



# Cash-Pay Wellness Services

## *Strengthening Your Financial Footing in an Uncertain Market*

By Michael Weinper, PT, DPT, MPH

### **Executive Summary:**

*The benefits of a cash-based diversification strategy are highlighted in this article. The author's experience operating a large provider network adds credibility to this approach.*

**L**ike many Americans, you may have been motivated by the current economic climate to pay more attention than ever to your investment portfolio, seeking out the best financial advice and opportunities. If so, what's the one-word piece of advice you come across again and again? "Diversify." Smart investing in a variety of assets is one of the best ways to reduce risk and increase potential return.

The same holds true for the private practice owner. Diversification of a practice's revenue stream is key to achieving long-term financial health, riding out economic tough times, and, in particular, surviving the cyclical ups and downs of third-party payment. This holds true even

for practices that operate on an all-cash basis: the greater the variety of cash revenue sources, the stronger the financial foundation of the practice.

One increasingly important way practice owners can diversify revenues is to offer cash-pay wellness and fitness services. As many physical therapists have already discovered, our training and experience are the perfect qualifications for providing these services, which not only help the bottom line, but also expand the options we can offer patients and clients to help them improve function, mobility, overall health, and quality of life.

### **"Back in the Driver's Seat"**

Another benefit of diversifying in this way is the power of building direct relationships with customers, rather than relying on a third party such as a physician or insurer for referrals. "With cash-pay, I feel as a practice owner a renewed sense of empowerment and satisfaction," says Eddie St. Clair, PT, DPT, of West Park Rehab in Franklin, PA. "I'm now back in the driver's seat. It's good for the longevity of the practice and the therapist."

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In addition, expanding the spectrum of services offered by physical therapists to include wellness and fitness services elevates the profile of our field among the consumer market. "Cash-pay is another way to promote physical therapy to the public, and an exciting way to do so," says Susan Layfield, PT, DPT, MS, OCS, owner of Layfield Physical Therapy in Encino, CA.

And, as research tells us, adding cash-pay wellness to a practice's range of services will seem like a natural fit to most consumers. For example, among the findings of the research my company conducted when we were developing our consumer brand was that 9 out of 10 consumers believe that physical therapists develop programs to improve flexibility/mobility, 7 out of 10 believe that we help enhance sports performance, and 6 out of 10 believe that we develop programs for healthy aging. These findings as well as many others confirm the huge market opportunity that exists for therapists in cash-pay wellness and fitness.

### Where to start?

One key area where my company has provided education is in deciding what kinds of cash-pay services are appropriate for a given practice. A number of therapists who have had success in the cash-pay wellness area have offered their best advice. The following factors have emerged as key considerations if you're thinking of launching or expanding wellness or fitness services in your practice:

- **Play to your base:** Consider services that make sense for your existing patient base—one of your best sources of cash-paying clients. Most experts see a natural fit between their offerings and their existing patient mix. For example, Susan Layfield says her patient population includes a large proportion of Medicare patients, and the practice offers a senior program called Fit for Life.
- **Bring patients back:** Offer services designed to capture patients who are going elsewhere (eg, gyms and YMCAs) for services that you can provide. Ask your patients where they go for health and fitness services and determine which of these you can provide more effectively and efficiently than the competition.
- **Cash is king:** Consider offering services that are clearly differentiated from insurance-covered treatment so that your revenue stream is as diversified as possible. Most experts see cash-pay services as a way for *patients* to transition to *clients* in programs that will serve their needs beyond what insurance will pay for, to get better compliance with home programs, or both.
- **Develop new relationships:** Some programs, such as the Pilates classes offered by Mark Medcalf, PT, owner of Seven Oaks Physical Therapy and Fitness Center in Westlake Village, CA, are designed to have a strong

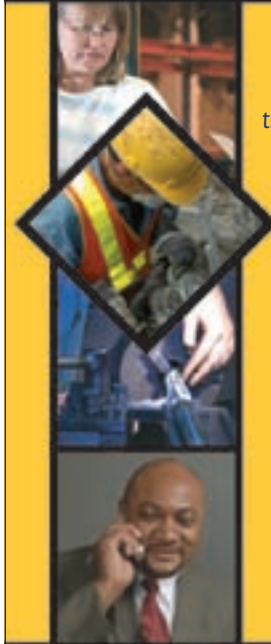
*CASH-PAY WELLNESS, continued on page 14*

Cash based  
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appeal for clients from the community who are not patients. This gets them familiar with the clinic, so that they'll choose Seven Oaks when they need clinical services. While the patient-to-client transition is key to getting started with cash-pay services, the real rewards come when each side of the practice feeds the other—patient-to-client *and* vice versa.

- **Know your strengths:** What skills and expertise do you and your staff possess that readily translate into cash-pay services? Successful practices capitalize on their existing strengths. For example, Aaron Knutson, MS, CSCS, is director of operations for a sports performance program offered by Spectrum Rehabilitation and Wellness in Colorado Springs, CO. Aaron had previous experience as a strength and conditioning coach for a sports team, and he uses that skill set for his company's cash-pay program.
- **Stand out in a crowd:** Market differentiation can also influence which cash-pay services you offer. Rather than offering what others in your community offer, look for the niche areas that are missing in your marketplace. Identify which of those needs you can fill well. Also, keep in mind that you don't have to be in direct competition with the big health clubs. Our market research shows that there are consumers who don't want to go to a big gym, but would

rather get healthy and fit in a medical environment, under the supervision of someone like a physical therapist. Your services should capitalize on this differentiation.

- **Use products to get started:** Owners of practices that offer product sales, such as Paul Feuerborn, PT, of Pacific Therapy Services in Ventura, CA, and Sue Sulley, PT, of Rascal Creek Physical Therapy in Merced, CA, say they see it as an easy way to get into cash-pay without a big investment of time, money, or training. It's also a way to capture revenue that was literally going out the door to purchase practice-recommended products elsewhere.

Whatever the starting point, the time has certainly come for all of us as practice owners to consider how we can capture our fair share of the billions of dollars Americans spend each year on wellness and fitness. It's the kind of evolution in the practice of therapy that will benefit not only our businesses, but also our patients and clients who are seeking the kind of advice and assistance that only we as physical therapists can provide. ■

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