Disruptive Innovation In Physical Therapy: Part II

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In Part I, I discussed the issues of quality and value in the health care system (in general) and in physical therapy (specifically). Let me expand on that a bit, and then provide an innovative solution to the problems at hand.

A typical episode of care, in the current paradigm of what is “acceptable care” (note how I did not say “evidence-based care”) is 8 to 10 visits. As I mentioned earlier, this is considered by many to be “great care” and is even advertised as such. These same 8 to 10 visits are costing the patient, on average, anywhere from $64 to $80 per visit, with a total of $512 to $800 out-of-pocket for any given episode of care. This investment may not provide much value-added benefit nor quality, especially if evidence- and science-based strategies have not been implemented in competent self care strategies. Sadly, the disconnect between quality and value has become the accepted standard amongst clinicians and patients – for all the reasons that I outlined in Part I.

Add to this the fact that for every $10 spent on health care, $9 are spent on overhead. Yes, just $1 is spent on actual care, and even that is being lost in the quality/value debacle. But we also know that for every year of education, health care costs drop. So having people better educated in the process of their care makes good sense economically and culturally.

Seven years ago, my clinical practice moved from an insurance-based model to an out-of-network fee for service model. But what I have found over the years is that patients are so driven by “what their insurance covers or pays for” or “who is in or out of network”, that they fail to fully comprehend and consider the issues of quality and value.

A fee for service model can provide an out-of-pocket cost saving, though conflicting value systems remain. Innovation can provide quality, outcome, value, and cost-efficiency, but something radically different will be required to transform our current models. Let’s examine how a fee for mentorship model provides a value proposition that is revolutionary in how we view health care, physical therapy, and health in general.

Any value proposition needs to address some critical mechanisms, one of which is certainly cost. But perhaps more importantly, there five patient priorities that are critical for customer satisfaction: an explanation of the treatment (education, hopefully in competent self care strategies), personalized attention, fewer clinicians involved (i.e. not a bunch of support staff), having an informed clinician (hopefully evidence-based, but I digress), and the level of patient input in goal setting (it’s not clinician-centered, it’s patient-centered).

The fee for service model that I have utilized in my practice is pretty straightforward. Sessions are typically 45 minutes in duration, which is time spent directly with me, not with any support staff. The initial assessment is now a $55 flat fee – a low price set specifically to eliminate any perceived financial barriers to going to an out-of-network provider. Patients will gladly spend $70 or more to have stretching, acupuncture, personal training, body work, etc when it is assumed that these services will not be covered under their insurance plan. So here’s an idea - how about spending $55 to gain an understanding of your problem and those evidence-based strategies that will resolve the problem via your own self care?

Follow-up sessions are $75 per session. Over the past 7 years, the average number of visits per episode of care has been a total of 5 visits. This then adds up to a grand total of $355 per episode of care using this fee for service model. That amounts to a $157 saving per episode of care per patient as compared to the traditional insurance model, but with a focus on education-based and patient-centered competent self care strategies.

But when we innovate at even deeper systemic levels, we find some exciting new options. This is what I call a Fee For Mentorship model, something that is radically different in both patient and clinician perceptions, value, and quality.

This model promotes a retainer- or subscription-based system. After your initial assessment fee (as before), patients can then subscribe to a quarterly rate of $90 per month. The patient schedules appointments as needed, similar to any other delivery model. It is the goal of the clinician to provide the most effective clinical approach possible, as more visits don’t translate to more income for the clinician. More visits actually mean less income for the clinician. Should there be a quick resolution of the problem, the model provides for a seamless integration into the world of health, and in educating people with regards to those factors (typically training and work-related) that have been found to have a direct relationship to injury. The patient thus transitions into a training- and health-based program for the duration of their subscription. Keep in mind that the research would indicate that the vast majority of activity-related injuries are related to training and training methods (and, I would suggest, repetitive loads during activities of daily living for those that are not training).

The model focuses on establishing a mentor-mentee relationship with the patient. This addresses the issue of decreasing health care costs through ongoing education. The role of the physical therapist becomes one of mentor more so than

“guru” or “fixer”. A “learning pathway” is established with clearly established client- and function-specific goals, and specific education to address competencies of self care.

Interaction between mentor and mentee can be done via many technological resources (such as instant messaging, online webinars and chat, discussion forums, and the like). This further enables the patient to be actively involved in their own competent self care. In an era of information technology, and with a change in the clinician’s perception of their role in the patient’s care, the old-school “live office visit” may not necessarily be required to accomplish the patient’s goals. The growth of the e-patient makes the use of technology all the more important in any new model of care.