

myths & truths of MediSpas

This is the first installment of a special report about the quick-moving medical spa market. Physicians and others comment on the trend and clarify some incorrect assumptions.

BY JANIS RIZZUTO

In the past five years, the number of medical spas has increased 205 percent, according to the International Spa Association. Nonsurgical cosmetic procedures in 2004 increased 51 percent from 2003, according to the American Society for Aesthetic Plastic Surgery. The biggest increases were in dermal fillers (up 659 percent), laser skin resurfacing (up 363 percent) and cellulite treatments (up 193 percent).

"It's a good thing that more physicians are getting involved," says Howard Murad, MD. "It's a trend we can't deny. Patients want more. They want to look healthier and feel better. They often feel they don't have enough time for themselves, but in a spa environment, they have our full attention. They feel cared for much more than in a doctor's office."

Dr. Murad should know. He is the renowned dermatologist who is widely considered the father of the medical spa industry, having launched the first medically supervised day spa in El Segundo back in 1988.

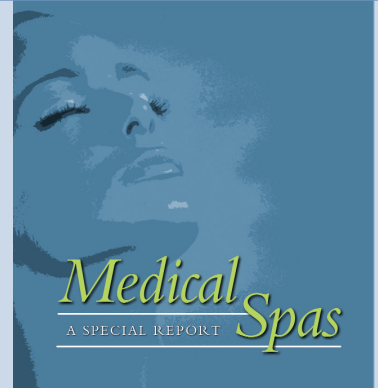
But as medical spas caught on, so did permutations of the concept. "If you ask four doctors, you get five different opinions. Everyone has

their own opinion of what a medical spa should be," Dr. Murad says. "Everybody uses the name and does something different."

Still, Dr. Murad, who is a member of the Los Angeles County Medical Association, takes a strict view that all medical procedures should be done by physicians, not just registered nurses or estheticians under supervision. "We must concern ourselves that procedures are done correctly and done by who should be doing them," he says.

Associations like the Medical Spa Society and the International Medical Spa Association are working to better define the medical aesthetics industry. But until more consensus can be forged, it's likely to be a dynamic marketplace, marked by entrepreneurship, creativity and a desire to serve the aging population.

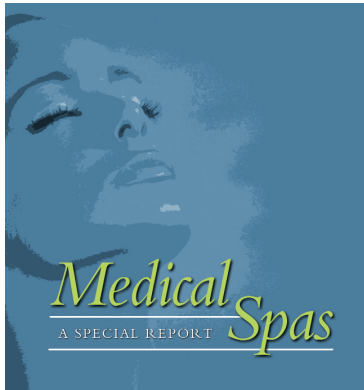
"Creating my own thing is really cool," says Alexander Rivkin, MD, a Yale-trained facial plastic surgeon who founded Westside Medical Spa in Westwood Village near UCLA. "My personality is more suited to this business than dealing with the politics of a hospital." Dr. Rivkin, a member of the Los Angeles County Medical Association, opened his spa in October 2003. With walls painted in honeydew green, the 800-



MEDICAL SPA PROCEDURES

Here is the gamut of procedures offered by medical spas, according to a list from the Medical Spa Society.

- | | |
|------------------------|-------------------------|
| Acne Facial | LiteSheer Diode Laser |
| Acne Laser | Lomi Lomi Massage |
| Actinic Keratosis | Lunchtime Massage |
| Acupressure Massage | Lymphatic Drainage |
| Acupuncture | Lyposage |
| Alpha-Hydroxy Facial | Makeup Consultation |
| Antioxidant Facial | Manicures |
| Artefill | Massages |
| Ayurveda | Men's Facial |
| Beta Peel | Mesotherapy |
| Blepharoplasty | Microdermabrasion |
| BLU-U Light | Mud Facial |
| Body Polishing | Mud Wrap |
| Body Wraps | Music Therapy |
| Botox Cosmetic | Myofascial Massage |
| Brazilian Bronze | Nourishing Facial |
| Breast Augmentation | Obagi Blue Peel |
| Breast Lift | Otoplasty |
| Breast Reduction | Oxygen Facial |
| Breast Revision | Pan G Facelift |
| Brow Lift | Parfango Wrap |
| Brow Shaping | Paraffin Dip |
| Buttock Implants | Pectoral Implants |
| Cellulite Treatments | Permanent Makeup |
| Chair Massage | Photofacial |
| Chemical Peels | Photorejuvenation |
| Chromotherapy | Pilates |
| Clearlight | Polarity Massage |
| Collagen | Pregnancy Massage |
| Colonics | Pulsed Light |
| CoolGlide & Altus Zeo | Radiance |
| Cool Touch II | Radiesse Wrinkle Filler |
| Cosmecanique | Red and Brown Spots |
| CosmoDerm | Reflexology Massage |
| Couples Massage | Reiki Massage |
| Craniosacral Massage | Restylane |
| Deep Cleansing Facial | Rhinoplasty |
| Deep Tissue Massage | Rosacea |
| Demi-Lift | Salt Glow/Salt Scrub |
| Dental Bonding | Scalp Massage |
| Diamond Medilift | Sclerotherapy |
| DNA CryoStem | Sculptra |
| Ear Candling | Seaweed Facial |
| Electrolysis | Seaweed Wrap |
| Endermologie | Shiatsu Massage |
| Enzyme Facial | Shirodhara Therapy |
| Epilight | Signature Facials |
| European Facial | Spider Vein Injections |
| Excellerated Beauty | Sports Massage |
| Express Facial | Stone Massage |
| Eye Treatment | Sugaring |
| Eyelash Tinting | Sun Damaged Skin |
| Eyelid Surgery | Swedish Massage |
| Face Lift | Tanning |
| Facial Implants | Tattoo Removal |
| Fat Injections | Teen Facial |
| Gentlewaves | Teeth Straightening |
| Glycolic Facial | Teeth Whitening |
| Gynecomastia | Thai Massage |
| Hair Restoration | Therapeutic Massage |
| Hot Stone Facial | ThermaCool |
| Hydro Massage | Thermage |
| Hylaform | Threading |
| Laser Eye Surgery | Trigger Point Massage |
| Laser Hair Removal | Tummy Tuck |
| Laser Pigmentation | Ultrasound Facial |
| Laser Skin Resurfacing | V-Beam |
| Laser Treatment | Veneers |
| Levulan Photodynamic | Vitalize Peel |
| Lip Augmentation | Watsu Massage |
| Liposuction | Waxing |



