

What Makes for a Successful Wellness Center

Tag Words: Wellness Centers, Medical Insurance, Physical therapy, Acupuncture, Chiropractic services, Mental Health

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Summary: Wellness centers, places where people may go for yoga, nutritional counseling, physical therapy, fitness, chiropractic care, eastern medicine, etc., are more popular now than they were a decade ago. Not all wellness centers offer the same services or accept insurance, and many businesses close just a few years after opening. We attempted to analyze what factors play a role in determining what makes for a successful wellness center.

The Issue: Wellness Centers – Why are Some Successful and Others Not?

Wellness Centers are popping up left and right, many disappear just as fast as they appeared. What features does a lasting Wellness Center possess? What do you think of when you hear the words Wellness Center? Many people imagine this beautiful place that will help guide clients to a better lifestyle. This is not too far off. Although many people do not understand that a Wellness Center can be many things. Each center can be drastically different with varying clientele and services. What is the difference in success between these Wellness Centers? What characteristics make it more likely for these centers to have a large and lasting clientele?

What makes a wellness center a wellness center?

Many people today do not understand what a Wellness Center is and what services they provide. This lack of knowledge has prevented many from taking advantage of the countless benefits. In fact, these days, there are many wellness centers that are simply a place to obtain information about different treatments and alternatives. The many wellness centers do offer services also accept insurance and provide services that are proven to help and prevent illness and simply promote health.

Health and wellness are two words that go hand in hand. The purpose of many Wellness Centers is to guide people into a better lifestyle. This could be anything from providing fitness programs tailored to each individual's needs or actually providing exercise equipment. The general characteristic that makes a Wellness Center a Wellness Center is providing information about health and prevention of illness. This means that a center will provide people advice, data, and knowledge about a numbers of different techniques to heal or prevent illness and injuries. Many times there are not actual services provided to the public, but just a center where you can obtain information.

The different types of wellness centers and their varying services

As discussed earlier, each Wellness Center is different from the one next to it. There are a few different types that can be narrowed down. When walking into a Wellness Center, one can expect to find anything from beauty services to physical therapy. A Wellness center can be a place for individuals to go to simply receive information about how to stay healthy (1). The title of a Wellness Center is extraneous to the type of service provided but rather the number of

different services the clients can choose from. They are facilities that focus on all aspects of health; mental, physical, external, and internal.

There are centers that are mainly focused on physical fitness and weight loss. In a center like this, one can expect to find a gym, licensed nutritionist, personal trainers, group fitness classes and most likely, physical therapists. Although many may think this is simply a high class gym, the added physical therapy services adds the rehabilitation aspect of a Wellness Center. Individuals with injuries can go to physical therapy and may also join the gym in the same facility.

Another example of a different type of Wellness Center is one that provides Eastern medicine and healing. You'd expect to find a wide range of services that are considered unconventional; like acupuncture, massage therapy, aromatherapy, and reiki in this sort of facility. Many times these services can be combined with other focuses such as yoga.

There are also facilities that refer to themselves as Wellness Centers that are a chiropractic practice that also offer other forms of therapy. In a facility like this one there is a licensed Chiropractor who helps his/her patients achieve wellness and relief of pain through chiropractic work, reflexology, cold laser, etc.

There are Wellness Centers that combine all Eastern and Western medicine along with beauty services. These centers seem to have it all. They may staff chiropractors, licensed dietitians and physical therapists, beauty specialists, life coaches, fitness trainers, yoga instructors, etc. This diversity allows the center to accommodate many different customers seeking wellness of whatever sort. This type of facility also provides a place where staff can operate under one roof as opposed to having to try to survive as a lone service/business.

Every client has their individual needs and ideas about what they want to get out of a wellness center. The freedom that a wellness center has is what makes them so special. They have the ability to accommodate to many different consumers. This flexibility is also what makes it easy to find a wellness center that will fit each client's unique background.

Services Wellness Centers Provide

Physical Therapy. A physical therapist is a licensed individual with a doctoral degree in Physical Therapy. They have an extensive background in the human anatomy, biomechanics, kinesiology, and physiology of the human body. They use this information to help rehabilitate the body without drugs or medication. Physical therapist can treat an abundance of injuries and disorders. They use many different techniques such as electrical stimulation, ice/hot packs, massage, manual therapy, weight training (2).

Physical therapy has been around since the early 1900's. It is widely used today with clinics everywhere you turn. Medical doctors fill out prescriptions for physical therapy for many different reasons. It can be used to prevent further damage to a joint or ligament from natural causes or help to rehabilitate individuals following an accident or major surgery.

