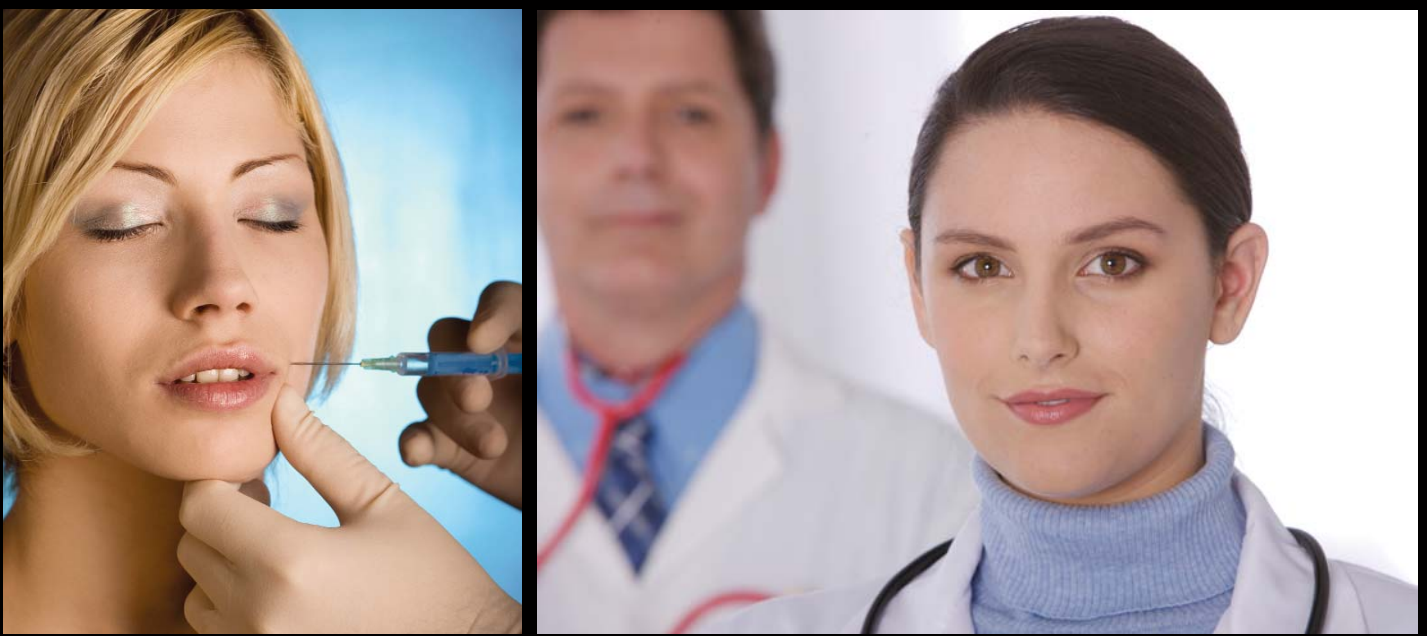


New Breed of Aesthetic Practices

Share Secrets



to Success



As primary care physicians make the decision to add cash-pay elective aesthetic procedures to their practices, they must navigate the key business decisions involved with this transition. Choosing the right technologies for your practice, based on patient demographics and local market conditions, is essential to success. In the following case study profiles, physicians share their personal experience and offer proven advice on strategies to win in the prosperous new aesthetic market.



Red Alinsod, M.D.
Director
South Coast Urogynecology, Inc.
Laguna Beach, CA

Red Alinsod, M.D. Laguna Beach, California

Trained as a pelvic surgeon, Red Alinsod, M.D., has used lasers for aesthetic vaginal surgery since 1991. But only in the past three years has he expanded into cosmetic dermatology. "I augmented the practice because of requests from women I had already treated vaginally," said Dr. Alinsod, director of South Coast Urogynecology, Inc. in Laguna Beach, Calif. "These women were all going to the dermatologist or the plastic surgeon for additional procedures after I had seen them. Having years of experience with lasers, I didn't feel it was that big of a leap to treat skin."

Dr. Alinsod estimates that 25% of his current practice is non-vaginal aesthetic procedures. "Being located in a beach city, photofacials are probably my most popular," he said. "I also do a lot of hair removal, primarily the bikini line." Through The Laser Network, LLC (Morrison, Colo.), Dr. Alinsod has purchased two new Palomar (Burlington, Mass.), StarLux pulsed light and laser systems over the past six months to replace his older equipment. "The StarLux is supremely comfortable for patients. They come back. The pain is minimal compared to other systems that I've used."

