7 Reasons Why Cash-Only Practices Work for Patients and Physicians

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Sure, health insurance contracts lead to increased patient volume, but they also compromise quality of care. Here are 7 compelling reasons why cash-based arrangements are best for Integrative, Anti-Aging and Functional Medicine practices.

At my practice in Chicago, IL, we occasionally hear the comment, “I wish you took my insurance,” from prospective patients. Our response? “We wish we could!”

Although contracting with health insurance plans would increase our patient volume, doing so would also:

- significantly increase our overhead costs
- limit the number of diagnostic tests that patients receive
- slow the turnaround of test results for patients

At my practice, the main reason why we have chosen to not participate in the insurance model is because insurance companies tend to interfere with the doctor-patient relationship on every level. Below are 7 Reasons Why Cash-Only Physicians Services Work for Patients and Providers.
1) **Insurance reimbursement for Integrative, Functional and Anti-Aging physicians is too low.**

In the insurance model, the type of doctor you are reflects how much insurance companies pay per visit.

- Surgeons and physicians who do a lot of procedures receive greater reimbursements than physicians who treat patients non-surgically.
- In the realm of non-surgical medicine, specialists like cardiologists and neurologists get paid better than internal medicine, family practice and pediatric physicians.
- Unfortunately, Integrative Medicine, Anti-Aging and Functional Medicine physicians are near the bottom of the reimbursement scale.

Even the American College of Physicians has criticized the way doctors are paid by insurance carriers, saying that it has warped the way medicine is practiced, devaluing vital services such as doctor-patient discussions while pumping up rewards for expensive procedures and bigger volumes.

2) **Individualized medicine requires adequate time with each patient.**

After 27 years as a physician, I understand the one truth of medicine: The knowledge that we impart to patients is critical to their journey back to health and balance.

In the world of medicine, doctor-patient discussions are the lengthiest in Integrative, Anti-Aging and Functional Medicine treatment rooms. Those of us who practice these forms of individualized medicine evaluate all components in our patient’s lives. We understand the connection between the mind, body and spirit, and that problems in one area translate to problems in the entire system.

Addressing the patient means looking deeply into the person to tease out how much of the illness is being cause by nutritional deficiencies, lack of exercise, excessive stressors, lack of sleep, hormonal imbalances, toxins and medications, as well as other pillars of health.

We develop comprehensive plans with each patient to addresses both acute symptoms and long-term goals—**all of which are incredibly time consuming and patient-centric.**
3) Individualized, personalized care is effective.

Above all else, being a doctor means **being available to the patient**. The doctor-patient relationship only flourishes when the patient knows that the doctor has time, not only to spend with them in an appointment, but in availability to discuss issues that arise as well.

Some patients come to believe that their doctor doesn’t care because the doctor is not available. This may be true in rare cases, but from our view, the problem boils down to the insurance model: There are too many demands on the physician (charting, billing, pharmacy pre-authorizations, insurance pre-authorizations, etc.) to give the patient adequate time.

Integrative, Anti-Aging and Functional Medicine is time-consuming (for both patients and doctors). With that said, these types of practices generally produce excellent outcomes—all of the time and energy spent with patients is worth it!

4) Integrative, Anti-Aging and Functional Medicine involves advanced testing.

There are hundreds, if not thousands, of tests available that help us get a real understanding of each patient’s unique biology. Tests like metabolomics (understanding the biochemistry of the individual on a cellular level), advanced cardiometabolic testing (looking much deeper into the processes that initiate and propagate cardiovascular diseases), cancer markers (understanding the genes and the initiating events that lead up to the development of cancer and detecting it before it becomes a problem), and messenger testing (understanding the full pathway of hormones, not just the end-result testing), just to name a few.

As many of us have come to know, insurance companies often tell patients that this type of testing is “unnecessary” or “unproven.” In fact, insurance companies will penalize the physicians in their network who order such test by performing chart reviews! The physician must “prove” to the insurance company that the tests are “necessary” and “proven,” thus meeting the insurance company’s definition as defined by their research and impressions.

Failure to meet the insurance company’s criteria may subject physicians to penalties, which could look like hundreds of thousands of dollars owed back to the insurance company. To avoid penalty risks, many physicians do not order tests or run them for free.
5) Integrative, Anti-Aging and Functional Medicine is about prevention.

The best way to prevent disease is to stay healthy.

Sounds simple, right? Unfortunately, most of our patients do not have the basic knowledge that they need to get and stay healthy. Or, if they do know, they are not acting on the knowledge. Over the decades I have seen marketing ads change a patient’s perspective on what is healthy and what isn’t.

Integrative, Anti-Aging and Functional Medicine physicians are often asked:

- Which foods should I eat? Which should I avoid?
- What type of exercise should I do and how often?
- How much sleep do I need?
- Are these vitamins good for me?
- Is there an alternative to these medications?
- Is it safe to take hormones?

Traditionally trained physicians tend to be less educated in these areas and spend less time educating patients about preventative health. While early detection of disease is important, proper habits and prevention trumps all!

The fact that we eat too many processed foods, are increasing sedentary, sleep less and are more stressed are exactly the hot button topics that we address with each patient during every visit.

The lack of real education on health and nutrition throughout society—from childhood on—is the number one cause of the majority of the illnesses that challenge our nation.

6) Integrative Medicine involves extensive on-going education.

As a doctor with 27 years’ experience in practice, I can tell you most assuredly that there is no field as rapidly evolving, changing and growing as that of Integrative Medicine. Physicians who choose this field have to go “back-to-school” just to learn the basics of nutrition, stress management, psychology and supplements (which were not taught to us in medical school).
Even after learning the “basics,” the amount of new information being distributed grows exponentially each year.

The time spent on learning online and at conferences can be immense—and time out of the office means lost revenue. All this up-to-date learning would not be possible if we were in the insurance model.

7) Cash-only practices can qualify against the deductible.

By providing clients with an itemized invoice, they may submit their expenses to their insurance company to apply against the deductible, charge to a Health-Savings Account (or with the better insurance plans) receive partial reimbursement.

The idea that insurance should (or could) cover all medical expenses is not rational. Insurance is a bet against the company that you will get sick, and when you do, they will pay your bills. Similar to homeowner insurance, the insurance company pays you when your house is destroyed, but does not pay you to upgrade your house.

When surveyed about our cash-based model, our clients agree: “It’s a lot more practical, a lot less expensive, and what’s important to me is getting better and staying well!”

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Power2Practice is the only EMR and business solutions platform designed specifically for Integrative, Anti-Aging and Functional Medicine practices.

Have questions? Please give us a call at 1-800-590-7459 or email us sales@power2practice.com.