



The Business Case for Leveraging Lasers in Podiatric Medicine

Provide better patient care while improving your bottom line.

BY DAVID ZUCKERMAN, DPM

There are numerous clinical reasons to use a medical laser in a podiatric medical practice. They can range from treating for ankle arthritis to Achilles tendonitis, and tarsal tunnel to diabetic neuropathy and wounds. This article is designed to provide a business perspective for the use of lasers in podiatric medicine, to lay out the potential return on investment (ROI).

There are at least four trends that are impacting medical practices:

- Reduced reimbursement and evolving health insurance models are causing downward revenue pressure
- Drug costs are rising, as well as concerns over opioid abuse, drug dependencies, and the need for alternative non-drug pain relief modalities
- The aging population increasingly requires alternative complementary and non-drug pain management
- For the Millennial market, there is increased call for less invasive, more effective pain management

Medical lasers can potentially mitigate all four of these drivers of decreased revenue.

Reimbursement Models

A 2019 survey by Carl Marks Advisors, a leading investment bank and advisory firm, found that 72% of survey respondents indicated re-

imbursement and payment pressures were the most critical challenge facing middle market healthcare providers and service companies. Specifically, 37% ranked higher deductibles and co-pays as the most significant problem with payer denials (20%) and payers shifting the risk to providers (16%) as the top three reimbursement problems.

for treating pain as part of their analgesia regimen, which decreases the likelihood of chronic opioid dependence.

The Aging Population

A 2013 study published in the *Journal of Manipulative Physiological Therapy* [Smith M et al., 203 Jan;35(1):2-11] that analyzed aging

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One option is to offer clinically effective services, such as laser-focused treatments, that can add therapeutic value, but also leverage a cash reimbursement model.

Drug Costs and Opioid Restrictions

The opioid crisis in the U.S. has been well-documented. As a result, there is increasing pressure on physicians to decrease use of opioids and alternative drugs which potentially have unwanted side-effects. This is where non-pharmaceutical options like medical laser therapy can offer alternatives. A number of clinical studies have demonstrated the effectiveness of medical lasers

Baby Boomers and chronic back pain between the years of 2000 to 2007, identified 12,104 respondents with back pain and another 3,842 as having chronic pain and 8,262 with non-chronic pain. Breaking that down, the authors found that the prevalence of back pain increased by 29% while chronic back pain increased by 64%.

Although not directly applicable to podiatric medicine, it does suggest that there is an increase in chronic pain in aging populations, and the authors conclude that with the population aging, that growth will probably continue or accelerate. A Colum-

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bia University study published in the *American Journal of Public Health* in 2017 [Huang X, et al., Dec. 6, 2017] found that the demographics hardest hit by the opioid epidemic are Baby Boomers and Millennials. They found that Baby Boomers were up to 27% more likely to die of prescription

such as can be provided by medical lasers. As mentioned above, there are numerous conditions that can be treated using lasers, including toenail fungus infections, plantar fasciitis, warts, and dermatological lesions.

A Marketing Gold Mine

Offering laser therapy is a gold mine of marketing options. In addi-

tients for these specific treatments, and the practice benefits by no longer referring physical therapy out of the practice. Patients often have a \$20-\$30 deductible for each physical therapy session. By charging less for a laser session, it's a win-win for both the practice and the patient from a financial point of view.

2) Physical therapy often requires three one-hour sessions for six to eight weeks. Laser therapy can be a time-saver for patients, with one 10-minute session for six to eight weeks.

3) Physical therapy takes time, whereas the effects of laser therapy are often felt immediately.

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opioid overdose compared to people born in the late 1970s. And Millennials were 233% more likely to die of a heroin overdose compared with the same group.

Medical lasers offer a significant option to decrease the use of opioids for these vital demographics.

Natural Pain Relief in Millennials

As the data above suggests, Millennials have a need for non-opioid pain relief. Even more, this demographic wants natural pain relief options. A survey by the American Society of Anesthesiologists found that almost 75% of Millennials reported acute pain, 60% reported chronic pain, but were half as likely as Baby Boomers to use opioids to manage it.

Expanding Revenue Streams

As everyone knows, changes to reimbursement has been applying pressure to profit margins and there's no real end in sight. As a result, in addition to focusing on cutting overhead and fine-tuning your practice's business operations—focusing on efficiency, customer service, marketing, and billing—practices are looking for ways to expand their revenue streams to create new sources of income while still satisfying patient needs.

Some look to selling products, such as orthotics, specialized footwear, and foot creams. Others may look at selling products for fungal care, skin care, wound care, and pain management—even socks!

