Managing your Practice

By Howard Larkin

Patient financing an unfulfilled promise

Low monthly payments can build refractive surgery volume. The key to success is integrating financing with other promotion efforts, such as patient education sessions.

For many expensive, long-term purchases, financing is the key to making sales. Houses, cars and even big-ticket appliances are within the reach of many buyers only because affordable monthly payment schedules are available. Yet, in much of Europe at least, financing for refractive surgery hasn’t caught on. However, in some other parts of the world, patient financing has been highly successful in building practice volume and revenues—and in promoting new, more expensive technologies, such as custom ablation and IntraLase.

The key to making financing successful is to combine attractive terms with other promotional efforts. That’s easier to do in some markets than others, but practice management experts say it can work anywhere.

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“Money talks in any language,” said Michael Malley, a refractive surgery marketing consultant who has consulted widely in the United States and Canada. Over the past year, he has worked with several practices that have used financing to increase volume 10% to 20%—even as they raised prices by 20% or more, and increased the proportion of custom procedures they performed.

“Interest-free financing works. The longer we extend it—six months, 12 months, 18 months—the higher the volume goes,” Malley said.

“Every surgeon believes that ‘my patients are willing to pay more.’ But if you can make it affordable, you’re not just going to get the doctor and the lawyer; you’re going to get the school teacher and the grocer. Patient financing is often the only way these patients can afford LASIK.”

Overcoming advertising restrictions and cultural value obstacles

While the most obvious place for promoting interest-free and no-payment-for-six-months offers is advertising, financing options can be used to reinforce other promotional efforts. It can be effectively used to convince patients who come to education sessions or call your practice without a referral to have the procedure now instead of putting it off.

That’s good news in Europe, where in many countries doctors are severely restricted in how much advertising they can do. Problems reaching a broader audience often limit efforts to expand the refractive surgery market.

For example, about two years ago, Francesco Carones MD, began offering patients financing at his busy refractive surgery practice in Milan. So far, only about 5% have been interested.

“The patients referred to me usually have good salaries and financing available. I am using financing to expand my market potential. We have many younger patients, etc.—but it has been ineffective until now,” Dr Carones said.

Part of the problem is that Italy restricts advertising to patients. This makes it difficult to get the word out about financing, or refractive surgery in general, to the mass market. Most patients are referred by other ophthalmologists or opticians, who may not even raise refractive surgery as an option unless the patient is financially well-off.

Cultural inhibitions, too, may have a role in dissuading patients from financing elective surgery, said Katrin Teigeler, global marketing manager for ophthalmology at WaveLight Laser Technologie AG in Erlangen, Germany. “In Europe, you don’t borrow money, especially not to finance consumer purchases.” Even though refractive surgery corrects vision defects, it is still viewed more as an elective procedure and a luxury, she said.

However, Ms Teigeler believes that “European attitudes toward both consumer debt and elective surgery are changing, and as they change, demand for LASIK will grow.” Look at aesthetic breast implants. The technology has not improved and all the safety questions are still there, but more procedures are being done all the time. It’s a change in attitude, and I think we will see the impact on refractive surgery in the next two years.”

Indeed, specialised financing companies are springing up to meet European demand. Some, such as Medipay, based in Siegburg, Germany, offer marketing support to their medical provider “partners.” The company’s Web site has links to ophthalmologists that offer financing, and these partners offer premium services that vary by the type of financing.

“We started doing it about two months ago and it has attracted some attention,” said Tobias Neuhann MD, who offers financing through his private practice at Augenklinik am Marienplatz in Munich. “We haven’t pushed it much yet.”

Financing can build markets and custom volume

Elsewhere in the world, though, patient financing has proven highly effective in both attracting a wider market for LASIK, and in helping convince patients to upgrade to custom ablation.

Maria Regina Chalta, medical director of the Department of Ophthalmology at the Federal University of Sao Paulo, Brazil, the Department of Ophthalmology at the Federal University of Sao Paulo, Brazil, began offering patients myopie funding to expand my potential patient base. The technology has not improved and all the safety questions are still there, but I think we will see the impact on refractive surgery in the next two years.”

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Don’t be afraid to offer interest-free financing. Bringing in patients who otherwise could not afford surgery will more than make up for the discount you give by picking up the interest charges. Your bottom line will benefit from the increased volume, because your marginal income will rise faster than your marginal costs.

Don’t make not having surgery an option. When counselling patients who qualify for surgery, don’t ask if they want the surgery, ask which payment option would be most affordable for them: zero-interest, six months with no payments or cash. Which ever option they choose, you win.

Tips for using financing to build volume

Affordable financing options can mean the difference between a prospective patient having surgery now, or putting it off for years—or maybe forever, if you find that many patients are calling your practice or attending information sessions, but few are having procedures, maybe you need to rethink the way you run your practice, says refractive surgery marketing consultant Michael Malley. For instance, Mr Malley suggests:

■ Everyone who calls your practice or attends an information session wants surgery. They wouldn’t be there if they didn’t, but many aren’t quite ready to go forward. If you can give them a good reason to act now instead of later, many will.

■ Everyone likes to get a good deal. Position patient financing options, such as zero-interest loans, or six months with no payments, as special offers. The idea that they are getting a good deal is often enough to get people to act now instead of delaying.

■ Affordability is an issue for everyone. While the bulk of your patients may be easily able to afford surgery, offer financing as an option to everyone. That way, even people who have hidden financial issues or reservations will be able to take advantage of your financing programs.

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