

Building a Cash Pay Practice



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- Living Well Dallas, LLC (www.livingwelldallas.com)
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- The Functional Medicine Association of N. Texas, 501c6 (www.functionalmedgroup.org)



Introduction

Betty Murray

- 13 Years of experience as a nutritionist and certified functional medicine practitioner with the Institute for functional medicine and owner of Living Well Dallas
- Executive Director of the Functional Medicine Association of North Texas, a 501c6 Non-Profit bringing functional medicine education to North Texas for 7 years.
- CEO of Minerva Medical Consulting creator of Perfect Practice, a functional medicine business coaching and consulting firm dedicated to helping practitioners create their Perfect Practice.



Objectives

- Convey our experiences and the experiences of others transitioning to a cash-based practice
- Highlight the steps to take to transition from insurance to a cash-only practice
- Demonstrate how to methodically and systematically remove your practice from insurance panels
- Discuss different financially rewarding models
- Itemize successes and pitfalls along the way
- Outcomes - compare cash pay practice models
- Demystify some current beliefs regarding the workings of a cash-based practice
- Identify resources for transitioning your practice



My Story



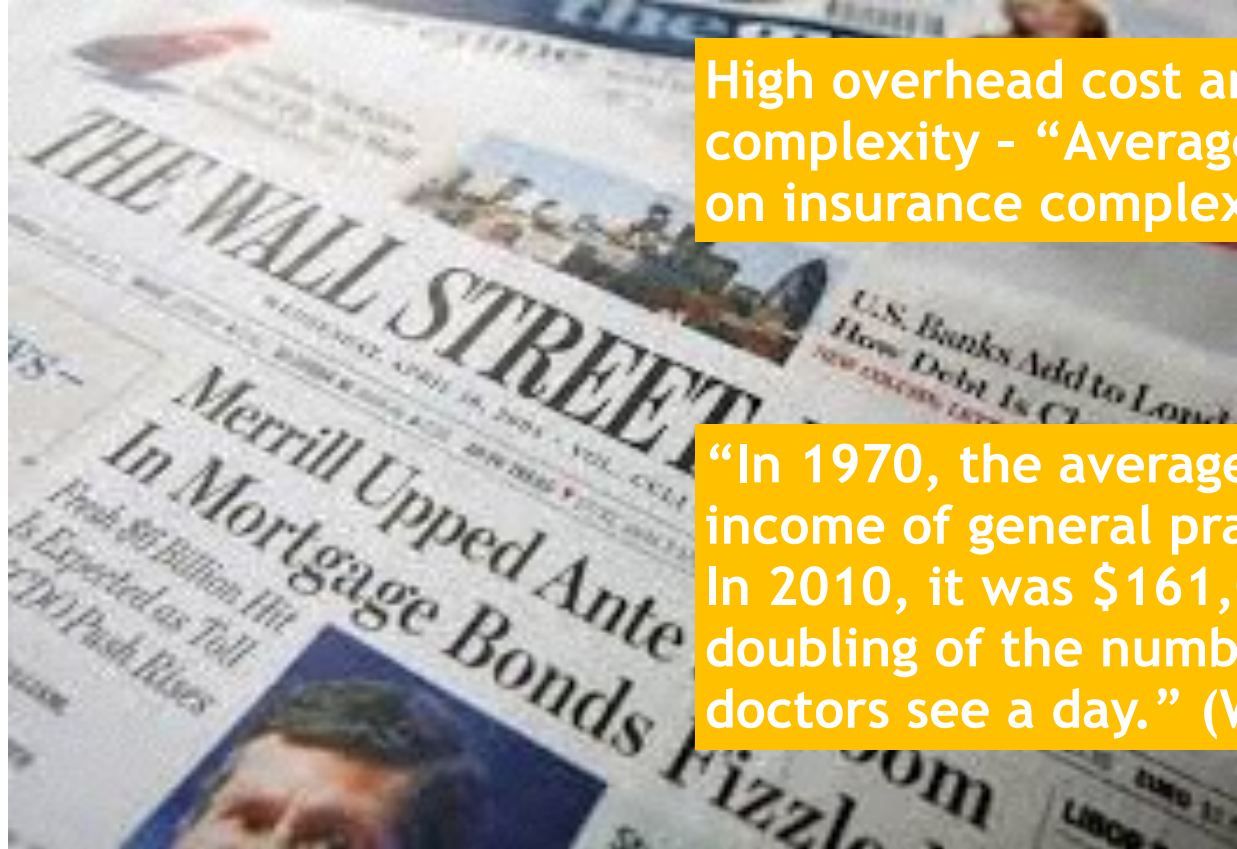
My Business Story: Living Well Dallas



Community Activism: Functional Medicine Association of North Texas & Political Action Committee



Realities of medicine today



High overhead cost and increased practice complexity - “Average \$83,000 a year spent on insurance complexity” (WSJ)

“In 1970, the average inflation-adjusted income of general practitioners was \$185,000. In 2010, it was \$161,000, despite a near doubling of the number of patients that doctors see a day.” (WSJ)

<https://www.wsj.com/articles/the-u-s-s-ailing-medical-system-a-doctors-perspective-1409325361>



Realities of medicine today



“...looming shortage of doctors... Especially in primary care, which has the lowest reimbursement of all medical specialties and probably has the most dissatisfied practitioners.” (WSJ)

Practitioners are disgruntled & burned out - 6% describe morale as positive (WSJ)

<https://www.wsj.com/articles/the-u-s-s-ailing-medical-system-a-doctors-perspective-1409325361>





Cash Pay Practice Models



Hybrid Practice



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- For some practices, a combination of taking some insurance plans and requiring cash payments for all other plans is the right choice.
- Many primary care practices want to serve insurance patients, but do not want to be trapped by in-network for their entire revenue lifecycle.
- A hybrid model is frequently a transitional model to cash pay.



