patient education. At least that has been my observation. I believe this long-

lasting commitment is because they continue to place value on their care because they never go more than a month without money being spent on care. Whereas with prepay, they consider that money already spent (in the past). The sense of value diminishes with time.

The final piece of the puzzle has to do with **giving patients options** when it comes to paying for care. Three options are best. Any more and the patient feels confused and makes no decision.

One last fault of only doing one payment option is that it doesn't always work for the patient. This fault can be overcome by "scripting and coaching". If you're a "good communicator", I know you can get anyone to prepay. But that's the problem. Those patients who would have chosen to pay monthly if given the choice, but had to prepay, will not prepay a second time. They will drop out of care.

So what's the answer? What are the best financial choices? Here is what I have discovered are the best three options for payment plans.

- Option 1 – Monthly payments. A lot of people will choose this option.
- Option 2 – A down payment, followed by monthly payments. This is my favorite. By making a down payment, the patient feels more committed (like prepay). Then the monthly payments keep the patient long-term by keeping value high in their minds.
- Option 3 – Prepay. Yes we offer prepay as an option. What I discovered was there are some people who prefer to prepay. It's just better for them. When you present prepay as one of several options, those who select it gladly renew their plan. The dropout rate from self-select pre-payers is very low.

There you have it. The secret to creating long-term practice members is to give your patients payment options so they choose what's best for them and using monthly auto-debits for options one and two. You still need the philosophy and patient education.

To make accomplishing the goal of creating long-term practice members a breeze, we use the three CashPractice™ Tools:

- Cash Plan Calculator System™ to create cash plans that offer the three payment options.
- Auto-Debit System™ to automatically process the monthly payments.
- Drip-Education Email Marketing System™ to automate your patient education.

For more details on these systems, download and read the "CashPractice White Paper – About CashPractice.com".