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Walk This Way

Following in the footsteps of specialties that have a retail component can put premium practices on a profitable path.

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Premium Practice Today is a monthly feature section in **CRST** providing articles and resources to assist surgeons and their staff in the pursuit of premium practice development to facilitate exceptional experiences for patients and business success.

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Following in the footsteps of specialties that have a retail component can put premium practices on a profitable path.

BY ROCHELLE NATALONI, CONTRIBUTING EDITOR

One of the guiding principles of "Premium Practice Today" is to look beyond our "four walls" for ideas and inspiration. This issue's column is a prime example: we interview a dermatologist, an oral surgeon, and two consultants to plastic surgery practices. Their perspectives and insight bring a lot of value to the ophthalmic practice and help resolve the tension between disease-based services and the premium practice's goal of adding services that appeal to the desires of patients (kudos to Dr. Werschler for the distinction he offers in his commentary). Read on!

—Section Editor Shareef Mahdavi

With 12,000 Americans turning 50 years of age every day, you would think that the "if you build it they will come" strategy would be all it should take to attract premium IOL patients. Nothing could be further from the truth. As cosmetic surgeons, dermatologists, and other practitioners in medical specialties that have a retail component have learned, when services are partially or completely paid for out of pocket—even if demographic trends make for a fertile marketplace—market share needs to be cultivated.

Whether your goal is to expand a small base of premium IOL patients or inflate an already healthy conversion rate, it makes good business sense to follow the lead of those who have ventured into the consumer practice model before you.

EXPANDING YOUR PRACTICE: A LESSON FROM DERMATOLOGY

William Philip Werschler, MD, is a dermatologist and assistant clinical professor of medicine/dermatology at the University of Washington in Seattle. He suggests that traditional cataract surgeons' branching out into the premium IOL arena is similar to when dermatologists expand into cosmetic dermatology. Dr. Werschler notes that dermatology has always been, to some degree, a blend of "disease" and "desire" treatments, which is one way to distinguish between procedures that are generally medical in nature and usually reimbursed by third-party insurance and those that are elective and therefore paid for by the patient. This disease-and-desire combination perfectly describes the premium IOL dynamic where need meets want. Dr. Werschler (www.spokanederm.com; http://werschleraesthetics.com/wa/home) is a founding member of the Spokane Dermatology Clinic and Werschler Aesthetics, the editor-in-chief of *Cosmetic Dermatology*, and the aesthetic editor-in-chief of the *Journal of Clinical and Aesthetic Dermatology*.

He points out that dermatology uses a framework of evaluation referred to as levels of cosmetic office practice. Level 1 represents a traditional disease-based medical dermatology or skin cancer surgical practice, and level 2 corresponds to a practice that has a minor focus on cosmetic dermatology. In the latter type, cosmetic dermatology typically represents 25% or less of the practice's revenue. A level 3 practice is represented by a balance between the disease and the desire patients in terms of the number seen and the revenue generated. The level 3 practice generally is a highly evolved cosmetic practice, but its physicians still perform a great deal of noncosmetic, disease-based medical and surgical dermatology. This setup is similar

to that of an ophthalmology practice that has a significant premium IOL conversion rate but still has a robust revenue stream from traditional ophthalmic surgery. A level 4 dermatology practice has essentially totally abandoned disease- or insurance-based reimbursement. It focuses completely on cosmetic dermatology and may operate in the setting of a medi-spa or be integrated into a plastic surgery practice.

Dr. Werschler says that the majority of highly successful dermatology practices are level 2 to level 3. He points out that virtually all patients who walk through the door of a dermatology practice, regardless of the reason for their initial presentation, are potential cosmetic patients. Similarly, no matter what a patient presents for in an ophthalmic surgery practice, he or she will most likely eventually be a potential presbyopia-correcting IOL patient.

STIMULATE A FLOW OF PATIENTS

Dr. Werschler suggests that, to stimulate a flow of patients who are interested in elective procedures, it is very important for dermatologists to maintain patient throughput on the medical and disease side. "Your patient throughput is what provides you with a steady stream of aesthetic patients, so the patient who comes in with rosacea, for example, may be an excellent candidate for some laser work to treat facial veins," he explains. "Someone who comes in with acne may later on be an excellent cosmetic patient for the repair of scarring. The patient who comes in with skin cancer and sun damage may be an excellent candidate for rejuvenation of the facial skin. It's very important to maintain integration in your practice so that you can maintain a patient throughput and find your cosmetic patients from your existing patient flow."