Cash Pay Fee For Service



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- The cash model does not require a Practice Management/Billing system
- most practices use a free or low cost EHR, Credit Card On File software and QuickBooks Online to run their entire practice.
- Trading time for dollars
- Needs automation to be efficient



Direct Primary Care



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- In DPC the patient pays a standard monthly fee that covers most primary care needs.
- No insurance is involved so overhead is significantly decreased.
- This is an excellent model for the physician who already has a loyal patient base to transition to DPC.



Membership Practice



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- The membership model means that only patients who pay an annual membership fee are seen in the practice.
- The membership fee is income to the practice in addition to insurance reimbursement.
- Membership fees cover services that insurance plans do not.



Concierge Practice



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- an annual fee is required of the patient, however, many concierge practices do not participate with insurance plans.

- A concierge practice can charge as little as \$5000 a year to much as \$50,000 per patient per year and have a panel of 300 or less patients.



Cash Practice programs



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- Building a suite of services and products into a wellness program can be a way to earn more per patient and reduce patient load to free up your time.
- Much like the membership and concierge model, this type of program depends on the strength of the marketing and ability of the practitioner and practice to sell the programs.
- Dependent on the charisma of practitioner and marketing efforts



Retreat and Virtual Wellness Businesses



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- Building a Virtual and /or wellness excursion health practice while unconventional, is an option with the growth of integrative and functional medicine as a model to achieve wellness.
- Retreats operate as wellness services and may not have specific limitations around diagnostics and treatment options depending on how the virtual health coaching visits are held and where the retreat is held and what kind of activities are done at the retreat, licensure and state limitations may apply.



The 6 Core Business Strategies of Success



1. Building Business Vision & Brand



- Develop clear, concise & definable vision for your business that your entire staff lives and breathes
- Identify your unique gift and niche in the market and transform that into a brand story that permeates your entire enterprise, marketing, media and advertising



2: Financial Freedom Blueprint



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- Know Your Numbers - Profit Center Definition and Key Revenue Streams
- Evaluate Insurance Contracts and Billing for Lost Revenue
- Plan a Exit Strategy for Insurance Companies
- Monitor and Adjust Daily, Weekly, Monthly



Know Your Numbers

1. Monthly Gross Revenues by Month: (insurance payments, co-pays, etc)

a. Month 1 \$ _____

b. Month 2 \$ _____

c. Month 3 \$ _____

Total: (a+b+c) \$ _____

2. Revenue by Profit Center:

a. Services: (Cash Pay services)

b. Month 1 \$ _____

c. Month 2 \$ _____

d. Month 3 \$ _____

Total: (a+b+c) \$ _____

3. Revenue by Profit Center:

a. Products: (supplements)

b. Month 1 \$ _____

c. Month 2 \$ _____

d. Month 3 \$ _____

Total: (a+b+c) \$ _____

4. Revenue by Profit Center:

a. Products: (wellness products, books, aesthetics.)

b. Month 1 \$ _____

c. Month 2 \$ _____

d. Month 3 \$ _____

Total: (a+b+c) \$ _____

Last 3 Months of Expenses:

1. Monthly Total Expenses (salaries, rent, office supplies, materials, utilities, malpractice, etc):

Forensic Revenue Review & Recovery

CPT Code	Description	Medicare RVU	50th Percentile	75th Percentile	90th Percentile	Medicare Average
99205	Office or other outpatient visit for the evaluation and management of a new patient, which requires these 3 key components: A comprehensive history; A comprehensive examination; Medical decision making of high complexity. Counseling and/or coordination of care with other physicians, other qualified health care professionals, or agencies are provided consistent with the nature of the problem(s) and the patient's and/or family's needs. Usually, the presenting problem(s) are of moderate to high severity. Typically, 60 minutes are spent face-to-face with the patient and/or family.	5.82	358.02	452.20	573.16	208.52
99211	Office or other outpatient visit for the evaluation and management of an established patient, that may not require the presence of a physician or other qualified health care professional. Usually, the presenting problem(s) are minimal. Typically, 5 minutes are spent performing or supervising these services.	0.56	65.91	82.88	102.30	20.06
99212	Office or other outpatient visit for the evaluation and management of an established patient, which requires at least 2 of these 3 key components: A problem focused history; A problem focused examination; Straightforward medical decision making. Counseling and/or coordination of care with other physicians, other qualified health care professionals, or agencies are provided consistent with the nature of the problem(s) and	1.23	93.66	117.77	145.37	44.07

Usual and customary reimbursement is based on a doctors customary charge for the procedure and the fee charged by peer physicians *in that given geographic area* for the same procedure.