Dr. Alinsod is highly impressed with how attentive and detailed The Laser Network is about his practice and matching him up with the best system. "They were able to find a great deal for me with the StarLux. They went straight to the manufacturer," he said.

For a single photofacial treatment the practice charges about \$475, while a package of four sessions includes one free

session. Treating the bikini line starts at \$125, with a fifth session free. Fractional treatment of fine lines and wrinkles with the StarLux 1540 nm handpiece is \$1,200, and a package of three sessions is \$3,000.

"The learning curve is not steep with the new technologies and they have become much safer," Dr. Alinsod stated. "It's nice to have both an insurance and cash business. Over the next few years, I suspect non-vaginal aesthetics will represent about 50% of my practice. We haven't even actively marketed these procedures. I wish I had entered this field ten years ago."

In-house patients are good candidates. "Many of these patients are too shy or afraid to approach a dermatologist or plastic surgeon. But these patients feel comfortable having these procedures performed by their primary care doctor," Dr. Alinsod said. "Patients may also feel a stigma attached to seeking treatment by a specialist. Likewise, doctors may feel a stigma from other doctors. But that's ridiculous. Use your skills. It is not an admission that your practice is not doing well. It is actually a declaration that you are independent and can do more for your patients."

Edward Zimmerman, M.D. Las Vegas, Nevada

A roll of the dice in aesthetics has proven lucrative for Edward Zimmerman, M.D., a cosmetic surgeon in private practice in Las Vegas, Nev., who started out in family medicine. "I suggest that doctors begin with Botox (Allergan, Irvine, Calif.), and minimally invasive office procedures like superficial resurfacing and facial fillers of all kinds," he commented.

Training is important, too. "There are many training institutes. Get the training that will enable you to live the plan you've mapped. You should also document everything you do, so you can learn from it," Dr. Zimmerman noted. "Marketing is also critical. We tried TV a number of years ago. It didn't work out. But we're trying it again." For marketing liposuction, the practice has posters and brochures at high-end, 24-hour-a-day fitness centers.

One of the new technologies Dr. Zimmerman has acquired over the past year for body contouring is the Coolipo from CoolTouch Inc. (Roseville, Calif.), which is a 1320 nm, 15 watt laser that employs a fiber optic waveguide through a tumescent needle to bring pulsed energy to the fat cells. "The photoacoustic effect actually pops the fat cells."

Dr. Zimmerman's practice charges \$3,000 to \$3,500 for a single session of the Coolipo for the first body area. "But you have to choose very carefully as to the procedures you offer, by looking at both the demographics in your particular area, including age and income, and the competition," Dr. Zimmerman explained. "It is very difficult to market if your competitor is using a similar system for the same indication."

Personality of the staff can also give your practice an edge. "Obviously, the tenor of a practice runs from the top down," Dr. Zimmerman said. "Thus, if you really bend over backwards to do the right things for your patients, your staff will treat patients the same way. Taking lots of before and after images to gauge progress will make patients happy with their care. It's sort of a Neiman Marcus approach, with detailed

explanations to the patient. Staff should be cordial, yet happy. We want every patient to feel special."

Gale Lawrence, M.D. **Seal Beach, California**

It was her own patients who motivated Gale Lawrence, M.D., a family medicine physician from Seal Beach, Calif., to enter the aesthetic arena seven years ago. "My patients wanted me to do Botox," Dr. Lawrence recalled. "The patients knew me and trusted me. They didn't want to go to someone else." Plus, there is the convenience to both patient and practitioner. "I can take care of both aesthetic and medical concerns during the same visit," Dr. Lawrence said.

Currently, about 35% of the practice is cosmetics. Besides Botox and facial fillers, patients can schedule microdermabrasion and photofacials. Dr. Lawrence uses the Quadra Q4 intense pulsed light (IPL) system and the microdermabrasion system from DermaMed USA, Inc. (Lenni, Penn.) for treatments. "The Quadra is very effective and easy to use for pigmented lesions and photorejuvenation," Dr. Lawrence conveyed. Most patients schedule three to six sessions, one month apart.

