Providing Medical Esthetic Services Requires Expertise

seek out and choose your medical director, wisely

In our July and August 2007 issues of Les Nouvelles Esthétiques & Spa we reviewed the benefits and challenges a spa faces in incorporating medical services into its repertoire. Here, we address one of the most critical tasks involved in opening a medispa—selecting a qualified medical director to join your staff. Read on to learn key features essential in the process of choosing a properly credentialed professional who fits in at your facility.

Day spas are concerned about the increasing number of questions they are being asked by upscale clients about medical level care. Practitioners are worried that clients seeking medical level services may look for those treatments elsewhere. If these clients go to a qualified, well organized medical spa for medical treatments, they may transfer their routine services there along with the facials, massage therapies and waxing services these clients previously had performed at your spa. If you are troubled about possibly losing your clients to a facility that performs spa services as well as medical cosmetic procedures, consider adding esthetic medical procedures to your menu. To add them, though, state laws require that spas have a medical director and this person is not easy to find. How do you find one, and how do you discern the relationship you will have?

BY ROB AND CAROL TROW





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Going medical

Before adding medical services to your spa menu you must be confident that making the transition will serve your spa well. Let's review some of the possible benefits of offering medical services to your clientele:

• More visits. A successful spa with medical esthetic services on its menu uses spa and medical services to complement themselves. For example, the results of many medical treatments are enhanced by the performance of esthetic level treatments and vice versa. That's why patients are referred for preconditioning, such as microdermabrasion or esthetic resurfacing, and then they are sent back to the spa for their treatment maintenance and routine care. These referrals dramatically increase visits to the day spa.

• **Becoming a destination spa.** Medical esthetic services will bring high end clients to your spa on a regular basis for both day spa and medical esthetic care, making your spa a destination business. Such clients get up in the morning just to come to your spa for all the esthetic and medical esthetic care they consider important.

• Increased direct income. Some benefits affect the bottom line more directly. For example, medical services are higher in cost and thus generate greater income. Many medical treatments are also series services, which generates repeat services and requires medical level products, which enhances retail percentages.

The above benefits can make your spa turned medi-spa a success. But in order to enjoy such benefits, you must establish a legal relationship with a medical director.

Know your state requirements

Before actively searching for a medical director, the day spa owner must know the local and state laws involving the ownership, directorship and physical facilities of medical spas. For example, does the medical director have to be on-site for services to be performed? Does he or she have to hold ownership in the facility? What are the legal responsibilities of the medical director? Do treatment rooms have to be physically separate from the day spa? Many questions need to be answered before seeking out a medical director, as such answers will allow you to fully inform him or her of potential participation parameters.

States vary in their requirements on the medical director's presence. In many states, such as in Ohio and Florida, the medical director must be at the facility in order for medical services to be performed. Arizona and Michigan, on the other hand, allow off-site medical directors and specified unsupervised services may be performed while the medical director is out. But just because the law allows it does not mean a spa must agree to hire an off-site medical director. Many wise owners still prefer allowing medical level care only when their medical director is present, due to potential liabilities. Others restrict services to those with low liabilities during the absence of their medical director. The day spa owner must weigh the liability potentials when considering the role the medical director will play.

Making the connection

Usually it is not necessary to seek out a medical director, as physicians routinely approach spas for collaboration. If he or she does not come knocking at your door, though, consider the following search techniques:

- Ask your clients for physician referrals.
- Ask your physician for a recommendation. *continues*

A candidate who has training that contains hands-on treatments with live patients is important. This type of training is difficult to find.



- Plan a seminar with a speaker who is an expert in esthetic medicine and invite neighborhood physicians.
- Send a letter to a list of potential candidates discussing collaboration.
- Call physicians' office managers and leave your contact information and reason for your call.
- Attend networking functions that doctors or their managing staff may attend, such as Chamber of Commerce events.
- Advertise in the state medical association newsletter.

You will find that many physicians are interested in adding esthetic medicine to their source of income. Their reasons vary, but it's amazing how many are interested in entering the field.