	99201	99202	99203	99204	99205	99211	99212	99213	99214	99215
RETAIL	\$100.00	\$145.00	\$195.00	\$265.00	\$365.00	\$66.00	\$95.00	\$125.00	\$173.00	\$285.00
AETNA										
Plan A	\$90.00	\$150.30	\$190.10	\$250.06	\$365.00	\$60.00	\$90.00	\$121.09	\$165.40	\$285.00
Plan B	\$90.00	\$135.25	\$190.10	\$250.06	\$365.00	\$60.00	\$90.00	\$121.09	\$182.32	\$285.00
Plan C	\$75.00	\$143.30	\$187.00	\$245.50	\$342.00	\$58.00	\$92.00	\$119.00	\$164.20	\$283.50
ASSURANT										
Plan A	\$99.50	\$131.31	\$162.00	\$213.05	\$314.70	\$61.00	\$90.00	\$118.00	\$162.00	\$277.32
BCBS										
Plan A	\$102.00	\$111.00	\$147.90	\$194.99	\$265.03	\$362.00	\$64.20	\$93.00	\$120.30	\$163.90
Plan B	\$99.00	\$121.03	\$187.06	\$249.13	\$300.00	\$59.80	\$93.00	\$117.00	\$153.00	\$200.00
Plan C	\$98.00	\$143.00	\$187.06	\$263.33	\$347.90	\$65.00	\$89.60	\$117.00	\$153.00	\$220.00
Plan D	\$98.00	\$143.00	\$187.06	\$263.33	\$347.90	\$65.00	\$89.60	\$117.00	\$153.00	\$220.00
BEACH										
Plan A	\$93.50	\$125.00	\$176.06	\$235.37	\$314.00	\$53.08	\$79.82	\$113.00	\$143.00	\$215.75
CAREFIRST										
Plan A	\$97.50	\$145.00	\$175.05	\$261.55	\$344.04	\$58.88	\$89.90	\$118.00	\$133.30	\$262.00
CIGNA										
Plan A	\$99.40	\$133.03	\$196.00	\$244.00	\$299.90	\$52.00	\$95.00	\$121.16	\$172.05	\$285.00
Plan B	\$68.06	\$114.88	\$133.00	\$240.00	\$287.99	\$50.00	\$88.60	\$111.61	\$162.95	\$284.00
COVENTRY										
Plan A	\$90.00	\$135.25	\$190.10	\$250.06	\$365.00	\$60.00	\$85.02	\$113.00	\$139.00	\$269.00
HUMANA										
Plan A	\$92.50	\$121.03	\$187.06	\$249.13	\$300.00	\$59.80	\$93.00	\$124.00	\$171.93	\$280.00
Plan B	\$76.90	\$133.03	\$187.06	\$249.13	\$300.00	\$59.80	\$87.20	\$121.00	\$173.00	\$280.10
Plan C	\$89.50	\$140.55	\$187.06	\$249.13	\$300.00	\$59.80	\$91.07	\$123.08	\$171.93	\$280.00
MEDICARE										
Plan A	\$45.43	\$75.60	\$109.28	\$166.24	\$208.52	\$20.06	\$44.07	\$73.45	\$108.20	\$145.82

Usual and Customary Fees By Geolocation



3: Staff Leadership

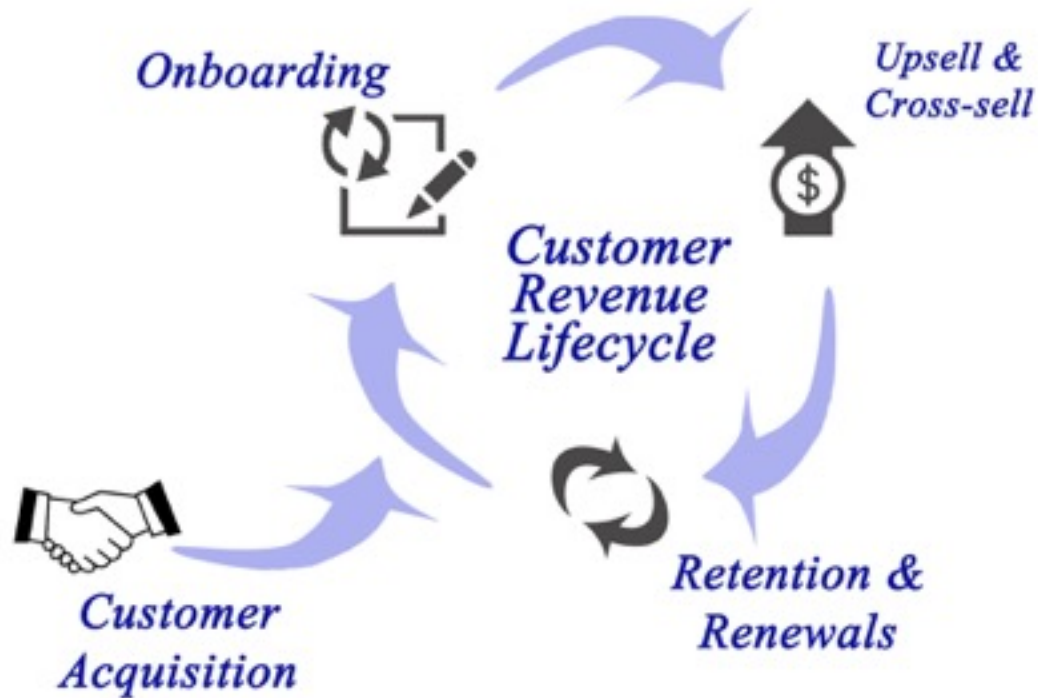


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- Evaluate, Train and Reassign Assets to Fit New Operations
- Scripting and Training for New Conversations and Customers
- Hire slow and Fire fast
- Don't Change Marketing till You Overhaul Your Office Staff



4: Patient Onboarding and Lead Flow Process



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- The Value of Video Introduction Emails and Education
- Automation of Patient Intake and Patient Engagement Technology - LivingMatrix
- Technology to Leverage Time and Resources - Use Video, Email Newsletters and Real Time Communication for Monitoring Progress



Patient List | Patient Profile | Jul 05, 2016

Veela Grenlief

PID/MRN - DOB Mar 19, 1965 AGE 51



78

Patient Id :
Name : Veela Grenlief
Dob : 03/19/1965

FM Prescription

- Nutrition
- Sleep
- Exercise
- Stress
- Supplements
- Medications
- Additional Recommendations
- Follow-Up

Interaction



Timeline



Matrix



History

- General Info
- Current Health Concerns
- Health History
- Lifestyle Review
- Illnesses & Conditions
- Symptom Review
- Medications
- Supplements, Vitamins, Minerals, Herbs
- Readiness Assessment

Clinician

- Active Problem List
- Notes/Interactions
- Diagonastics/Labs
- Vital Signs
- Profile Summary
- Medication/Supplement List
- Immunizations

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Building of a health timeline and history from the patient intake



Patient Profile

NUTRITION

Add

Edit

General Nutrition Recommendations:

- Organic natural whole foods to minimize exposure to antibiotics hormones pesticides artificial colors/flavors/sugars high fructose corn syrup or preservatives.
- A diet low in refined carbohydrates and rich in fiber to support satiety gut microbial balance and healthy glycemic responses.
- Adequate fluid intake facilitates the action of fiber. A minimum of 8-12 oz. of water 8 times per day is recommended.
- Eat from the colors of the rainbow- a large variety of fruits and vegetables to aid detoxification provide an abundance of nutrients of all sorts promote a healthy microbiome and maintain proper metabolic health.
- Elimination of allergens to reduce stress on the G.I. tract and immune system.

