

SANDY'S SIDELIGHT

November 2007

MedSpa Insurance Newsletter

Stay Enlightened ♦ Stay Heathy ♦ Stay Beautiful



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MedSpa Insurance Specialist

"REST INSURED –
Although a business may be labeled as small, its risks may be large. It behooves a small-business owner to be aware of those risks and maintain the proper insurance to protect the business, as well as personal assets."

The Costco Connection,
Page 9, Sept. 2007

*** ISU**

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WHAT YOU NEED TO KNOW!

THE GOOD NEWS CONTINUES!

"Almost 3.2 million Botox injections were given last year, making it the most popular cosmetic procedure in the country, according to the American Society of Plastic Surgeons..."¹

"The top five nonsurgical cosmetic procedures in 2004 were: Botox injections (2,837,346), laser hair removal (1,411,899), chemical peel (1,110,401) microdermabrasion (1,098,316) and hyaluronic acid (Hylaform, Restylane – 882,469)."²

"...the overall count of minimally invasive procedures performed rose each year to nearly 36 percent. To put it in to \$\$\$ from 5.5 million in 2000 to 7.5 million in 2004."³

"The number of cosmetic procedures is skyrocketing, rising 38% from 2000 to 2005. Now, more than 10 million cosmetic procedures are performed in the United States every year and the numbers continue to climb, according to 2006 American Society of Plastic Surgery statistics."⁴

"There were more than 7 million aesthetic laser treatments performed in the US last year, and that number is expected to double by 2010."⁵

The medspa medical malpractice insurance marketplace is the most competitive I have seen in the nearly 3 years I have been specializing in these coverages. Up until recently, insurance

carriers have been providing insureds with "take or leave it" quotes. With the help of a good broker, insurance carriers are beginning to compete, and vying against one another with competitive quotes. Many insureds are experiencing a reduction in their premiums at their renewals!

SO DOES THE NOT SO GOOD NEWS

The headlines tell the stories:

"...a 20-year-old Coast Guard cadet died of an allergic reaction to drugs he was given prior to a hair removal treatment on his back."⁶

"...a 36-year-old Pennsylvania office worker wound up with deep second degree burns that left stripes of checker-board scars up and down both legs."⁷

"Highland Beach (Florida) woman files lawsuit over laser hair removal procedure."⁸

"...the right side of McMillon's face is disfigured by a zebra-like pattern of raised scars and discolored patches..."⁹

"...nine months later...Lim has visible keloid scarring and says she also suffers from permanent nerve damage, not to mention anxiety and embarrassment from the botched laser treatment."¹⁰

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¹www.palmbeachpost.com

²www.businessadvancements.com

³<http://laser-solutions.info>

⁴www.skinandaging.com

⁵<http://www.americanhealthandbeauty.com>

⁶www.washingtonpost.com

⁷www.washingtonpost.com

⁸www.encyclopedia.com

⁹www.washingtonpost.com

¹⁰Laura Diaz Reporting,

Med-Spas: Quick Fix Plastic Surgery?
(cbs2.com, 11-10-2006)

IN THE SPOTLIGHT: What Makes A Successful MedSpa

I recently had the pleasure of lunching with Christy Farrell, a Registered Nurse for more than 30 years, with an impressive range of experience, including insurance physicals, ER rooms, plastic surgery offices & laser training & certification. Christy has been working for medspas for the past 10 years & in fact, started using lasers for aesthetic purposes as far back as the late 1980's. Christy currently is an independent contractor at 2 spas & works 6 days a week! She can be found at **Premier Medical Aesthetics**, a medspa nestled near the exclusive Ritz Carlton & St. Regis Hotels in an opulent area of Dana Point, CA known as Monarch Bay & at PMA's second location in Orange, CA. She has also been known to offer an occasional medspa treatment to a handful of well-known actors & actresses in Beverly Hills.



In your opinion what elements make a successful medspa?

The staffs' training & experience. Our staff at PMA has over 20 years combined experience. Sales ability is a huge factor. When I was the Nursing Supervisor at Saddleback Hospital, I took a management class which I found very beneficial. The most important person on your staff is the one who answers the phones. She's not just a receptionist - she needs to be a salesperson & knowledgeable in the procedures. After all, she's marketing your spa. The entire staff needs to be able to do this. We have quarterly staff meetings, to brainstorm & determine what's working, what isn't & how we can improve our sales. By sales, I'm referring to 'soft sell' - the techniques used to sell a car wouldn't work in the medical/aesthetic field.

The staff has to be as comfortable with and as confident in the Medical Director as he/she is with the staff - this works both ways. The Medical Director should be as knowledg-

able as the nursing staff, so one needs to be very careful & selective in hiring a Medical Director.

Location is very important - you need street & foot traffic, with adequate parking facilities. For privacy issues, I wouldn't recommend opening a medspa inside a mall. My preference would be a freestanding spa, in a small, exclusive strip shopping center, with lots of visibility. If I owned my own spa, I would hire only **very experienced RN's & mid-levels**. You will be drawing from about a 10 mile radius, so you'll need to research the median income of the area. You'll want to price your procedures accordingly for the area, as well - you'll want to be competitive, but not suspiciously underpriced.