Qualifications and credentials

A medical director must be a medical doctor-although some states allow dentists-who has undergone training to perform medical esthetic treatments. Further, know that you are not restricted to looking at dermatology and plastic surgery specialists. Actually, dermatologists and plastic surgeons are not ordinarily interested in collaborating with spas, as they are usually already performing medical esthetic services at their offices. But many physicians from other specialties are interested because they see regular hours and cash, meaning they can spend more time with their families. Also, the services provide income without the interference and price setting of insurance companies. Many physicians are asking themselves, "Do I need the hassles of my current specialty?" And many are looking to esthetic medicine as a specialty on which to focus. Your collaboration may be more than just about you-it may be your potential medical director's step toward freedom. He or she may only be considering the possibility as a way to prepare to open their own facility. I suggest you discuss this opportunity with all candidates.

The interested candidates must be fully trained in the field's treatments, in how to properly inject fillers, safely perform laser treatments, qualify patients, treat complications and more. And undergoing hands-on training with live patients is crucial. This type of training is difficult to find. In fact, training is usually conducted through lectures and demonstrations due to out-of-state licensing requirements. Check the medical esthetic training of the physician wishing to join you and place repeat trainings in the agreement.

Forms of collaboration

No matter how you structure your agreement with your medical director, forming a separate corporation for the esthetic medical section of the business is required in most states and wise in all. Having a separate corporate entity for medical services relieves the day spa of liabilities and separates the accounting protocols. The corporation performs its business *continues*

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independently from the day spa within a virtual entity through a separate computer program. In most states, the physician cannot be an employee of the spa—he or she must be an owner in some form.

In one format, the day spa rents rooms to the medical corporation. The medical treatments are performed within the spa's physical facility, according to the state laws. It pays the day spa for space, even pays its own staff, while profits go to the corporate owners, usually the spa owner and medical director physician. The medical services corporation owns or rents all of its equipment, though it is housed in the day spa in dedicated medical treatment rooms.

In another arrangement, the medical esthetic rooms may be physically separate from the day spa, with a wall between them but a shared waiting room. Several potentials exist here. The day spa can still belong to the spa owner but the medical spa can be owned by both, with the same virtual program recording their business, paying the bills and sharing the wealth. Or, the day spa owner can own the entire physical facility and rent space to the physician who practices on his own. The day spa owner may also own his or her section while the physician owns his or hers, and they only share the expense of the waiting room and front desk staff, which is owned by one owner alone.

All these setups have their benefits. However, it is best to structure the arrangements between the spa and the medi-spa areas so as to take advantage of the flow of referrals.

As mentioned previously, off-site directors are allowed in some states. In these cases the medical director can be absent during certain medical esthetic procedures or completely absent altogether. A written agreement is usually required by law, and the off-site medical director is responsible for the safety of the clients. In Michigan, for example, the medical director must be able to come to the treatment room within minutes if a problem occurs. Michigan is one of the states that has decided microdermabrasion is medical, requiring a medical director if it is to be performed in a spa.

Network to win

Finding a medical director to lead your medi-spa services can be challenging. To start, get the word out that you are looking. You may be surprised at how many physicians come knocking at your door. Consider joining local health related organizations to network with medical community participants. Soon enough you will be comfortable with meeting many potential medical directors and will soon be on your way to making an educated decision on who is the best candidate for the job. ■

Rob and Carol Trow, his wife, own DermaConcepts USA, the eastern U.S. (excluding metro NYC) distributors for Environ® Skin Care. Rob's background includes two decades in higher education as a faculty member, administrator and business consultant. He has been in the skin care field for over ten years. Prior to her involvement with Environ® Skin Care, Carol served as an RN, director of marketing for Professional Service Business Development and operated her own consulting firm focusing on practice development. Rob is an authority in the business of skin care and has authored articles for professional publications. He speaks frequently on current and emerging topics of interest to medical spas, estheticians and physicians.