Acupuncture. An acupuncturist uses small needles that he/she inserts into the affected area of the body. The study of acupuncture also goes a little beyond general anatomy where meridians of the body are designated. These are the energy channels that are thought to run through the body. The idea behind acupuncture is to remove blockages in these channels (3). The needles used “grasp” onto connective tissue, causing the sensation of a deep ache, and reported to have many clinical implications (3). Connective tissues can be found throughout the entire body, surrounding organs, muscles, bones, blood vessels, and nerves. Therefore, it is no surprise that mechanical changes in non-specialized connective tissue, potentially caused by acupuncture, can affect different systems in the body by induction, “cells sense and transform these mechanical signals into cellular responses such as the activation or deactivation of signaling molecules, translocation of transcription factors into the nucleus, and ultimately, changes in gene expression” (3). Such alterations in the structure of connective tissue, both macro and microscopically, are thought to affect tissues in which it is in contact with.

Chiropractic Services. Chiropractors, what they do, who they help and why their practice works for some, has been studied for years. While there are misconceptions about the use of sudden movements to realign the spine, there have also been positive outcomes for most that are able to live pain free and use a chiropractor as a refresher on occasion to realign the spine before pain comes back. Posture is said to be a contributing factor as to why back pain may begin. Chiropractors are used by clientele usually to treat back pain but chiropractors are not limited to only back pain. When the spine is realigned, clients have seen less pain in their necks, arms, legs as well as their back. The treatment that chiropractors use is a spinal manipulation treatment to give proper alignment to the spine and surrounding joints (4). The process includes a controlled sudden movement to improve the range of motion for the client. This pain relief can change the life of a client. Most chiropractors include nutritional counseling as well as exercise or rehabilitation into the client treatment plan. The chiropractor and the client establish goals to determine long term effects of the chiropractor’s treatment plan. Acute back pain is common and generally able to be treated with the help of a chiropractor.

Mental Health. Mental health services are a large part of wellness centers. They can provide life coaches, psychologists, counseling, and wellness coaches. Many times these services are the largest part of a center and what they provide to their clients. A life coach for example is someone who will work with an individual and help them bring their goals into focus. They will work closely with a person to understand their desires, their skills, and their weakness in order to make a plan to achieve their dreams. This strategy is helpful to regain focus and make reasonable plans for the future. A wellness coach is similar except they provide more of awareness towards physiological health. They help clients change eating habits, exercising plans, and balancing all these challenges in life.

A clinical psychologist is the most common type of psychologist one might encounter at a wellness center. Psychologists assess each individual with mental screenings, then diagnose and treat different mental illnesses (6). They can provide screenings for mental disorders such as depression, schizophrenia; ADD/ADHD and help patients make goals and live with their disorders. They are not psychiatrists and do not prescribe medications, but use other forms of therapy such as psychotherapy which may include group therapy, cognitive behavioral therapy, art therapy, etc. (6).

Yoga and Fitness Classes. Yoga is a practice that has existed for thousands of years, with no real evidence of a true beginning date. It is an increasingly popular form of exercise that incorporates the mind, body and spirit, and seeks to find balance between the working body and the busy mind. Within yoga there are three vital components that make the practice whole: breathing exercises, body postures, and meditations, derived largely from ancient Indian philosophy (7). There are also different forms of yoga that incorporate the components differently and are aimed towards participants' varying levels of physical ability.

Group fitness classes have a different dynamic than working out alone. Having an instructor or personal trainer to guide you through a sequence, can be motivating, and challenge someone in a way they have never done before. Group fitness classes also provide motivation by watching and working amongst the others in the class. This generates a sense of community, feeding off each other's energy, and aids in accomplishing the rigors of the class.

Dietitians/Nutritionists. A dietitian or a nutritionist is someone who helps patients eat properly throughout the day. They can work closely with patients who are overweight, have medical illness that prevent them from losing weight; medical conditions like diabetes, etc. (8). These professionals have a bachelor's degree or a master's degree and are familiar with human physiology and how the foods we eat react in our bodies. They can help clients make meal plans, and change the course of their life with the foods they eat each day.

Insurance Coverage

There are pros and cons with regards to whether Wellness Centers would wish to accept insurance. By accepting insurance, the wellness center will get customers that they otherwise wouldn't bring in. For many clients, insurance coverage is the main reason they find themselves at a Wellness Center. A doctor may give the patient a referral for physical therapy, for example and refer them to a physical therapist that works at a Wellness center. This may be the client's first visit to a Wellness center. Once there, clients will be introduced to the other services the wellness center offers and potentially participate in those as well creating a steady stream of income.