"I can check for skin cancer at the same time that I perform a photofacial," said Dr. Lawrence, who charges \$75 to \$150 for a single session of chemical peel/microdermabrasion. "I would start in aesthetics with microdermabrasion because it is very safe and effective." Doctors are also able to test the waters before making a larger commitment. "After microdermabrasion, I would suggest chemical peels," Dr. Lawrence said.



Edward Zimmerman, M.D.
Cosmetic Surgeon
Las Vegas, NV



Donald Rainone, M.D.
Smoothskin Cosmetic Laser Center
Londonderry, NH

"But you really need to like Botox because you are spending a lot of time with the patient. You also need to think like the patient. The patient doesn't always see what you see. Botox is not merely technique-driven. There is a strong artistic side."

Dr. Lawrence is extremely careful about the procedures she offers "because they have to work. If not, patients will not continue to come back year after year."

Furthermore, Dr. Lawrence performs all procedures herself, without a staff, "which tremendously reduces overhead. It is very expensive to hire a nurse practitioner or nurse, or even a physician assistant." The practice also sells a lot of cosmetics (facial washes, toners, creams). "These are easy sales," Dr. Lawrence said. "Patients trust that you will choose the appropriate products. Adding aesthetics is simply another aspect of medicine that helps make your practice more interesting."

Donald Rainone, M.D. **Londonderry, New Hampshire**

Ever expanding cosmetic possibilities from improved technology led Donald Rainone, M.D., to change from practicing internal medicine to aesthetics full time in 2001.

"But physicians should enjoy aesthetic medicine, rather than running away from a practice they don't like. I have seen colleagues enter aesthetics simply as an escape," said Dr. Rainone, co-owner of Smoothskin Cosmetic Laser Center in Londonderry, N.H. "You also need to have an artistic bent. Patients will know because

it will show in your work. Both facial fillers and liposuction involve sculpting. Being able to visualize the outcome before you get there is important."

Liposuction, laser tattoo removal, laser facial rejuvenation, facial fillers and injectables are the laser center's most popular procedures.

Hoya ConBio's (Fremont, Calif.), MedLite C6 Q-switched Nd:YAG laser is for tattoo removal and facial rejuvenation. "There are four wavelengths," Dr. Rainone explained. "I use the 1064 nm wavelength for wrinkles, tightening and skin texture. For skin color or complexion, I use the 532 nm green light." The MedLite also has two filtered handpieces. "The 585 nm and 650 nm wavelengths enable me to treat the greens and the turquoise inks that are elusive to other wavelengths," Dr. Rainone said. For tattoo removal Dr. Rainone charges on average \$300. Most patients schedule six sessions, four weeks apart.

Dr. Rainone's laser center markets its procedures through a TV commercial and frequent updates to its website. "We are on a main road with high visibility, so we also have a message board in front of the building," Dr. Rainone said. Catchy phrases such as "Hair Today, Gone Tomorrow"; "Lines, Spiders and Hairs...Oh, My"; and "A Slimmer You Is Liposuction" are thought up by Dr. Rainone himself and changed about twice a week. "Twenty thousand cars pass the sign each day, and half of my new patients are from drive-bys," he noted. "I truly love what I do — getting up in the morning and coming in. In fact, I miss it when I am not working. I truly have a passion, which I hope others entering the field will find."

Johnny Farrow, M.D.
Manteo, North Carolina

Although trained in emergency medicine, Johnny Farrow, M.D., had the opportunity to return home to Manteo, N.C., to practice outpatient medicine because there was no local hospital. "However, after about three years of family practice, I missed doing procedures," said Dr. Farrow, who entered aesthetics in 2001. "We treat sun damage, melasma and wrinkles. We also do laser hair removal, sclerotherapy and laser leg vessels."

To document patient outcomes and increase patient satisfaction, Dr. Farrow uses both the VISIA Complexion Analysis and the OMNIA Imaging System from Canfield Imaging Systems (Fairfield, N.J.). He also uses Canfield's Mirror imaging software with aesthetic simulation that is integrated with the OMNIA. "When a patient comes in for initial consultation, the aesthetician is able to do the VISIA complexion analysis," Dr. Farrow conveyed. "I can then consult with the patient, who can see objectively, through pictures, some of the conditions we treat. You are able to be diplomatic with the patient about their imperfections and aging conditions. As a result, the number of procedures I perform has increased considerably."

