

# Is Your PVA Hitting a Glass Ceiling?

By Miles Bodzin, DC

I recently spoke with a chiropractor who shared a frustration he was experiencing. His story is a common one that I've heard more times than I can count. While speaking with him, I could hear the frustration in his voice.

To be brief, he told me he was "called" to be a chiropractor—to serve mankind through chiropractic. Chiropractic had saved his life. Since the day he started in practice, he said his passion to educate his community and patients of the benefits of chiropractic was fierce. He was willing to do whatever he had to do in order to tell the story of chiropractic. He said he was on a mission to impact his community the same way chiropractic had impacted him.

So I asked him what was his challenge. Were patients not getting it? Were people rejecting him? Were people skeptical? He went on to say that he felt his patients were getting it; they understood chiropractic. So was the problem not enough new patients? Nope. He had no problem getting plenty of new patients.

He said, "Do you know what it feels like to invest so much time in a patient, to serve them, and then have them not follow through? Over and over, it seems that my patients drop out, even though I spend so much energy educating them." With desperation in his voice, he pleaded, "What is the problem?"

Two of the biggest challenges that chiropractors face are when patients don't comply with treatment plans and when they are not getting enough new patients. For this doctor, patient retention was the issue. When I consult with chiropractors and we dig deep into the challenges they face, I would estimate that 99% of problems revolve around poor patient retention.

As I see it, focusing on patient retention is not just of interest to the chiropractor, but it serves the patient as well. For the patient, better compliance means better outcomes and health benefits. For the chiropractor, better compliance means less dependence on new patients, less dependence on insurance, and higher career satisfaction.

The chiropractors I know who focus on patient retention, as opposed to adding more new patients, tend to be happier, less stressed, more profitable, and get better results. Not to mention, it has been reported that getting a new patient costs you seven times more than keeping an existing one.

Since the early '90s, I've studied what influences a person's behavior and decisions. Through all of my studies, it is clear to



me that there is one topic that influences a person's compliance more than anything else—money! Well, actually, it's not money itself, but it's the thought of money.

Talking with this chiropractor, I learned he was doing many things correct that influenced his retention. His practice was convenient. He was recommending long-term care plans and setting goals for his patients. He was doing progress exams and letting his patients know their progress. He had a system for educating his patients.

In spite of doing all that right, he still was not happy with his patient retention. He actually said, "It's like there's some invisible glass ceiling I can't get past."

Knowing that the "thought of money" is the number one reason why patients drop out of care, I asked him more about the way he collects his fees. He seemed confused by my question because he initially did not see how that had anything to do with the problem. He seemed to be stuck on the idea that he needed an even better way to educate his patients.

I asked him, "Do people know they shouldn't smoke? Do they know they should exercise and eat right?" Then why don't they? They know they should, but still fail to do so. He got the message and was open to talking about his business model for collecting fees.

He said, "Collecting my fees is no problem. I present my treatment plan at the report of findings and most patients prepay." So I had to ask, "How do things end when the treatment plan is finished?" He went on to say, "That's the problem. Most of



the patients drop out then. Even though I educate them on the need for maintenance care, they disappear.”

He was experiencing the exact effect I would expect to see from a practice where the model is to have patients prepay for a plan of care. This doctor did not understand that when people prepay for a service, they treat it as a limited-time experience. In fact, it is not just limited to the “prepay” model of practice.

There are four basic ways that practices use to collect fees. They each have their own glass ceiling for patient retention. In fact, regardless of any other factor, the way the doctor collects fees influences patient retention so much so that the glass ceiling for the patient visit average (PVA) can be predicted from this alone.

## The Pay-Per-Visit Practice

This office collects its fees each time a person comes in for care. The PVA glass ceiling for this practice is around 12 visits. Doctors who collect this way tend to be acute-care, relief practices. They’re usually of the mindset to get the patient out of pain and out the door. Although collecting fees

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each visit seems easy, it actually hurts the practice and the patient’s ability to comply the most.

## The Block-of-Visits Practice

In this practice, the doctor collects for a set number of visits for a shorter period of time. A typical example is that the doctor sells 12 visits in a block; it’s usually enough visits to get the patient to the next progress exam.

The doctors who do this always admit they feel uneasy when doing their progress exams because they know the patient has to buy more visits. The doctors who do blocks of visits also tend to be those who have open-ended treatment plans. They fail to tell the patient how long the treatment plan will be when they do their report of findings.