Recommendations:

Detox: This plan is designed to support detoxification and elimination of the many toxins accumulated in the body on a daily basis. It includes natural metabolites pollutants chemicals and pesticides preservatives plasticizers and heavy metals. The body burden of toxins coming in by using organic whole foods such as high quality proteins and healthy fats that support elimination reduction of immune stimulation and promotion of healthy bowel function.

Please reference attached copy of the Detox Food Plan.

Phytonutrient Spectrum Foods Version 2.0

RED
Foods:
Apples

History:

SLEEP

Goals

Avoid being over-stimulated at bedtime:

- Avoid caffeine if you can't fall asleep, especially after noon.
- Avoid all alcohol if you have any sleep issues, especially from late afternoon on. Alcohol is sedating but has a para-awakenings during the night.
- Turn off electronic devices which emit blue light, such as the TV, computers, smart phones, and tablets at least 2 hours before sleep as they inhibit melatonin production. If you must use these devices, consider using a blue light filtering app.

NUTRITION

Patient Resources

Practitioner Resources

Search

Detox Plan

Description

Previous

1

Next



Detox Food Plan

PROTEINS

Proteins

Servings/day _____ ☐ ☐ ☐ ☐ ☐ ☐ ☐

Lean, free-range, grass-fed, organically grown meats; non-GMO plant proteins; and wild-caught fish preferred. Avoid canned meats.

Animal Proteins:

- ☐ Egg-1; 2 egg whites; or 3/4 c egg substitute
- ☐ Fish: Halibut, herring, mackerel, salmon, sardines, tuna, etc.-1 oz
- ☐ Meat: Beef, buffalo, elk, lamb, venison, other wild game-1 oz
- ☐ Miso-3 T
- ☐ Poultry (skinless chicken, turkey, quail, etc.)-1 oz

Plant Proteins:

- ☐ Burger alternatives (nongluten): Bean, mushroom, soy, veggie-1 oz
- ☐ Tofu, tempeh-3/4 c
- ☐ Check label for # grams/scoop (1 protein serving = 7g protein)
- ☐ Egg, hemp, pea, rice, soy, whey protein

DAIRY ALTERNATIVES

Proteins/Carbs

Servings/day _____ ☐ ☐ ☐ ☐ ☐ ☐ ☐

Unsweetened

- ☐ Coconut kefir-3/4 c
- ☐ Coconut yogurt (cultured coconut milk)-3/4 c
- ☐ Soy yogurt (plain, non-fat)-6 oz
- ☐ Milk: Almond, coconut, flaxseed, hazelnut, hemp, nut, oat, soy-8 oz

1 serving = 50-100 calories, 12 g carbs, 7 g protein

NUTS & SEEDS

Proteins/Fats

Servings/day _____ ☐ ☐ ☐ ☐ ☐ ☐ ☐

- ☐ Almonds-6
- ☐ Brazil nuts-2
- ☐ Cashews-6
- ☐ Chia seeds-1 T
- ☐ Mixed nuts-6
- ☐ Pecan halves-4
- ☐ Pine nuts-1 T
- ☐ Pistachios-16

FATS & OILS

Servings/day _____ ☐ ☐ ☐ ☐ ☐ ☐ ☐

Minimally refined, cold-pressed, organic, non-GMO preferred

- ☐ Avocado-2 T
- ☐ Ghee/clarified butter-1 T
- ☐ Oils cooking: Clarified butter, coconut, olive (extra virgin), sesame-1 T
- ☐ Oils salad: Flaxseed, hempseed, olive (extra virgin), rice bran, sesame-1 T
- ☐ Olives, green-1 oz
- ☐ Oils cold-pressed: Grapes, avocados, grapeseed, olive, sunflower, walnut

1 serving = 45 calories, 5 g fat

5: Maximized Marketing



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- Big Fish, Little Pond - Local Leverage
- Freemium Marketing Online
- Content is King - Blog, Youtube & Social Media
- When to Add Social Media Marketing Advertising



LIVING WELL
:health & wellness center:

