

Is a Cash-Based Physical Therapy Clinic Right for You?

“A cash-based physical therapy clinic model eliminates the time and headaches associated with insurance and Medicare reimbursements.”

Dwindling reimbursement rates and increased business costs have impacted the profitability of many insurance-based physical therapy practices. Add the hassles and paperwork associated with insurance and Medicare reimbursements and it's no wonder that the idea of running a cash-based physical therapy clinic sounds very appealing. However, the challenge of changing from a traditional insurance-based business model to one that accepts only cash for payment keeps most physical therapists from taking this approach.

Despite the perceived risks, a growing number of physical therapy practices are shifting to a cash-pay business model. As health savings accounts, consumer-driven health plans and the desire for individuals to remain active as they age continues to increase, the demand for cash for physical therapy services will likely continue to grow as well.

Jarod Carter, PT, DPT, MTC and owner of a cash-based physical therapy clinic, [Carter Physiotherapy](#) only accepts cash payment for his services. He believes, “Cash based services are an important part of surviving the coming changes in the health care industry, as well as maintaining high quality treatment options for consumers.”

At his Austin, Texas clinic, Carter has a simple clinic set-up with a small waiting room and a private room with a treatment table. Currently, his clinic is a one-man operation. In exchange for cash, his clients receive one full hour of one-on-one manual therapy.

Dr. Carter is currently writing an e-book for therapists interested in converting to a cash-pay practice or adding cash payment options to a current practice. A few of his cash-based physical therapy practice tips are highlighted below:

Don't rely on the same customers and referral streams. The

“Cash pay physical therapy practices need to market more directly to the public.”

customers you’ve become accustomed to seeing at a traditional insurance based clinic may differ from the customers willing to pay cash for therapy services. Carter recommends targeting customers that place a high value on performing at the highest level possible. Many of these health-conscious individuals are willing to pay more for services that help them achieve their goal.

Build a niche for your clinic. The key for a cash-based physical therapy clinic is to focus on offering something different from a traditional physical therapy clinic that accepts insurance. For instance, clients of insurance-based practices may have session with a different physical therapist or physical therapy assistants for each visit. At cash-based Carter Physiotherapy, clients receive one full hour of hands-on manual therapy with Dr. Carter at each visit. Carter believes some clients are willing to pay more for consistent, dedicated care focused on helping them get better faster.

Supply receipts customers can submit to their insurance company. Customers with a health savings account or those with health insurance can submit receipts and often receive reimbursement for some or all of their out of pocket expenses. To simplify the reimbursement process for his customers, Carter supplies self-claim receipts to his customers which break his services down into terms most insurance companies understand and require.

Evaluate your market. Is your city right for cash-based services? Take a look at other health care practices operating on a cash-pay business model. For instance, do several dentists offer teeth-whitening services for a fee? Research the demographics of the area in which you operate as well as any fitness clubs, sports training facilities, running clubs, biking organizations, youth sports and other fitness groups in the area.

To learn more about adding cash-pay elements to your practice listen to a full podcast with Dr. Jarod Carter at PTTalker.com.



About the Author

After helping design and market the first preventative knee brace for football players as an Athletic Trainer at Iowa State University in the late 1970's, Jeff has made physical therapy equipment his passion since 1986. He launched Advantage Medical in 1994 with a commitment to help Physical Therapists and rehab professionals improve clinical outcomes as well as save time and costs through pioneering, creative solutions. Jeff's entrepreneurial approach keeps Advantage Medical and its clients at the forefront of innovations and best practices in the PT industry.

Jeff was also one of four original founders of the National Medical Alliance in 1988 which later changed its name to Motion1. He served as the Chief Operating Officer for 10 years and was instrumental in its growth and reputation as a leading supplier to independent rehabilitation distributors across the country. He is also the host of the long running podcast "PT Talker" featuring a physical therapy expert for listeners every week. Subscribe to the free, informative broadcast designed to help therapists grow their business at www.PTTalker.com

About Advantage Medical

Advantage Medical was established in 1994 to meet the growing needs of rehab professionals in a variety of medical disciplines. Advantage Medical has become a leading provider of expert advice as well as quality therapy equipment and supplies, offering innovative solutions to challenges faced by physical therapists, clinic directors, chiropractors, athlete trainers and other medical professionals.

In October of 2010, Advantage Medical joined the family of Scrip Companies of Bolingbrook, IL as an operating division. Now with access to a wider variety of products and large scale purchasing power, Advantage Medical is poised to raise the level of value we bring to our clients. Scrip Companies serves markets in massage therapy, chiropractic, spa and now physical therapy.

About PT Talker

Stay up-to-date on the latest industry trends and news by connecting with a community of your fellow experts. Advantage Medical's PT Talker is the online resource for business news and ideas for physical therapists. Our podcasts, blog and newsletters keep you informed with new ways to help grow your business, save time, provide improved clinical outcomes or lower costs. Review updates on the newest equipment and products, find tips and techniques for improved patient outcomes, and hear from other clinics about their best business practices. You'll find everything you need to stay ahead of the curve in physical therapy at PTTalker.com.