This is a real problem since it is crucial to patients’ psyches that they know the treatment plan has an ending. Let me explain why. When the doctor does his first progress exam, the patient is told he or she needs more care, so the patient buys 12 more visits. Then the second progress exam is completed and is the doctor again tells the patient that he or she needs more care. By this time, the patient is starting to wonder, “Hmmm, is this

going to go on forever?” This is the reason why most of these patients drop out after two or three blocks of care. The PVA glass ceiling for this type of practice is between 24 and 36 visits.

These doctors usually express their desire to help people with longer care plans followed by maintenance. The challenge is they still talk a lot about pain relief. This is the quickest path to stress and burnout.

## **The Prepay Practice**

This is the most common mistake made in the cash-based practice model. A prepay practice is typically run by a passionate chiropractor who has mistakenly thought that good sales and closing techniques will result in a bigger practice. A tremendous amount of patient education is provided for new patients showing the value of care. From the patients' perspective, it often comes off that the doctor is trying to “convince” them that they need it.

Granted, a doctor who has learned how to “close the deal” with a patient will sign up a lot of patients. This is the case for the doctor I mentioned at the beginning of this article. The unfortunate side effect is that even though the patient commits to the program, more often than not, the patient will drop out of care at its conclusion.

There are a few reasons for this. First, even though people want to be helped and are willing to pay for it, nobody likes feeling “sold” because it often leads to buyer's remorse. Second, in today's culture, people don't prepay for anything in life. It's all about how to “use other people's money” or “just put it on credit.”

When you gain a clearer understanding of human behavior, it's no surprise that patients refer less to these doctors. It's also obvious why they renew less when they were originally “sold” the idea that they needed care. The PVA glass ceiling for this type of practice is between 65 and 75 visits.

## **The Monthly Auto-Debit Practice**

The practices that use the monthly auto-debit business model for collecting fees consistently have the highest PVA. The glass ceiling PVA is between 125 and 150 visits. Like the prepay practices, doctors who run these practices tend to be those on a mission to help as many people as they can and are passionate about it.

However, the difference is that these doctors are not using “sales and closing” techniques to get patients to buy from them. The practices generally create an environment that encourages and empowers patients to make good decisions. They foster a relationship with the patient based on a basic understanding of the human psyche and what allows a patient to “hire” the doctor on his or her own accord.

## PRACTICE MANAGEMENT

As mentioned earlier, the thought of money has a tremendous impact on patient compliance. The monthly auto-debit not only neutralizes the thought of money, it also makes it super easy to transition a patient to a maintenance or wellness program.

As you can see, there are four basic models for collecting your fees and they each tend to be employed by doctors of a particular personality type. Each model is predictable of the compliance the doctor can expect from his or her typical patients.

They each have their place and are appropriate at certain times with certain patients. For example, you may have a patient who is a busy business executive and will be best served with the pay-per-visit model. For those who travel a lot, the block-of-visits practice serves them best. In addition, we all know there are people who do like to prepay for things. It's not as common, but for those who would pay cash for a car rather than finance it, they are most likely to choose to prepay.

The monthly auto-debit is by far the most accepted and effective model you can employ. More patients will choose an affordable monthly payment than any other form of payment. It will lead to the highest compliance, lowest dropout rate, most consistent collections, and greatest freedom from insurance dependence.



*Dr. Miles Bodzin, founder and CEO of Cash Practice® Systems, is a chiropractor who became known as "the king of patient retention." He's appeared in the Wall Street Journal and on The Brian Tracy Show, written a book with Steve Forbes, and spoken internationally on the topic of client retention. His company offers web-based software for chiropractors to implement his 4-Step Process™ resulting in increased patient retention. The Wellness Score® System, Cash Plan Calculator® System, Auto-Debit System®, and Drip-Education® Email Marketing System all work together to help free a doctor from the shackles of insurance dependence. Learn more at [www.CashPractice.com](http://www.CashPractice.com) or call 877-343-8950. To book Dr. Bodzin for interviews and speaking engagements, call 877-343-8950, ext. 201*





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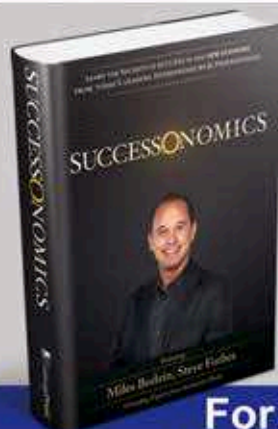
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