PHYSICAL THERAPY in INDEPENDENT PRACTICE

PT practice: Where we came from... where we are headed
prescription, referral, direct access, primary care
AD, BS, MSPT, DPT, ... PT Foundation ... EBP

What truly is Direct Access? (various formats; legislative compromises with the devil)
What is Vision 2020?

Private practice mega-trends
1970's; the roaring 1980s; corporate 90s; competition 2000s; collapsing 2010s; what's next?
Lauren's 45 yr practice: critical history lessons (Univ Assoc, RA-TA, PBMC, OPTC, IMPACC, SC)
PTIP, POPTS, HOPTS, Corporate PT (healthsouth-select, physio, USPT, fysical)

As predicted, the healthcare system has run out of money.

Should healthcare allow free-market capitalism?
local hospitals vs SmartCare. (comparemaine.org)

For-profit vs. not-for-profit (tax-paying vs. non-tax-paying)
Reality: everyone MUST turn a profit, or perish

You offer unique, needed, desired service. Clients want to pay you for that. (hiring neighbor kid to mow your lawn)
supply-demand-value-purchase...
BUT third party pay distorts that (customer purchased an entitlement)
deductibles, co-pay, PA, rationing, medicare mandatory participation (PTIP now an 'employee')

Versus private cash pay (freedom & choice & economy) (and now cheaper for the customer!)
Huge new opportunity for PTIP
in network provider; cash-pay OON provider; hybrid; new PT 'products' (ergonomics consulting)

Health insurance trends;
PT PPO "networks" (pimp your PT) (Gigna, united, humana, comm health opt, some Work Comp)
Align, orthonet, eviCore, one-call, smartcomp, network synergy, galaxy health, genex (apax partners-UK)
Prositution of PT... They buy your PT wholesale 60 in order to sell your PT retail 120. Subcontract their network to all

TEOPTAWKI ... The End Of PT As We Know It. (THIS is why DPT salaries so low, and production demands way too high)

ACA, single payer healthcare, medicare... the VA model of healthcare delivery (rationing) (Humana contract)

Private-pay cash-based practice format... today's emerging PTIP business model
It actually saves patients $$. (IN=150 vs. cash=90). (plus value in no PA, time, fewer sessions, self-care educ)

Re-defining PT
growing scope of specialties (OCS, SCS, CPCS, PCS, GCS, NCS, WHCS, ATC, CHT, CSCS)
Specialization... Certification... alphabet soup (MDT, CKTS, CES, DN, NDT, commercial certs)
Some respected & legitimate... others are continuing education income machines

Key: Diversification of services, referrals, income streams (golf, pilates, crossfit, partum, balance, vertigo, TMJ, occup health, ergonomics, runners, podiatric, chronic pain, spine care, headache, animals, orthotics, spec ed schools, home health, on-site industry, pro sports, performing arts, burn care, amputee)

We are now re-defining the roles of PT
wellness, consulting, non-clinic PT (example: IMPACC)

Today's PTIP formats: traditional clinic, in gym, home visits, onsite industry, contract w/ HHA or SNF or public schools, other

Your corporation: S, C, LLC, SC. (study topic yourself, then see CPA who understands PTIP)

Numbers: SSN, TIN, NPI, Medicare, Medicaid
Credentialing: Medicare, others, CAQH

In-Network (you do as health insurer demands and accept their fee) (get PCP referral, first visit eval, no treat, submit to PA)
Versus out-of-network (OON) (patient pays you, maybe submits). Quick intake, eval, initiate treatment as you see fit.

Worker Comp: Maine's history lesson: 1980s lawyer-heaven, insurers left, new laws, MEMIC, protects workers, employers, HCPs
Socialized, ripoff rates, vs. free-market insurance. Maine: HCP choice, no ripoff networks, no PA, 10-day rule, PTs do M-1

Auto-personal injury liability (send the bills to my lawyer) (3-5 yrs settle, lawyer demands discount then takes 30%, then no check)
Maine vs Florida example (med-pay, self-pay, health insur)

Medicare (will aging baby-boomers create huge demand for PT? or lead to restrictions and eventual collapse of PT?)
10k/day added; 65yo and disability; conventional vs Medicare Advantage vs supplement, mandatory except gov employee

Medicaid-MaineCare: kids vs adults; severely rationed, PA, one visit only; limited access. PTIP vs hospital rates. Rides, no-shows?

Billing... CMS-1500, HCFA-1500
ICD-9, ICD-10, CPT, 8-minute rule, CCI, super-bill
functional disabilities measures ...G-codes ...PQRS
fraud & abuse... upcoding, KX, short times, wrong staff, multiple simultaneous patients
CMS, OIG, recovery audit contractors-RAC

HIPAA... PHI protection; physical, electronic, computer, online billing-records, PHI breech, Red Flag

DAY TWO... BUILDING YOUR PRIVATE PRACTICE

The American story... pursuit of freedom, independence, opportunity, accept risk, work for your reward, accountable efforts, choice
vs. at mercy of your supervisor & employer; victim of their errors; your work rewards them; minimal control of your career

Is there security in being an employee?
hospitals each now losing millions annually. But it does simplify life for the PT, at times, with frustrating compromises?