Dr. Farrow, who now devotes 40% of his time to aesthetics, admitted he has always been too hasty in making purchasing decisions. "When I see something that is the latest and greatest out there, I buy it," he said. "But then one year later, I feel I need to purchase something even greater. It is easy to get caught up in the technology and overspend. If you are not careful, the equipment can quickly become out of

date. I would definitely research and talk to other physicians before simply relying on the company's information."

A patient who visits an aesthetic practice also has a different mindset, observed Dr. Farrow. "This is a cash driven business, so patients are there because they want to be there, not because they need to be there," he said. "Therefore, the staff needs to keep things moving on time, as much as it can. Some of these patients can also be demanding at times. In general, patients expect a higher level of service and customer satisfaction because these are elective procedures. We are a staff of true caring.

Dr. Farrow attributes his success in aesthetic medicine to persistence. "It takes time and a lot of work. But you're not going to step into aesthetics and automatically start making money. There may be a large investment in both equipment and time."

Valerie Fox, M.D.
Clarkston, Washington

It was her own up close and personal experience with aesthetics that convinced Valerie Fox, M.D., to embark on aesthetics last spring. "I was starting to notice some aging within my own skin," said the 38 year old family physician. "I went for a consultation and learned about the technology and the ease of the procedures. I underwent a small laser procedure and was impressed by the minimal downtime and impressive results. But I also was enticed to take out my credit card and sign up for the biggest package possible. I think cosmetics is something that we, as women, desire."

"You're not going to step into aesthetics and automatically start making money. There may be a large investment in both equipment and time."



Fiona Wright, M.D.
Family Practitioner
Plano, TX

Today, about 35% of Dr. Fox's practice is aesthetics, which complements her family medicine in Clarkston, Wash. "For that third of my time, it doubles my income. But it was very intimidating at first because of the large cash outlay." It helped, though, that her average family medicine patient was a 45 year old woman.

Dr. Fox's medical spa has its own entrance and the suite is decorated in Italian motif. "It is very classy and upscale." Among the offerings are photorejuvenation, Botox, hair removal and fractionated resurfacing. "I thought clients would have a certain expectation," Dr. Fox said. "But I've had to learn to tell clients what services to purchase. I've had to become more assertive. Physicians, in general, tend to not be great salespeople. However, these clients are coming to us for our professional opinions and recommendations. Multiple procedures are common."

Resurfacing is performed with the multi-platform Harmony laser from Alma Lasers, Inc. (Buffalo Grove, Ill.). "You have the ability to interchange wands. We own about seven handpieces, including the Pixel for fractionated resurfacing," Dr. Fox explained. "On the other hand, the 540 nm wavelength lifts up some pigments. The Harmony also has a skin tightening wand."

Alma's Soprano laser, is used for hair removal. "A lot of our clients have had hair removal done with other lasers. They say ours is much less painful and much more effective," Dr. Fox said. For the upper lip, patients are charged \$249 for six sessions.

Besides promoting procedures on their website, the first open house attracted "about 120 people and generated about \$50,000 in sales," Dr. Fox said. The open

house also served wine and gave attendees a discount on services. In addition, Dr. Fox has spoken at several professional organizations, like the Dental Hygienist Society. "We have also donated services to charitable auctions, such as the Boys and Girls Club," she said. "Our largest donated package has been \$4,500, which was auctioned for the full value." Some of the attendees at these auctions end up at the spa for treatment.

"This is the best thing I have ever done," Dr. Fox stated. Apart from the financial rewards, "I can't believe how much better these women feel on the inside when the outside is improved. It is amazing what cosmetic procedures do for women's self-esteem."

Fiona Wright, M.D. Plano, Texas

Fiona Wright, M.D., used to practice family medicine full time. Then in about 1999, she began splitting her time between family medicine and aesthetic medicine. Since 2004, the Plano, Texas based physician has devoted full time to aesthetics.

"I was trained in aesthetics during my residency," Dr. Wright said. "I went full time because of the demand. I could not dedicate myself to both practices. I am so glad I chose aesthetics. I haven't looked back at my decision."