The Most Comprehensive
Integrative Medical Center
in the Dallas Area

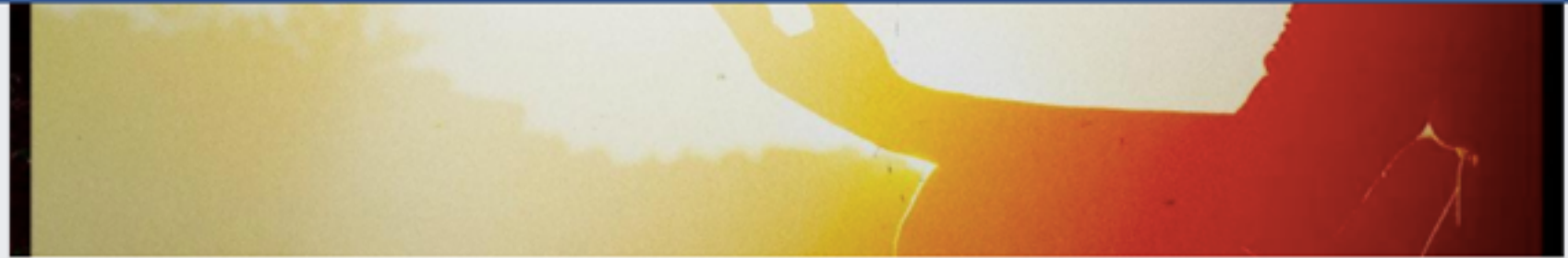
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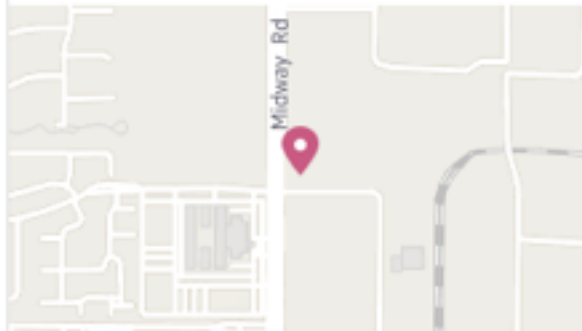
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Call Now

Message

Featured For You

You're 12 mi from Living Well Healt...



14330 Midway Rd Buildi...
9:00AM - 1:00PM, 2:00PM ...

Directions

See the most helpful reviews



Jenny Bair is the best
have attended several
and I am always impress
engaging, charismatic and
a great sense of humor! A



Jackie Smith
about a year ago

Nutritionist in Dallas, Texas

4.6 ★★★★★ · Closed Now

Invite friends to like this Page

The Most Comprehensive Integrative Medical
Center in the Dallas Area Dedicated to Helping
You Achieve Optimal Health and Well-being.



1,634 Likes
Leah Lacey Pasant and 163 other friends
like this



356 people have been here.
Suzan Jonz Kearney and 19 other friends

Services

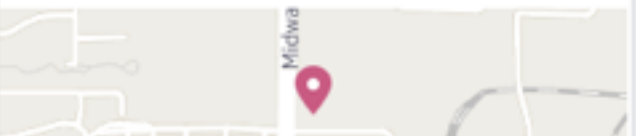


Functional Medicine

Functional Medicine addresses the underlying causes of disease, usi...

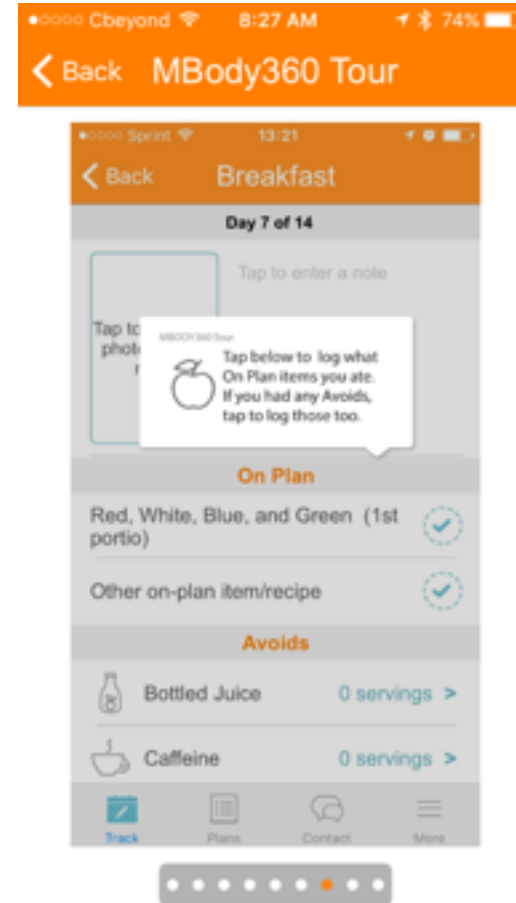
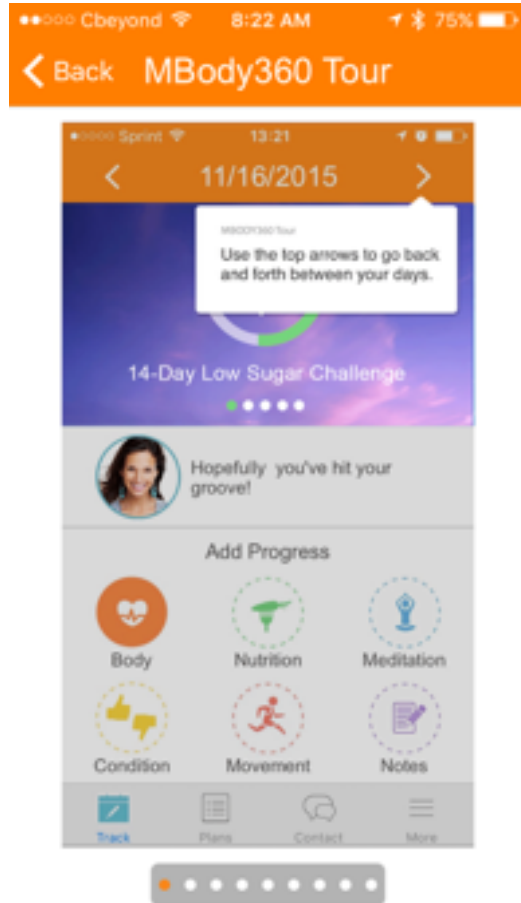
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See All

