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# Discounting Pricing Can Open New Doors

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Shopping for discounts is a way of life for many Americans. Outlet malls are their sanctuary, where they can purchase name brand items at below-retail prices. In other words, they can get quality products without the quality-related price. From clothing apparel to perfumes and cosmetics, manufacturers have realized that it's important, on many levels, to get their products into a wider range of customers' hands.

And now, physicians are doing the same—both on their own, and through a web-based service called [PriceDoc.com](http://www.Pricedoc.com). They're opening the doors to patients who need care, and whom they might otherwise have never seen.

“From day one, we've always had the philosophy that if somebody can't afford care but they really need medical care, I'll provide it for them free of charge,” says Charles Crutchfield, MD, of Egan, Minnesota-based [Crutchfield Dermatology](http://www.CrutchfieldDermatology.com). “It has worked very well for us.”

## The sliding scale

Crutchfield explains that ever since he first opened the doors to his practice eight years ago he's had a sliding scale for patients who don't have insurance or can't afford medical care. The discounted services are based on patients' income level as evidenced by their tax returns, and re-verification of income is done on an annual basis. Crutchfield sees the process as not much different than the discounts offered to insurance companies.

“It's just another group I'm negotiating with, whether it's a very large group or a very small group,” the doctor explains. “We're helping patients who really need help, and it's on a fairly small scale.” He estimates less than three percent of his patients actually use the sliding scale. “Somebody earning \$40,000 with no children might not qualify, but somebody earning the same salary with five children might. [The system is] not perfect, but we're trying to do the best we can to help people.”

Crutchfield says the best way to start a sliding scale or discount program is to develop a general template that includes the different services offered, different income levels, plug in the varying dependent levels, and then determine what discount percentages you feel comfortable with. “I would feel comfortable sharing this information with any physician who wants to get started,” he says. “Then they can adapt it based on their needs and their geographic location.”

## The price is right

Joseph Galitzin, MD, is the medical director at Skincare at 5th Avenue, in Peachtree, Georgia. Last fall, he

began working with PriceDoc.com because he said it struck him as “something that made sense.” A full list of his procedures and posted prices is published on [his PriceDoc.com page](#), and through those postings patients are able to engage in negotiations for a particular service.

“The idea of negotiating rates with patients is not a new one,” Galitzin says. “It’s not uncommon to have one fee schedule with one insurance carrier and another fee schedule with another carrier. So, the idea that this could be extended on a one-to-one basis with the individual patient made sense to me.”

Patients benefit from the discounted prices, but Galitzin says physicians do as well. “For practices like mine, or even those that are all insurance-based, marketing needs to be a component of your practice. You have to reach out into different sectors. This website creates a sector that, if it’s there, there’s no reason not to participate in it.”

David Zeiger, MD, a Chicago-based osteopathic physician and surgeon who is board-certified in family practice, agrees. He, too, began working with PriceDoc.com last fall, and recognizes the benefits of doing so for his practice. “We’re all trading our time for dollars. The more patients I see, the better the bottom line. And because I specialize in integrative medicine, it’s a way of marketing my practice philosophy to a greater audience.”

### **Getting started**

Galitzin says that whether a physician wants to enter the price negotiation arena on his or her own or through a website like PriceDoc.com, it’s important to think things through. In other words, ask yourself, what are you trying to accomplish?

“I’ve found that a lot of physicians don’t understand what they’re being reimbursed for different procedures,” he explains. “The physician who is more in tune with his or her practice numbers stands to gain more” through the practice of discounting services. If a physician understands the material cost of the service being provided, then it’s just a matter of how close to that cost he or she is willing to go. “The better understanding you have of your own numbers and what the marketplace is supporting, the more business you can drive to yourself.”

Adds Zeiger, “You have to be realistic with yourself. What procedures are you offering, and what’s the cost of those procedures to you? Then write that down so it’s well-defined, and you’ll have a guideline to work from.”