EVOLVE OR DIE

Here are some ancillary tips and tricks.

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Although there have been tremendous innovations in the traditional medicine side of podiatric care, most of the recent developments have emerged from the realm of business operations. We've been forced by insurance carriers to change how we operate, what services we provide and to whom we direct our charges. Additionally, we've had to incorporate cash-based services (laser, PRP, etc.) and/or products into our treatment plans. We haven't made these changes because out of sheer happenstance. None of us want to be seen as salespeople or accused of just being "money hungry" by our patients. We're simply trying to:

1) Maintain the level of care our patients know and deserve.

2) Create a patient experience that our patients have come to expect.

Why Evolution Is Necessary

Statistics are my best friend and should be yours too. They should lead your decision-making process and be treated as the backbone of your practice to help you make innovative solutions. Let's look at some stats. The average single coverage premium has grown 25% in the past 5 years. The average family premium is 24% in 2024 in comparison to 2019, and 52% higher than 2014[1]. In what world is a 52% increase appropriate in a 10-year span? To put things in perspective a little more, accumulated average inflation since 2014 has been 30.2%[2]. Meaning, family insurance coverage increases have surpassed an exceptionally high national inflation by 12%. So, what does that mean for you?

These changes mean that your general overhead and patient expectations have increased dramatically. You're now faced with less operating income (or EBIT) and a whole new level of challenging, high-demand patients. It costs you substantially more (~30%) to run your small practice through supply, personnel, liability insurance, etc. increases. While your income after expenses has decreased, you're next faced with a line of patients who are paying 52% more to see you. So, naturally their expectations of you have increased. They expect you to do more, not knowing you have fewer financial resources.

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Necessary Evolutions

Many have started adapting to this nationwide problem by diversifying our revenue sources—offering new and exciting ancillary services, always looking for the next hot item to increase our funds. An increasing

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number of podiatrists offer over-the-counter options that bring value to the patient through expedited healing, more comprehensive treatment plans, or simple convenience.

The first tip we can provide is a simple one. Do not fall victim to the easy money-maker. A rep telling you how much you can make off his or her product/service does not mean you will. While it's important to understand your true profit and return on investment for these things, you must first determine if the product or service is right for you and your practice. Does it support your current or ideal patient? Does it mirror your aesthetics? Does it reduce or increase your administrative burden? Answering these questions will help determine if, and when you can expect to see true profit.

At Lexington Podiatry we are extremely data-driven people. We highly recommend building forecasts for everything within your clinic. Start by creating a baseline. For example, answer where you are now in your over-the-counter dispensing. How many patient encounters result in OTC being dispensed and how much does each encounter bring in? Now, set a goal for increasing those numbers. Use the formulas below for both OTC and service line forecasting:

OTC Forecasting

(# of clinical visits * % of visits OTC dispensed) * average OTC revenue per visit = estimated revenue

Service Forecasting

(Estimated # of visits * Estimated NCNS) * Average per visit value = estimated revenue

The next and arguably most important piece of advice we can give you is to build believers. We say all the time, "providers are only half the equation" but in reality, most providers spend less than 33% of total in-clinic time with the patient. The remainder of the time is spent with medical assistants and patient experience team members. Oftentimes, your patient is lost after you leave the room. They can't remember why they need some cream after you just told them they have plantar fasciitis. They're still trying to pronounce fasciitis! Your team is left with the reiteration of your treatment plan. If they're not confident in why the laser service is beneficial, your patient will back out of that suggested plan. Use these tips and tricks to enhance your staff's ability to dispense:

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1) Make them part of the decision-making process. We have a clinical operations leader who is responsible for the research and vetting of all new products/services. She presents new opportunities to our extended leadership team, who determine new or less administrative and operative burdens. The ELT consists of our clinical, patient experience, training and marketing leads.

2) Let them try it! A firsthand account of a product/service goes a very long way. Our PE team is notorious for using our ModPod CBD stick for headaches after staring at a screen all day. They are our best salespeople because they can speak truthfully about how it works, smells, longevity of effect, etc.

You're medical professionals who are recommending a pathway to a better treatment plan. Follow that mindset and everything else will fall into place.

Market your new product/service accordingly. If you're accounting for this new revenue stream to bring in '"x" new dollars, how are you going to make that happen? Will your current market share support your financial goals? If not, ask yourself where these new patients will come from. Use Pareto Law to hone in your marketing efforts, eliminate the non-producing efforts and enhance the 20% of our effort that is supplying the demographic you need to meet goals. If you're not using this principle already, you should integrate it with all marketing facets.

Lastly, don't treat this new product/service as less important than your traditional treatment plan. If you believe it adds value to your patients' treatment plan, get behind it and be confident in your message to patients and staff. Too often in providing ancillary services we think of ourselves as salespeople. Not true. You're medical professionals who are recommending a pathway to a better treatment plan. Follow that mindset and everything else will fall into place. **PM**

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