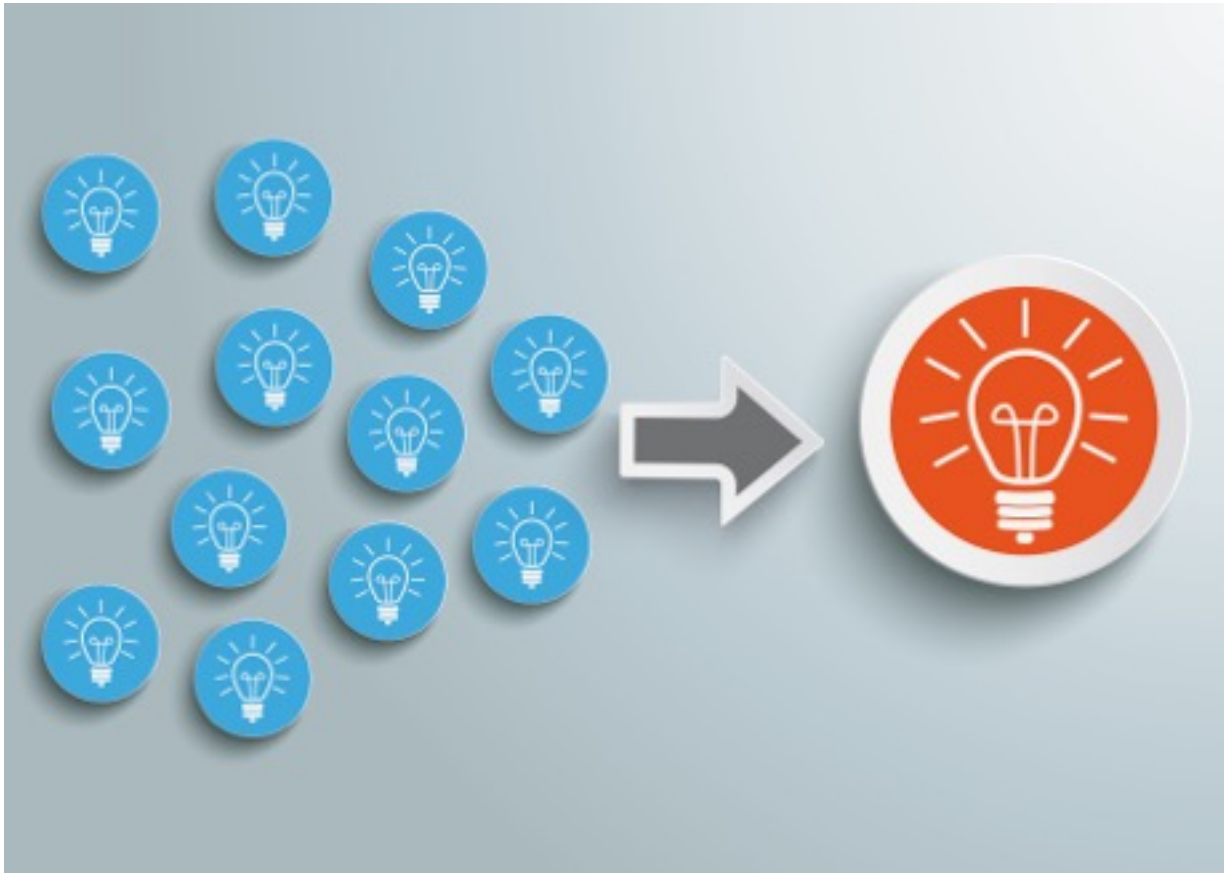


According to a new study by G/O Digital 62% of people will search Facebook before spending money with a small business.

Automation of Patient Interaction & Communication



6: Systematize Your Programs for Financial Success



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- Build Programs and Package Cash Pay Services
- Systematize Your Review of Findings Process Integrating Core Nutrition



7: Develop a Dispensary In-House & Online



Copyright: 12

- Create a Core Foundational Nutritional Program
- In Office & Online Store
- Take Away Barriers to Purchase



8: Develop a Core Nutrition Program



- Core Nutrition Basics for Everyone
- Cashwrap Effect
- Personalize Based on Epigenetics & Metabolomics - Labs