The negative side of the Wellness Center accepting insurance is that 1) there is considerable paperwork to process which requires skilled administrative staff, 2) requires licensed personnel to perform the services and 3) that the insurance company dictates how much they'll pay out for specific services. So their profit margins are severely limited as the Wellness Center needs to pay a decent wage to the people certified to provide these services; otherwise they'll jump ship and start their own business. One would imagine that some wellness centers may struggle to keep qualified and certified staff on board, especially those that develop a following and begin to work full time.

What do major insurance companies cover?

There are many different medical insurance plans, coverage policies, levels of coverage, etc. In general, many marketplace health insurance plans (private health plans) will cover rehabilitative services (services to help people with injuries, disabilities, or chronic conditions gain or recover mental and physical skills) and some preventive and wellness services (9). Rehabilitative

services such as physical therapy and chiropractic care may be covered if a doctor prescribes it and the insurance company approves it. Weight loss and nutritional counseling may be covered under insurance if these services are considered medical necessity. In most all cases, authorization by the insurance company is required for coverage of these services and may be limited in the number of visits which is dictated by the insurance company depending on patient need as determined by the physician.

What insurance companies do not cover

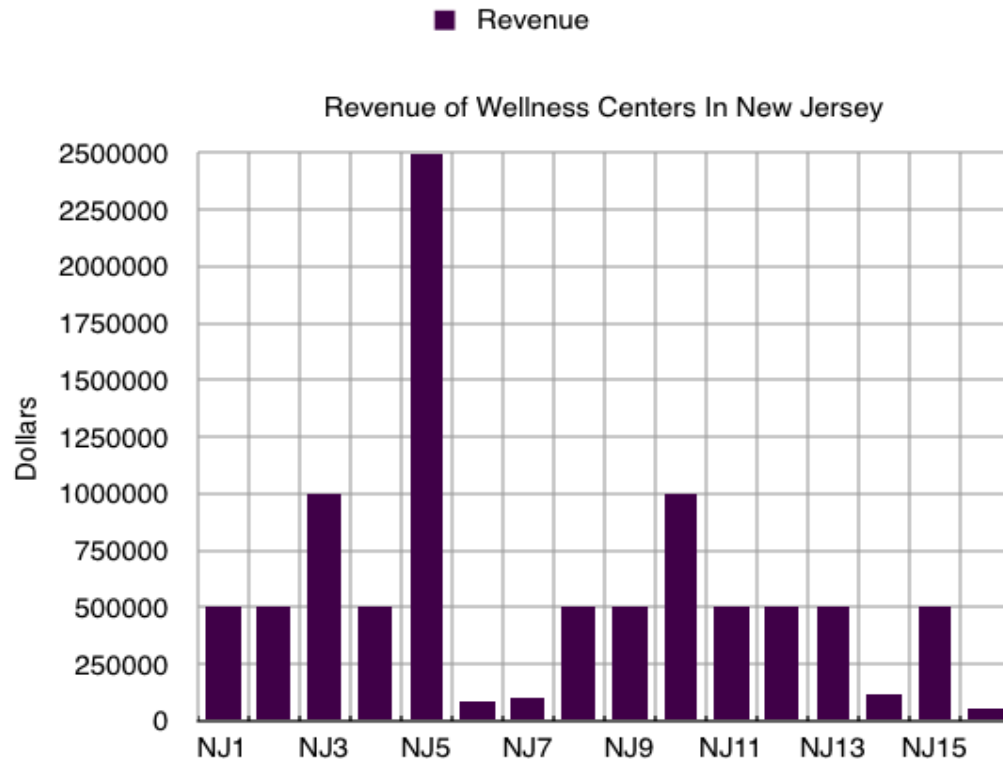
There are many services offered by wellness centers that are not covered by insurance plans. These services can include things such as fitness class, holistic eastern medicine, and beauty services. Although holistic and eastern medicine is growing in popularity, the insurance companies generally do not cover these services. Insurance companies claim that there is not enough scientific research to supporting its benefits. Insurance companies' base their coverage on what is necessary to health and what has been shown to provide significant benefit. While these services may help make a patient feel better, insurance companies do not deem them medically necessary. There are exceptions and there are a growing number of alternative medicine services that are getting covered.

Community Action: Identifying the differences between successful and unsuccessful Wellness Centers

Local wellness centers were examined in order to understand the commonalities amongst the more profitable (> \$500,000 gross annual revenue) vs less profitable (< \$500,000 gross annual revenue) wellness centers. Twenty seven wellness centers in New Jersey were examined; 16 were open and running while the remaining 10 are now closed. It would be expected that the wellness centers that are now not operating likely closed because they could no longer stay in business financially. Little information was found on these former centers as most of their websites are no longer in service.