Another way to expand revenue streams is to leverage technology,

tion to using it to brand your practice as being on the cutting-edge of medicine, it also allows you to market the use of lasers for a variety of conditions, but to also market it as a powerful way to treat many conditions effectively and painlessly, or as an adjunct to other treatments.

Profitability

Although the initial outlay of a medical laser can seem expensive—often ranging from as low as \$10,000 to as high as \$250,000—they can quickly pay for themselves through

increased revenue. Peter J. Bregman, DPM, of Bregman Foot-Ankle & Nerve Center, for example, said that “after having my laser for just about six days now, I have already been able to pay my monthly payments off for the next three months.”

Patient Benefits

There are many clinical situations in which laser therapy is an alternative or adjunct to physical therapy. For foot-and-ankle conditions, their use provides numerous benefits to patients:

1) Physical therapy can cost about three times more than laser therapy treatments. There are often few out-of-pocket expenses for pa-

Considerations When Selecting a Laser System

Investing in a medical laser for your medical practice is not a trivial expensive, even though the return on investment is excellent. However, there are numerous considerations you should make before investing.

Type of Treatments

In podiatric medicine, there is a broad range of uses for a medical laser. But you should consider

The more powerful the laser, the higher the class, but also the more risk of serious injury with improper use.

what conditions you are most likely to use it for. It's possible that over time you will expand that list, but it's also likely that initially you will use it for more limited indications—nail fungus, for example, or tendinitis. Evaluate what the billing options are for the treatments you plan to use, understand the CPT codes, if any, and make calculations on what your likely revenue will be to better understand your ROI timeline.

The type of treatments also have an impact on the type of laser you will invest in. Lasers use different wavelengths and energy sources, which can limit them to specific skin types or conditions. Other types of

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lasers may have a broader range of applications.

Staffing Considerations

Using a medical laser will require changes in physician and staff

FDA Approval

The FDA recognizes four major hazard classes, I to IV, of lasers, as well as three subclasses, IIa, IIa, and IIIb. The more powerful the laser, the higher the class, but also the more risk of serious injury with improper use. Familiarize and educate yourself

types of treatments the system is applicable for, manufacturer and broker warranties, and training regimes that are included or can be acquired with your purchase or lease of the system. Another part of the warranty consideration is how quickly the vendor will make a repair—every day the laser is not in use is a day you are losing money. The vendor must respond quickly to any repair needs.

Payment

There are typically three ways to pay for a laser system: cash, credit card, third-party leasing/financing. Review any lease agreement carefully, with particular focus on the interest rates and any prepayment penalty, as well as pay-off terms.

New or Used?

Vendors often update their models, or new products are released. That can mean that a system that

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Before buying a used medical laser, identify third-party vendors who can repair it.

time, the development of protocols and clinic workflows, and training. Do you and your staff have the interest, time, and resources for this? Are you and your staff willing to take the time and energy to market and appropriately educate patients on the benefits of medical laser therapy?

on the types of lasers, their uses, and legal and medical restrictions, and decide which is most appropriate for your practice and intended use.

Price

Laser systems vary significantly in price. Cheaper is not necessarily worse. Take into consideration the

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is a few years old or even used will have a better price—but may also have a more limited warranty, or no warranty at all. Do a little research on the maintenance history of specific lasers you're interested in. If

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considering used (pre-owned), be wary of “Recertification Fees” or whether the manufacturers are user-friendly to pre-owned equipment. Manufacturers may argue that the recertification fee is to guarantee the device hasn't been tampered with, but the likely rationale is to protect

them from being undersold with used equipment. Some of these fees can be as high as \$25,000. Be cautious about much older technology, even if it's quite inexpensive, because older technology tends not to be as user-friendly and safe as the newer technology, and requires more specialized training.

Third-Party Repair

Before buying a used medical laser, identify third-party vendors who can repair it. Some warranties for new and used lasers may only run for 90 days and some may not repair used equipment. Ask these repair vendors to provide at least five or six references of people they have serviced recently. Find out if the repair vendors have been manufacturer-certified to work on the laser you're considering buying. Also conduct research to find out if replacement parts are available for the used laser. They are often specific to a laser system and cannot be replaced with parts from a different laser system.

Conclusion

A medical laser for your podiatric medical practice has significant benefits for both your practice and your patient population in terms of return on investment and clinical care. But, like any medical equipment investment, it's best to go in with your eyes open, conduct your due diligence, and make long-term plans.

Take time to pick the right lasers for your practice and talk to colleagues about their experiences with the lasers, how to market them to your practice, and their experiences with different vendors. But with the right effort and time, you can find that medical lasers are a terrific tool for improving patient care while offering a favorable return on investment. **PM**

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