Case Studies



Case study: 30 Months from Insurance to Cash

Taking a new practice to hybrid to cash in 30 months



CASE 1: Insurance to Cash Pay

Current State

Critical Evaluation of Current Revenue and Expenses

Opportunities

Identify and Implement Cash Revenue Opportunities

Lead Flow New Patients

Implement New Patient Orientation In Person & Online

On-Boarding

Overhaul Marketing, Website, Scripts, Marketing and Employee Training

Add Therapeutic & Wellness Programs

Therapeutics for Acute Issues

Service Allocation

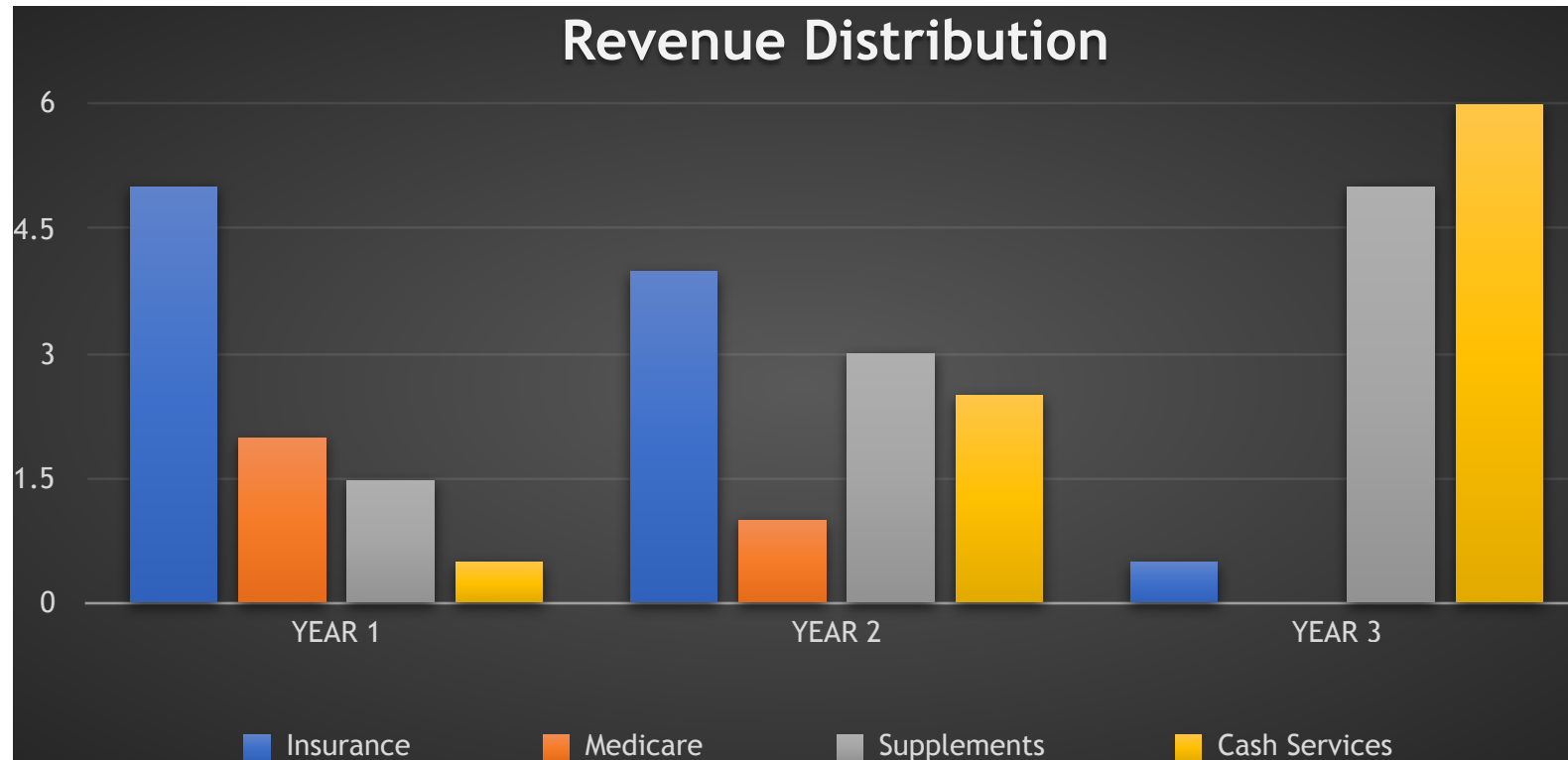
Cash Pay Services, Examples, Profitability, Hours, Services, Insurance Services

Reengage Patients

Reduce Cost of Acquisition - Capture Existing Patients Through Annual Check-Ups to Update the Wellness Plan



Transition From Insurance to Hybrid to Cash



Case Study: Emergency Room to Cash Pay Fee for Services

Building a Micropractice with Online Presence



Case 2: Micropractice

Current State

- Create Online Website Landing Page, Facebook Page and Google Business Pages

Opportunities

- Implement Automated Functional Medicine Intake with Living Matrix & Set Up Online Dispensary