Establish your professionalism & credibility & people will follow you wherever you go - I have a patient who drives from the Mammoth area, another who flies in from Las Vegas, another from Atlanta & another all the way from Florida!

What procedure trends have you seen?

Botox is still our #1 procedure. I see more men coming in for treatments, such as laser hair removal, Botox, fillers & skin tightening. They're generally the metro males, from their 20's to their 60's, who've learned the importance of taking care of themselves. People are now living longer - I always ask "do you want to look younger longer?". The 60 year old is the new 40 & these procedures can be done without surgery & at affordable prices. These men have figured out the marketability of a more youthful appearance.

Lipodissolve is a new trend in non-surgical liposuction and will replace the old Mesotherapy; today, it is sought out by almost as many men as women.

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WHAT YOU NEED TO KNOW! *continued from Page 1*

"A salon owner in California is accused of killing a client with illegal injections."¹ (Note from the author: Criminal convictions provide a basis for a Medical Malpractice claim)

"...a local (Cleveland, Ohio) woman who sustained nearly 6000 second-degree burn marks on her legs following a 3-hour laser hair removal procedure performed by a non-physician laser technician. Prior to the procedure, the client was given...Valium and Demerol for the pain."²

¹<http://www.skincaredoctors.com>

²Lydia Esparra Reporting, Scarred For Life (www.hairfacts.com, 2-23-2001)

IN THE SPOTLIGHT Continued from Page 2

What marketing/promotional/advertising trends are successful?

I used to hear a lot about Botox parties, but they don't seem to have the popularity they once had. [Note: In some states, only physicians can inject Botox at such a venue, other professionals cannot]. I don't think they're a good idea, because alcohol is almost always served & how could it later be proved that the patient wasn't intoxicated at the time she signed the Consent Form? Also, they're usually held at a private residence, not in a sterile, medical environment. (Note from the author: This also brings rise to the question of insurability at a venue other than the spa. Check with your insurance agent before planning an offsite event, as your policy very possibly only covers procedures performed at your spa).

I pass my business cards out everywhere I go – I once saw a beautiful young girl who had a lot of fine, dark hair throughout her lovely face and in a very diplomatic way, gave my card to her mother and talked with her about offering her a free laser hair removal treatment. If presented in a very reserved manner, this can be helpful in educating the general public of the treatments now available.

Are you aware of any different trends in other geographical areas?

International trends?

Often in other countries we see a lot of procedures which come and go, as those countries do not have the strict regulations which we have here in the US. After years of research, these procedures may reach our shores and gain popularity in our medspas and clinics. Throughout the world, especially in affluent areas, aesthetics are alive and thriving and will continue to flourish as new technology and techniques develop. It is because of this advanced medical technology that we are living longer than ever before in the history of mankind; we now want the outside of our bodies to represent what's going on in the inside – a more healthful and revitalized body.

IN MY NEXT ISSUE, CHRISTY DISCUSSES THE TYPES OF MISHAPS SHE HAS EXPERIENCED, HER VISION OF THE FUTURE OF MEDSPAS AND SHARES HER MOST MEMORABLE MEDSPA STORY.

“At midlife the 40s and 50s are no longer as old as we once thought. We are more educated, spiritual, wealthy, and healthier than any generation of women to precede us. We've changed society's expectation and continue to redefine womanhood. We will be the biggest and richest market segment by the year 2010.”

Baby Boomer Women at MidLife
by Dotsie Bregel
Coastal Home
July/Aug. 2007



MEDSPA PROCEDURES IN THE LIMELIGHT:

SMARTLIPO, LIPOSMART, LIPOSCULPTURE – Have now been approved by some insurance carriers, but require the MD perform the procedure. Check with your agent – some carriers require apprenticeship programs, before the MD is allowed to perform the procedure solo. All require Certificates of Training from an accredited course.

OFFSITE BOTOX PARTIES – Still very popular in some geographical regions & still a thorn in the side of many insurance carriers, some are agreeing to underwrite these on an individual basis, usually for a charge. Be prepared to provide your agent with the following information regarding the scheduled event: Scheduled date & hours of the party, location & description of venue (ie. private residence, a salon, a gym), will alcohol be served?, estimated number of attendees, designation of the individual(s) performing the treatments, emergency protocol in place for the event & the Informed Consent Form to be used for the event. The greatest concerns for insurance underwriters are the mixture of medical procedures with the serving of alcohol in a non-medical environment.

“These parties include a greater amount of risk...[the] problem with these botox parties comes from mixing cosmetic procedures and alcohol.”¹

¹<http://www.lipo.com>



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LIGHTSIDE

...THE MANY FACES OF THE BOTOX BABE...



Look for my article “**MedSpa Insurance: Myths & Misconceptions**” in my next issue. If you have questions or information which you’d like to share with fellow medspa professionals, please email me at: sandy@professional-ins.com Until my next newsletter, remember to

Stay Enlightened ♦ Stay Healthy ♦ Stay Beautiful!

Sandy Elliott, CISR

Sandy's SideLight

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