Dr. Werschler says that new dermatologists often want to start a cosmetic practice and do not want to see traditional dermatology patients. He contends that, ultimately, their goal is best achieved by having a disease-based practice that evolves over time toward cosmetics. This situation is not unique to dermatology, according to Dr. Werschler. Very few plastic surgeons start with a cosmetic plastic surgery or aesthetic plastic surgery practice. Virtually all begin with a combination of trauma, repair, hand surgery, and breast reconstruction, he explains. As they develop a patient base, they increasingly transition into an aesthetic practice. For dermatologists, that is a much more effective model than starting a practice and immediately calling oneself a cosmetic or aesthetic dermatologist. It all comes down to building the patient base, Dr. Werschler explains. Eventually, individuals who have been treated for something they need, have been satisfied, and have come to trust the surgeon are much more likely to return for something they want, regardless of the medical specialty.

KEEP AN EYE ON REFERRALS

The aforementioned patients are more likely than those who are less satisfied to refer their friends and family to the practice as well, according to marketing professional Greg Washington of Patients Unlimited Marketing Consultants in Los Angeles (http://pumc.com). Mr. Washington is in the business of promoting cosmetic surgery practices using marketing strategies that he originally honed while representing ophthalmic clients. He tells his cosmetic surgery clients, "Grab [patients] by the skin, and the rest of the body will follow." He means that, if the practice attracts patients for noninvasive chemical peels or Botox (onabotulinumtoxinA; Allergan, Inc.) and they are happy with the experience, they will eventually present as elective surgery patients.

For ophthalmic surgeons, this strategy could translate into the less lyrical but equally meaningful "book their eye examinations, and the rest of their eye care needs will follow." One way that Mr. Washington recommends grabbing patients by the skin is by using noninvasive injectables as "surgical incubators." "Noninvasive procedures are not only an important revenue stream but a function that, with a doctor's hands-on involvement, can create important benefits for the practice," he says. In an ophthalmic surgery practice, noninvasive procedures that help build trust in the surgeon and can be considered surgical incubators include dry eye treatments, eye whitening treatments, or even spectacle or ocular vitamin sales.

Some of Mr. Washington's tips for using noninvasive procedures as surgical incubators include the following:

- Do not continue to push services that have limited demand just because you have an equipment lease to pay or special training to do a procedure.
- If your nonsurgical procedures are provided in a noncontiguous facility, move these functions into your main office, and use employees—not contracted outsiders—to staff them.
- Seek out marketing and financial assistance from your suppliers to promote their brand if you must, but ensure that your brand and not your supplier's

brand is the center of all of your promotion.
- Carefully select, orient, and train your practice-extender employees.
- Avoid the overuse of discounts. Consider instead the use of value-added specials.
- Pay your staff a good salary, but avoid paying individual incentives, which could ultimately create internal competition in the practice.

Behaviors that have best insulated Mr. Washington's cosmetic surgery clients from the economic downturn include incorporating training and motivation programs that limit staff turnover, creating solid income streams from noninvasive procedures that serve as surgical incubators, extending value-added offers to surgical services rather than offering discounted prices, and using limited and well-timed special offers tied to events.

He says that, whether it is a plastic surgery practice aiming for more elective work or a cataract surgery practice striving for a larger premium IOL share, the staff is the practice's most important sales agent. "Only the staff can sell the surgeon," Mr. Washington says. "Over the years, we have discovered that there are still many physicians who do not like to think of their practices as selling services, although they are in competition with auto sales, travel, entertainment, and other expensive consumer diversions reaching for the same discretionary dollar. We found that the practices that did well viewed their practices as sellers of services and prepared their staff to do so as well."

GET COMFORTABLE WITH SELLING

G. Marshall Franklin Jr. of Practice Enhancement Specialists, Inc., a consulting firm serving primarily plastic surgery clients (ⓘ www.pesconsultants.com), also emphasizes the importance of surgeons' becoming more comfortable with the sales component of elective medicine. They need to fully realize the staff can make or break the practice's conversion rate. Mr. Franklin operates his company along with his partner Sandy Roos. The firm is based out of Georgia and Connecticut and serves clients across the country.

He says surgeons see *sales* as a taboo word, and part of his job is to help them get over that. "One of our core focuses is to help plastic surgeons acknowledge they are not operating in the reconstructive medical insurance-based realm anymore and they are instead operating in a retail medicine setting, which has a sales component to it," Mr. Franklin comments. "The most successful elective surgery practices are those helmed

by surgeons who can comfortably incorporate that mentality. Surgical expertise is only one of the essential components of a successful practice. Business expertise based on dependable data, measurable performance standards, and innovative strategies [is] the other." The end game, he says, is getting more patients into the OR.