Create Economies of Scale

- and Automate Office Processes with Virtual Office Attendant

Office Automation

- Create Relationships with labs in Phlebotomy Services

Marketing 101

- Created Local Buzz with Meetups and Groups to Fill Practice Immediately

Leverage Social Media

- Drive Social Media to create a following

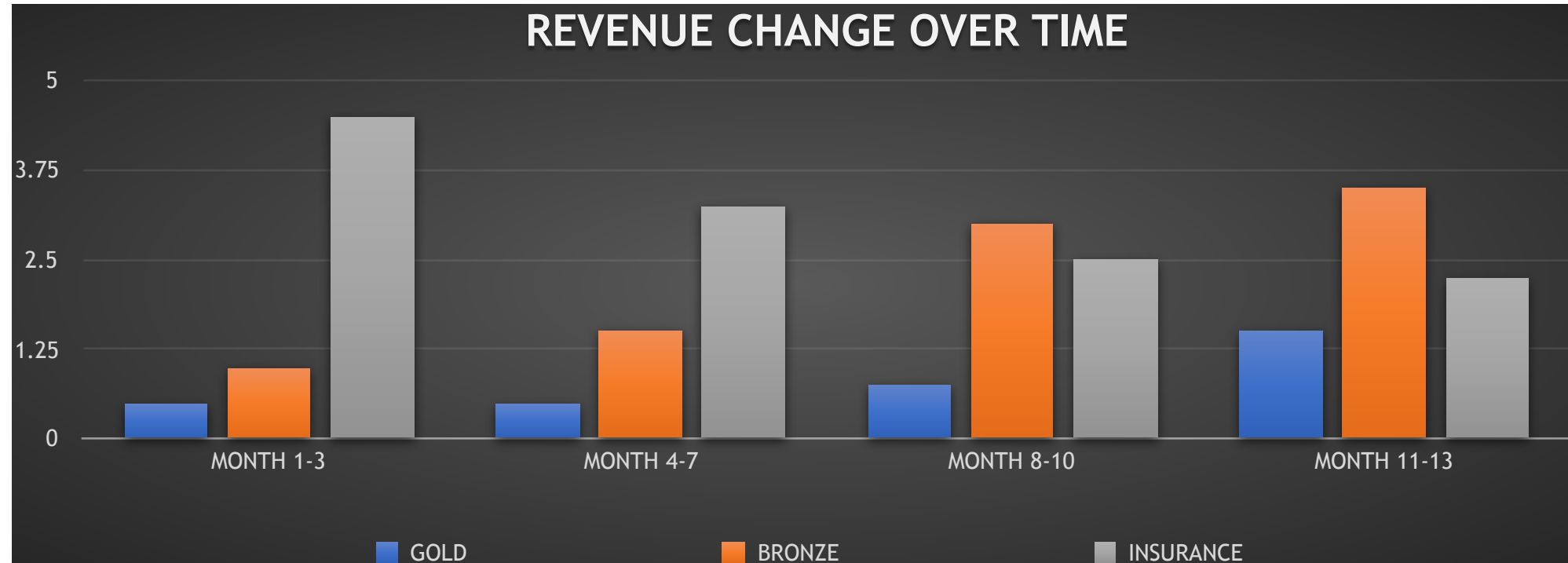


Case Study: From Insurance to Cash Pay Membership Model

Building a Membership Model



Transition Revenues Insurance with Membership



Case 3: Membership Model

Current State

- Critical Evaluation of Current Revenue and Expenses

Opportunities

- Identify and Implement Cash Revenue Opportunities

Review Insurance

- Review Insurance Contracts & Implement Fair & Usual Evaluation of Contracts

Restructure

- Overhaul Marketing, Website, Scripts, Marketing and Employee Training

Asset Allocation

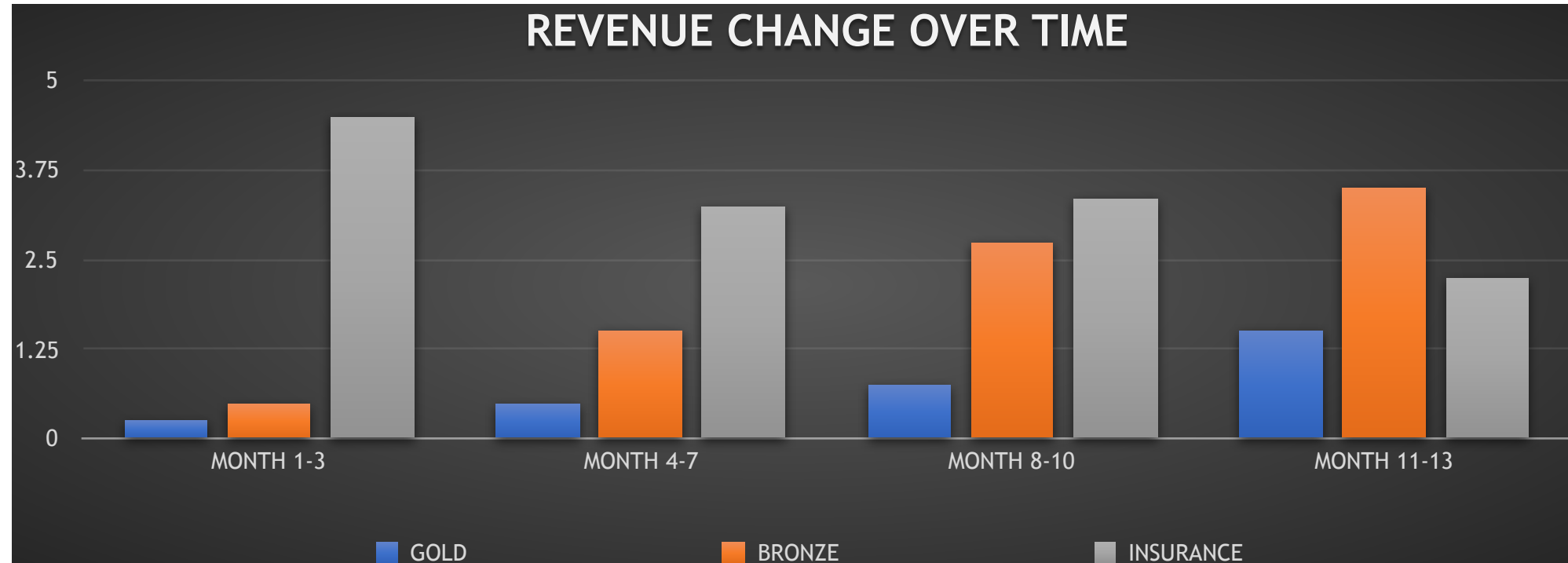
- Add Products and Supplements In-office and Online

instrumental Relationships

- Create Networks of Wealth Managers, Small & Medium Business Owners



Transition Revenues Insurance with Membership



Lessons learned from 12 in the Business of Cash Pay Functional Medicine

- Rule of Two
- Economies of Scale and Streamlining Processes will Make or Break You
- Effective use of Technology and Technology is Only Good to Replace a Existing Process
- Big Fish Plan (No Cost Marketing) Meetups and Becoming a Local Expert - Talks and Speaking Events are good for local brick and mortar practitioners
- Don't Implement Online Marketing till Your Overhaul Your Office Process, Staff and Scripts
- Leverage Social Media , Google Business, Yelp and Facebook to Build a Fan Base Through Good Content
- Forgo Traditional Media and Marketing - Direct Mail is Dead
- Go Online Once You have Streamlined and Mastered Your Office Practices
- Develop Relationships with Other Like-Minded Practitioners



Resources

- <https://www.wsj.com/articles/the-u-s-s-ailing-medical-system-a-doctors-perspective-1409325361>
- <https://www.wsj.com/articles/the-u-s-s-ailing-medical-system-a-doctors-perspective-1409325361>
- <http://medicaleconomics.modernmedicine.com/medical-economics/content/tags/hospital-employment/monopolizing-medicine-why-hospital-consolidation-?page=full>
- <http://www.linserhospitality.com/en/global-wellness-summit-identifies-top-10-future-shifts-in-wellness-an-article-from-the-journal-of-occupational-and-environmental-medicine/>
- <https://nccih.nih.gov/research/statistics>
- <http://www.amednews.com/article/20090504/business/305049993/4/>



Thank You

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