The 16 open wellness centers were surveyed over the phone and asked about the number of services they offer, what their most popular services were, what certifications they require of individuals that perform services (and which services, what certifications), what their most successful service was, which services are covered by insurance, and how they acquire clientele (physician referral?), and how many clients on average visit each week.

Wellness center information on the annual revenue (below), year established, and the number of employees was obtained from the website manta.com.



Characteristics of the most Successful Wellness Centers Studied

The three most successful wellness centers, based on annual revenue, were NJ3, NJ5 and NJ10.

NJ3 has been open for 9 years and was established in 2006. Their revenue is approximately \$500,000 to \$1,000,000. They have a staff of about 19 (many of these are part-time) and they only offer 3 services (beauty services, acupuncture, nutritional counseling). Their most popular service is nutritional consulting. Many of their clients are referred by area physicians. The wellness center typically services ~150 clients a week. They do accept insurance for acupuncture.

NJ5 has been open for 6 years and was established in 2009. This center employs about 7 and offers 10 services (fitness services, group fitness classes, physical therapy, massage therapy, chiropractic care, medical herbal therapy, medical herbal therapy, nutritional counseling, and personal training) and their revenue is about \$1,000,000 to 2.5 million. They accept insurance for services that are referred to by their physicians. These services are physical therapy, massage therapy, chiropractic care, and nutritional counseling. They offer group fitness classes along with physical therapy, massage therapy, aesthetic services, and many more. Their most popular services are ones that are not covered by insurance: facials/massages and fitness training. They see a total of about 350-400 clients a week.

NJ10 has only been open for about 3 years now, employs 6 people who are certified in their field and offer 5 services (Chiropractic care, Electro-Acuscope and Myopulse, Jin SHin Jyutsu, Neuro Emotional Technique) Their revenue is between \$500,000- 1 million. They accept insurance for

services that are referred to by their physicians. The service that are accepted by insurance are chiropractic care. Their most popular services are chiropractic care and nutritional counseling. They see about 400 clients a week.

The 3 least successful wellness centers based on annual revenue of less than \$100,000 were NJ6, NJ7, NJ16. Their net income may actually be negative (they run on a deficit). The annual income reported does not take into account the rental of the property, heating/ cooling/ electric/ water and sewer costs, or payments to the people providing administrative or wellness services. If they don't rev up their revenue, that will likely close.

NJ6 was established in 2012 with revenue estimated to be about \$84,000/year. They have 3 employees and offer 2 services; aesthetic services and cosmetic acupuncture. They have certified individuals in both the aesthetic services and acupuncture. - They do accept insurance for acupuncture (for those plans that cover acupuncture) and their most popular service is acupuncture. They see about 35 clients a week.

NJ7 has been open for 32 years and has a staff of 9 who are all certified in their field. Their revenue is about \$100,000 annually. They do accept insurance. They have 9 services which include, chiropractic care, physical therapy, massage therapy, acupuncture, weight loss services, micronutrient testing, vitamin supplements, DOT exams, subluxation station, corrective exercises, lifestyle advice, nutritional counseling, spinal and postural screenings. Their most popular services are chiropractic care and physical therapy. They see about 75-100 clients a week.

NJ16 has been open since 2010, has 1 staff member with an annual revenue of about \$58,000. This business accepts insurance and has 4 services: beauty services, massage therapy (most popular), physical therapy, and chiropractic care.

Table 1. Services Offered by Wellness Centers

	Revenue Greater than \$500K			Revenue less than \$500K		
	NJ3	NJ5	NJ10	NJ6	NJ7	NJ16
Services offered (* accepts insurance, #physician referrals)						
Physical Therapy	N	Y*#	N	N	Y*	Y*
Chiropractic Care	N	Y*#	Y*#	N	Y*	Y*
Nutritional Counseling	Y	Y*	Y	N	Y	N
Exercise Classes	N	Y	N	N	N	N

	NJ3	NJ5	NJ10	NJ6	NJ7	NJ16
Acupuncture	Y*#	N	N	Y*	Y*	N
Beauty Services	Y	Y	N	Y	N	Y

Wellness Centers No Longer In Business

NJ18 opened in 2005 and had about 5 employees. They offered 3 services, facials, massage, and workout classes such as kickboxing and yoga. Their annual revenue was about \$200,000. They did not accept insurance because they did offer services that accepted insurance. Reason for closing is unknown.

NJ19 opened in 2007 and had 2 employees. They offered 2 services; physical therapy and massage. They accepted insurance and their annual revenue was about \$500,000. They closed, but then opened up a new facility in 2010 which is under a different name (the NJ2). They now offer more services.