Why bother? Potential rewards vs relative risks.
What is the worse that can happen? Failed? So what! Get job. Start over.
Errors of ignorance. Poor financial structure & discipline. Debt mis-mgt. Willing to execute hard choices (fire your sister?)

New practice startup in today's hostile healthcare economy?
Study your target community; what's missing; what's inadequate; what is needed? What can be marketable, earn income?
Key 1: dominate a niche. Key 2: dominate several niches. Key 3: small, low-cost, agile practice

Your personal-professional long range Strategic Plan.. all the way to retirement. (Sam F)
Long term goals
Short term objectives as steps toward long term goals
specific steps (graduate, key first jobs, retire debt!)
specialization(s)...MDT, OCS, FAAOMPT, CKTS, Ergonomics, CHT, bladder control, vertigo)
transition to part time PTIP to fulltime PTIP, to staffed clinic, financially secure and resilient business (exit plan)
back-up contingency plans (if it all goes to crap)
Re-write your Plan every 3 yrs

Prepare-plan to succeed.. learn, prepare, plan. write a structured and plan with a timetable

Make yourself unique; SPECIAL; become THE provider of choice...
Select specialty niche services you will offer... become excellent at them... cont ed, mentorship, 'certification'
Plan how you will DOMINATE that market...
Analysis: Adequate customer base? Referral base? Payment base? Competition?
Marketing plan
Clinical Niche(s).. plus Service advantages:
professionalism, quick intake, clinic hours, special skills, one-on-one, time, educate, save patients $$
eg, call patient day after new eval to check... you MOTIVATE & EDUCATE... patients demand YOU
Who needs MD referrals when patients actively demand YOU? ...(vs. HOPTS-POPTS-networks)
DIVERSIFY your specialty services (foot orthotics, TMJ, HA, vertigo, falls risk, DD, work injury, 10-day Work Comp, hand, whiplash, pre-natal & post-partum, runners, HS athletes, college athletes, early aging reversal, pilates, crossfit, lymphedema, obesity, ergonomics, office ergonomics, manual therapy, DN, animal PT, pre-hab, RCR, TKR, Parkinson's, stroke, performing arts-dance-musicians, bladder control, mastectomy
....BUT can you get pd? (eg, pediatrics, geriatrics, TMJ)

Feasibility study... Market Analysis:

Demographics: population, age, wealth, employers (insurances), referral sources, what is missing, quality-access deficits
Scope of competition: PTs, DCs, LMTs, ATCs, POPTS, HOPTS, their quality & access. Their response to you.
(3 wk wait time to access hospital PT; local corp sucks; MDs pressured to keep patients at hospital)
How will they view you; how may they react to your entry into their market? Collaboration vs competing (eg Tim Saulter)
Can you make enough income to succeed; secure income, are you competent, ready, prepared, motivated, resilient?

Your skills inventory... clinical, regulatory, business mgt, financial discipline

Anticipated income streams and timing (same-day, 30-60-90-120d-never)

What is billed is NOT what you will collect
Third party payers (acceptable vs unacceptable); cash pay; payers you will decline
Accept Medicare?? (no opt-out for PT) (exceptions)t

THE list of expenses... startup expenses vs recurring expenses (weekly, monthly, quarterly, annually).

equip, supplies, furnishings, all your insurances, billing, hardware, software, dues-license-memberships, heat-AC, copier, fax, internet, phone, repairs, lawn care, snow removal, housekeeping, advertising, banking, accounting, payroll, legal
Your insurances… Health, disability, prof liability, business liability, premises liability, term life (only)
Sit down with AliMed and Staples catalogs, make list of essential needs (Amazon)

Billing... roll your own or contract to agency? staff, hardware, software, SPACE, costs

Credentialing service; collections; AR Process; coverage questions; problem-solving; learn trends

EMR... webPT, FreePT, paper notes

Start-up financing strategies

Personal and professional finance planning strategies
Aggressive savings, clean up debt (Dave Ramsey approach)
Today's startup essential key strategy: low low overhead shoestring budget
no staff, no secretary, outsource billing and payroll (accountant advice)

FINANCIAL PLAN...