The first thing he focuses on when working with a new client is the shift in mindset to a sales mentality without being high pressure or unethical. Top performing sales-oriented practices rarely if ever are labeled that by their patients. Most commonly, they are labeld by patients as "very well run." The second thing is staff training. "Think about the number of 'touches' a potential patient has with a practice from the initial phone call: a follow-up call to make an appointment, a call to confirm the appointment, then a consultation, a preoperative appointment, the day of surgery, and then surgical follow-ups. They touch or come in contact with staff many more times then they do the physician, at a ratio of about five to one. The physician may be a superstar with stellar surgical expertise, but if the staff drops the ball because they don't answer the phone promptly or pleasantly, or they don't provide the information the patient needs, or they otherwise turn the patient off, then the patient is going to go somewhere else, because they've got plenty of other places to go."

Mr. Franklin emphasizes that patients in a retail medicine setting have choices, and the choice about where they go is driven by information. "The more information and differentiation the physician can provide as to why [patients] should come to their practice and see them, the more likely [patients are] to end their search because they have found what they need," he says. "We push practices hard to appropriately deliver the information that the patient needs, based on where [he or she is] in the process—defining these stages as mov-

ing from inquiry to appointment to consult to surgery scheduled to surgery complete and then on to referral and retention."

Mr. Franklin points out that both a plastic surgery and an ophthalmic surgery practice grows in proportion to its ability to increase revenue in the OR. "We stress to our clients the goal is to most often perform the procedure that provides the highest revenue per OR hour," he says. "Whatever that procedure is, we like to see them converting that at the highest rate of all their procedures. We like to see them making the most from a revenue-per-hour point of view, because that means they are at the peak of their efficiency. In terms of aesthetic surgery, patients want the 'nose doc,' the 'breast doc,' the 'Mommy-makeover-doc.' Patients want specialization within a specialty. This is true in aesthetic practices, in ophthalmic practices, and in bariatric practices. It works in any area where self pay comes into play."

DIAL UP THE SPECIALIZATION

Cosmetic facial surgeon Joseph Niamtu III, DMD, in Richmond, Virginia (ⓘ www.lovethatface.com), homed in on an area where he could be professionally successful and personally satisfied. Then, he turned the specialization dial all the way up. Prior to 2004, Dr. Niamtu performed traditional oral and maxillofacial surgery and cosmetic facial surgery. Since 2004, his practice has been limited strictly to cosmetic facial surgery. Today, 100% of his revenue stems from procedures not covered by insurance.

"As I became more and more interested and busy with my passion—cosmetic surgery—I had to look for creative ways to inform my patients of these services without offending them, being overbearing, or discouraging my referral sources," explains Dr. Niamtu. "I accomplished this with internal marketing in terms of brochures, posters, skin care products, free skin care consultations, and treating my staff with [injectable skin enhancers], which patients would notice and then inquire about. I also used external marketing and put up a dual website that highlighted my traditional work but also my cosmetic surgery passion. As my passion began to prosper, the scale tipped, and I was seeing more cosmetic patients than maxillofacial. This progressed to the point that I pursued my passion 100% and discontinued my traditional services. Some doctors love the mix of both disciplines and would never want to do just one thing, but for me, it was an excellent choice, as cosmetic facial surgery has become my life's work."

Dr. Niamtu says *concierge care* is a recent term that is often associated with high-end practices heavy on out-of-pocket payments, but he adds that this kind of care has always been offered by the most successful practices. "Look at any really successful doctor, the really special physicians who stand apart from their competition, and I guarantee that they and their staff understand customer service," he says. "It is paramount regardless of what services one offers."

"However, cosmetic surgery is an upper-class luxury, and these patients expect to be pampered," Dr. Niamtu explains. "They expect a spa-like environment and attention to detail. Cosmetic patients definitely require more bells and whistles, but if an office is already providing great service, the transition is seamless. *Concierge care* just means treating patients better than anyone else. Regardless of your specialty, you cannot buy that marketing or public relations. A physician who provides traditional services may automatically get patients due to insurance plan participation, so the patient has to go there. However, cosmetic patients choose where to go, and there is no paucity of choices, so you have to get them in the door and keep them."

CONCLUSION

Dr. Niamtu understands the taboo associated with the sales mentality in medical practices, but he points out that any successful business, surgery included, can only prosper in a profitable environment. "Promoting one's services in a combined fashion is a great way to enhance profitability," he argues. "If a patient comes to my office for a cosmetic surgery consult, I promise you that they will also get information on Botox, fillers, and skin care. They will most likely also get an incentive for combining products and services such as a discount, gift card, or rebate." He adds, "Invaluable staff members are those who can offer these combination services without making the patient feel that they are being sold. All of our services provide a [benefit to patients], and getting them to 'sample the menu' is an art form." ■

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