NJ20 opened in 2012 and had about 3 employees. Number of services unknown, their annual revenue was about \$500,000. The owner was called but refused to answer any questions. NJ21 opened in 2010 and had 5 employees, revenue was under \$500,000. The owner was not interested in answering questions. Not much information was collected for these two companies.

NJ22 and NJ23 both opened in 2012 with reason for closing unknown. NJ24 was opened in 2011 and had 4 employees with reason for closing unknown. NJ25 was opened in 2000 and had 8 employees with reason for closing unknown. NJ26 opened in 2009 and had 2 employees. Reason for closing is unknown.

NJ27 opened in 2001 and had about 9 employees. Their annual revenue was about 1 million to 2 million. They offered many services, yoga, kickboxing, chiropractic care, fitness coaching, they had a pool and sauna. Insurance was accepted. They closed down because the owner moved to Australia and opened up a new practice there.

The Difference Between A Successful and Unsuccessful Wellness Center

We defined a successful wellness center as one that is operating with gross annual revenue of over \$500,000. We found that the more successful centers had a full working website. They presented their staff and the services they provided with detail. The services that were provided by the successful wellness centers included physical therapy, chiropractic care, and nutritional counseling. These services were covered by some insurance plans with clients getting physician referrals for these services. The wellness centers that had gross annual revenues of less than \$500,000 had websites that were not very informative. Their services were either not explained thoroughly on their website or they did not have an active website.

What people want out of a wellness center - Informal Poll

There are many wellness centers with different services and different objectives. The centers that seem to last and have a lasting clientele are the ones that offer numerous services. Whether these

services are covered by insurance does have an impact on success but, based on a very informal poll, insurance coverage may not be the only contributor. However, many people do not always find the need for a wellness center unless a doctor suggests it. With that being said, offering services that do accept insurance are more likely to be utilized. Although it is not to say that a wellness center cannot be successful without insurance coverage.

Informal Poll

Do you go to a Wellness Center?

What do you want to see in a wellness center? Services?

Rate the importance of each contributing factor from 1-5, with 5 being the most important.

Convenience (Hours Available)

Location

Price

Acceptance of insurance

Services offered

Customer Service

Expertise of care providers

Twenty five people were asked to rate the significance of the above contributing factors from 1-5; with 5 being the most significant/very important to the individual. the above questions. These people were acquaintances of JM ranging in age from 23-65 with approximately 20% of the people in each of the five age groups: 23-30, 31-40, 41-50, 51-60, 61-65. This informal poll did not take account socioeconomic factors and only provided a snapshot of a small population. However, many of JM's acquaintances had not been to a wellness center and because these individuals were not separated out, the numbers below provide little or no information.

“What People Want Out of a Wellness Center”

	1	2	3	4	5
Convenience: hours available	2	3	3	4	13
Location	1	3	4	15	2
Price	2	6	6	11	
Acceptance of Insurance	20	2	3		1
Services offered			1	7	17
Customer Service			3	7	15
Expertise of care providers		1		2	22

The ratings the acquaintances gave suggested that the deciding factors of attending a wellness center were mostly based on the quality of care. Many said they would pay out of pocket if they

felt like they were receiving proper care by individuals who cared and were knowledgeable in their field. Convenience and location were also quite important to many people; that it would be a determining factor of whether or not they would attend a wellness center.

Demographics are likely to impact wellness center participation. One would expect that a younger demographic would consider paying a little extra out of pocket in order to receive the services and quality of care they desire. As the patients and customers get older, it would be expected that insurance coverage would be a huge factor in determining whether or not they would attend a wellness center. There was not a representative sampling of this population to determine whether or not insurance would be the deciding factor on whether they would go to a wellness center. It would also be expected that millennials might rate “acceptance of insurance” low when compared to services offered, convenience and expertise of care providers. Pricing of the service was not rated as that important on the client's decision to attend a wellness center, although the largest number of people did rate it with a four. It is not enough to say that clients will not pay if the service is expensive. When the participants were asked to reflect on their ratings, many responded the same way; “I will pay out of pocket, or a more expensive rate if I am getting quality care and what I want.” This shows that people are willing to go to wellness centers that they feel offer them proper care. Every individual has different needs and requires different services.

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Letter to the Editor

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Dear Editor,

Please consider publishing my letter to the editor.

I am writing about Wellness Centers, an issue that is important to me. I am interested in the success of Wellness Centers, and what they provide to the public. I believe that many people don't know about the services offered by Wellness centers and this lack of understanding has caused many wellness centers to go un-noticed by the public leading to their closure.

Thank you for your consideration,
Jeanine Moussa