At the Aesthetic Institute of Plano, a full spectrum of services are offered, including all spa services, body contouring, facial injectables and laser rejuvenation. The Whisper Er:YAG laser from Radiancy, Inc. (Orangeburg, N.Y.), for skin rejuvenation "has predictable results that I can guarantee a patient," Dr. Wright related. "This

laser is also a good alternative for patients who desire both pigmentation and textural improvements. Other laser procedures for these indications create more downtime."

Practitioners need to have confidence in the light-based systems they acquire, according to Dr. Wright. "I think there are a lot of systems out there that try to oversell, but underproduce. To be successful, you need to undersell and overproduce," she said. "I test every device that I eventually purchase, so I know exactly what it does and what I can offer my patients. Setting a realistic expectation for the patient will make that patient comfortable with you and you will grow by word-of-mouth."

Dr. Wright paid about \$40,000 for the Whisper laser, which she purchased by credit card, but paid off quickly. She charges patients \$500 for a single session or \$2,500 for a series of five treatments (every three to six weeks, depending on treatment aggressiveness). Scheduling 40 patients for the package "allows you to pay off the entire purchase price of the laser," Dr. Wright noted.

Concerning the hiring process at the institute, the staff is actively involved. "I usually have a candidate come in for at least one day for a work interview," Dr. Wright said. "This way we can gauge whether that person will blend with us and if we blend with them. The candidate also gets an idea of how busy we are. Foremost, we look for people who can provide high-quality patient care."

Marketing and advertising materials at the Aesthetic Institute of Plano mention the fact that Dr. Wright herself conducts patient consultations. "This is comforting to a patient. With people paying the amount

of money they do, they want to know that there is a physician who will walk them through the whole process."

Dr. Wright stressed that to truly be successful in aesthetics, "you should give it 100% of your time. If you practice aesthetics only two days a week, you really can't be available to those clients. You also need to have a passion for aesthetics, rather than simply having an existing patient base. Your infectious enthusiasm for the procedures will trickle down to your patients."

Denise Baker, M.D. **Bradenton, Florida**

When the medical liability insurance crisis reached a peak in Florida several years ago, Denise Baker, M.D., an OB/GYN in private practice in Bradenton, Fla., was left holding the bag. Her insurance company skipped town. Ever increasing premiums forced her to augment her practice with aesthetics.

Today, Dr. Baker devotes two days a week to gynecology, and the remaining three days to aesthetics. Her most popular cosmetic procedures are Botox, facial fillers and lasers. In addition, "liposuction is coming on like gangbusters," Dr. Baker said. "I have the most delighted, ecstatic patients you could imagine."

Dr. Baker admitted, though, that her first two laser acquisitions "were costly mistakes. Even though I had been a laser surgeon since the mid 80s, I went with a single platform laser. Within three months, I was more frustrated by what I could not do with my stand-alone Nd:YAG laser than what I could do. Hence, I highly recommend a multi-platform because a small private practitioner

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Denise Baker, M.D.
OB/GYN
Bradenton, FL

simply cannot afford the capital outlay required for five or six lasers."

In order to select the best multi-platform system, "research and educate yourself," Dr. Baker stressed. The flexible Profile system from Sciton, Inc. (Palo Alto, Calif.) includes the Contour laser (2940 Er:YAG) for performing the MicroLaserPeel. "Patients achieve such a dramatic response in a very short period of time. Unlike with my chemical peel, I can tell patients their exact healing course and downtime."

Dr. Baker's practice charges \$450 for an arctic peel and roughly \$1,600 up to \$4,000 for a single session of other laser peels. For Botox, pricing typically ranges from \$350 to \$500 for a single session. "Men are charged slightly more because of their bulkier muscles," Dr. Baker said.

Basically, the practice has a separate staff for aesthetics. "We made the mistake of trying to transform our medical staff into

a wellness staff," Dr. Baker noted. "But they are two different businesses. One is insurance run and the other is retail run."

According to Dr. Baker, your aesthetics staff needs to integrate a business sense with confidence when discussing various procedures with patients. "The staff also needs to be good about follow-up and hear what the patient is saying." Staff can communicate with the patient through gesture or facial expression. "Staff members need to be people oriented and enjoy working with the public," Dr. Baker said.

By integrating aesthetics into her practice, Dr. Baker has observed "dramatic changes in the personality of my patients and a blossoming of their social self. We give them an inner sense of confidence. This makes patients healthier overall. When patients feel better about themselves, they become more energetic, increase their exercise and participate more fully in life."

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