Capitalize your Bus Plan; line-of-credit (demand note, floating rate); investors; family ... (no, too much risk; dysfunctional)
Self-fund, self-capitalize: aggressive savings; crushed personal debt & expenses; minimalist personal-business expenses
Plan to have saved all you need, and make sure you don't need much. Small cost, small risk, small hurt
No, you don't assume a business needs to carry debt ("you will always have a car payment")
Dave Ramsey: 'Total Money Makeover' ... LH hx

Start-up: part time employed, home health, moonlighting; gradually expand PTIP; slow low spending, slow low risk-taking

Facility selection, lease, landlord selection, future growth, zoning, local permits, local taxes

YOUR BUSINESS PLAN... see format examples

The Pro-Forma
Marketing Plan

Name of business; define business; owners; qualifications; mission statement; services-products;
income streams; customer base; competition (real-potential); marketing plan; benchmarks;
systems (billing, AR, banking, credit card pay, accounting, payroll, tax prep
Executive summary (elevator pitch)

Pro Forma... schedule of monthly expenses (personal-professional) and monthly income, over 2 yrs period

Generous expenses and conservative income expectations
Identifies when cash flow becomes positive and pays off deficit
Maximum projected deficit identifies what is the initial capitalization need
Business savings plan to self-fund ongoing line of credit

Longterm survival & financial planning

Plan on challenges-disasters; whatever is working best if often the first to collapse
Always have 1-2 written contingency plans
20% direct deposit. NO debt, except home mortgage, SEP. ($5/wk at age 25... $1.2 million by age 65)

PT practice partnership... 95% end in costly 'divorce'

death, divorce, spouse-family intrusion, conflict, impairment, lawsuit, never equal effort
eg, LH vs James

Another strategy... acquire an existing practice from an owner seeking to transition out.

Solo practice vs employees... as soon as you hire employees your world-clinic changes bigtime

Ongoing: Know your your cost-per-visit (decides if accept an insur plan), billed and income per visit, and per patient referral; track billed per month, received per month; track aged A/R especially per payer
Check checks and their EOB for ripoffs and trends

Note billing-charges data online (comparemaine.org)

Branding & Marketing PT ... branding & marketing you practice
Branding PT… APTA apta.org/brandbeat… moveforwardpt.com… getptfirst... Movement Disorders

Marketing: market not what you do; market the outome-purpose-advantage-effects what you do
Dominate your market; relentless name recognition; peak professionalism; seek what next; be the best
Great web site, FB page, blog, frequently updated... brand PT and brand your clinic... educate the public!
Press release at least annually
Public workshops (see LH examples) (back pain, headache, early aging, office pain, chronic pain,
See LH ads examples

Write, schedule, fund structured marketing plan. A weakness in PT.
Public has very poor perception of what is PT
We already do this with every patient re patient educ and HEP setup
Sell the VALUE of what you offer. UNIQUENESS sells. YOU are the PROVIDER OF CHOICE (best)
Differentiate from the rest, specialized, value to the client
You are motivated & excited. Exude confidence and competence. My patient Lorraine.

Market MDs for referrals? No. Market the patient/public to get them to demand referral to YOU.
Market MDs, select specialists (DDS, ENT for TMJ... PCPs and neuro HA), workplaces (10day, MSD)
Market public: relentless name recognition... ads, press releases, refer all to website, FB, blog

Custom brochures (VistaPrint)… announcement cards (VistaPrint)…articles… regular column… press releases… full-page… sponsorships…P2P… referral pads… business cards… thank you notes… fax notes… calls… inservices… NO GIFTS… newsletters… public seminars… back schools… TMJ for DDS… open house… office mgrs… RNs… Pas… office ergo… business BS and ergo… case mgrs… (costs-ROI-payback)

MD relations... quick intake, communicate, notes, fax, thanks, call, alerts, “how do you want me to handle your patients?”

Patient relations... listen, time, empathy, focus, goals, educate, quality, call, follow-up, explain billing, thank you, P2P referrals

SWOT... annual audit of Strengths, Weaknesses, Opportunities, Threats (audit yourself; audit competitors) (they audit you!)

Hire someone? salary, benefits, taxes, insurances, EEOC, FMLA, risks, discipline (can you fire someone !?) You a leader?

Financial slowdown? Decide if it is short term, or is it longterm trend-change. This determines action.

Short-term (skip your pay, defer purchase, dip into savings, expand hours, watch!)

Long-term (serious restructure: lay off staff, invest in extra marketing, launch new niche, diagnose and treat)

Time mgt & paperwork discipline... No paperwork left at end of day. Finish clinic note before next patient. Do-it-now method of retrieving paperwork for billing agent or MD office notes. Arrive early to process faxes rec’d overnight. Open and process mail-checks-EOBs as soon as you receive them. No paperwork left on desk at end of day is freedom-happiness. Fax initial eval to MD, to employer for WComp. Call new patient next day to check on them. Stagger work hours 7-4 mon-wed, 9-6 tues-thurs. Friday PM off? Sat AM hrs? NO NEED TO WORK 60-80 HRS/WK (you’re doing it wrong). FAMILY FIRST !
Mini vacations Th-F-S-S, buddy coverage exchanges

Scams... yellow pages, PPOs, copier toner, fake bills, loan soliciting, internet directories, creditcard processing,

Track outcomes and cost-per-case... marketable data. Illustrate why they should ask for you.

Structure professional development plan (plan cont ed, weekly articles study, evidence searches, JOSPT, CMS, APTA, OCS)
You must be the best and stay the best. (OCS at age 35, repeat OCS at age 45, DPT at age 55)