square-foot spa has modern decorative details for a cool, soothing effect, he says.

Steven Dominguez, MD, MPH, found his niche in the medical spa field a different way. He remodeled two treatment rooms at his Anaheim internal medicine practice into the Aesthetic Medicine, Surgery and Laser Institute Inc. He practices

“aesthetic medicine” on Thursday afternoons and all day Saturday.

The idea came from his patients who were asking his professional opinion about cosmetic medical procedures, Dr. Dominguez says. A member of the Orange County Medical Association, he says his approach to the spa business has colleagues intrigued. A few doctors have rotated through the institute, as Dr. Dominguez believes that working cooperatively in this new medical arena is important.

Contrary to popular belief, medical spa practice isn't reserved for plastic surgeons and dermatologists. Jeff Russell, CEO of MedSpa Financing in Las Vegas, has helped family practitioners, ER doctors, anesthesiologists, and obstetricians/gynecologists enter the field via specialized financing programs.

Medical Spas as Money Makers?

The perception that medical spas mean easy money heightens interest. However, those involved say it might be “easy” when

physicians compare insurance reimbursement with collecting cash, but the money doesn't come cheap. “Yes, it's a high-margin business, but don't be blinded by the money,” Dr. Rivkin says. There are several unique components of the medical spa business with significant price tags—both tangible and intangible—attached.

Steep Startup: Startup expenses are high, and can go higher depending on the location and the amenities selected, Russell says. He says typical startup costs for a 2,000-square-foot medical spa are about \$450,000 to \$650,000. The cost for medical spa equipment (treatment tables, lasers, etc.) is much higher than the cost for traditional physician's office equipment.

Demanding Customers: Serving aesthetic medicine customers can be a challenge. Dr. Rivkin explains: “In medicine, the customer is not king; the doctor is king. Patients will subsume themselves and conform to the doctor's schedule, for example. Not so with medical spas. My clients own me.”

Plus, aesthetics customers present greater risk. “By its nature, the population that comes to these kinds of facilities has higher expectations and is considerably more litigious than the general medical patient population,” Dr. Rivkin says. “They are not sick, so there is no room for error.”

Heavy Marketing: Marketing costs were the biggest eye-opener for both Drs. Rivkin and Dominguez. “I wasted a lot of money on ineffectual advertising maneuvers,” says Dr. Rivkin, referring to early ads he ran in *LA Weekly*. Adds Dr. Dominguez: “I spend 20 percent of my incoming revenue on marketing. I have to. It's about reinvesting and creating more exposure. It's not like, ‘If you

put in a spa, they will come.”

Indeed, these spa operators say doctors' hearts have to be in the right place: Opening a medical spa is not a get-rich-quick proposition.

“It's not that easy,” Dr. Murad says. “You have to have good people working with you, and you have to be willing to devote time and energy to it, because there is a lot of competition. And your real desire has to be to help the patient.”

Coming Next Month: Legal and regulatory issues. ■

SELECTED SPA RESOURCES

Organizations

**International Medical Spa Association
(Affiliated with the Day Spa Association)**
310 17th St., Union City, NJ 07087
201/865-2065

www.medicalspaassociation.org

Benefits and Services: Membership certificate and decals, code of ethics, directory listing, mentoring program, and education events.

Medical Spa Society
60 E. 56th St., New York, NY 10022
866/MEDISPA

www.medicalspasociety.org

Benefits and Services: Education events, workshops and training, membership directory, quarterly newsletter, and Web site design service discount.

Events and Tradeshows

**13th International Congress on
Anti-Aging Medicine**
Aug. 19-21, 2005, Chicago
www.worldhealth.net

Spa & Resort/Medical Spa Expo
Sept. 17-18, 2005, Miami
www.spaandresortexpo.com

**Face & Body/Spa & Healthy Aging
Conference**
Nov. 19-21, 2005, San Francisco
www.faceandbody.com

Spa & Resort/Medical Spa Expo
Feb. 26-27, 2006, Los Angeles
www.spaandresortexpo.com