



The business of medicine

The business of medicine continues to grow more complex. The average doctor spends an increasing amount of time and practice resources dealing with difficult insurance companies, attempting to secure payment, and keeping up with ever-changing regulatory requirements.

At the same time, the government is turning up the heat on providers who fall short of meeting the multitude of requirements that apply to their operations. Time spent addressing these responsibilities necessarily takes away from time that can be spent providing care to patients.

Most doctors find this extremely frustrating and many are looking for alternatives. A growing number of physicians are considering cash-based medical practices as a potential alternative way of doing business.

A cash-based medical practice requires patients to make their own payment arrangements with the practice; oftentimes through cash payment at the time of service. The practice does not submit claims to insurance companies. If a patient has coverage, the patient assumes the responsibility to submit the claim.

Oftentimes, these practices will elect to opt out of the Medicare program. They may continue to treat

Medicare patients, but those patients must pay for their services under an agreement with the practice.

Two of the most common cash-based medical practices and models are as follows:

Cash payment at time of service — no health insurer contracts

Under this model, the physician collects payment directly from the patient at the time of service. The physician is immediately paid and the medical practice's administrative costs are lowered, as there is no need to bill patients or pursue collection.

The price for services, visits, supplies and tests are printed and visible to the patient, and the patient knows precisely how much the office visit will cost upfront.

Also under this model, the physician will have terminated all health insurer contracts and will have opted out of applicable government health insurance programs. The practice will be entirely self-pay by the patients and the practice will not accept insurance or Medicare and will not file reimbursement paperwork for patients. Rather, the physician will enter into a private contract with each patient.

Concierge

A concierge medical practice enrolls patients for a specific period

of time, typically a year. The patient will pay an annual fee in return for enhanced access to the physician for a specific set of services. The cash fee is paid in advance, and physicians under this model typically limit the number of patients that they will accept in any year — the idea being that this will allow the physician to provide a higher quality of care to patients.

Under this model, the physician may choose to terminate all health insurer contracts or continue as a participating physician with selected health insurers.

Opting out of Medicare

Participation in the Medicare program carries with it numerous regulatory burdens. If a cash-only medical practice wishes to serve Medicare patients without having to comply with these massive regulatory burdens, the physician must follow a precise process to opt out of the Medicare program. Once a physician has effectively opted out of Medicare, the physician may then enter into private contracts with Medicare patients and receive direct payment from those patients.

Only certain types of health care providers may opt out of Medicare, and the process for opting out has very specific requirements that must be strictly followed and

continually maintained.

Furthermore, the consequences for an ineffective opt-out or failing to maintain opt-out status can have serious consequences on a cash-based medical practice. So it is critical that the practice follows the correct legal steps and adopts the policies and procedures necessary to remain in compliance.

Cash-based medical practices are growing in popularity across the country. Establishing a business model around cash-only practices presents a series of challenges. At Ruder Ware, we expect this trend will continue to grow as patients accept and become aware of the availability of these types of arrangements.

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MARKETING

From 31

A mix of media to engage audiences

The growth of content marketing in the 21st century is directly related to the availability of online communication channels which allow communicators to

get their messages in front of their audiences without relying on traditional media channels — whether through paid advertising or PR placements.

Yet these new options are not mutually exclusive. Content marketing does not replace either advertising or PR. It just represents another option.

For organizations like utilities and health care providers, content marketing may offer the opportunity to convey messages to consumers in ways that don't appear to be simply promotional. But it's likely that they, and other organizations, will still have the need to purchase advertising space in various print, television, radio and

outdoor venues.

Whether we call it advertising or marketing or public relations or content marketing, it is all really just communications. And in today's increasingly segmented communication environment, marketing communicators are both blessed and cursed by the many options they have to get their

messages out to their markets.

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