

Laser and Light Therapies: How to Effectively Incorporate Them Into Your Practice and How to Weigh the Benefits and Costs

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Benefits of Laser and Light Therapies

As a result of the developments in laser and light therapy technology, now acne, rosacea, and various other skin conditions can be effectively treated in a multifactorial approach. The American Society of Aesthetic Plastic Surgery reports a 749% increase in the number of non-surgical cosmetic procedures performed in the United States from 1997 to 2006. Laser treatment procedures accounted for 647,707 of the total top 5 nonsurgical cosmetic procedures performed in 2007.¹ Laser therapy for skin has become a major solution for those seeking to correct and prevent the signs of aging. Succumbing to tremendous demand, accessibility to laser resurfacing has expanded beyond the upscale cosmopolitan market, and into a much wider and diverse socioeconomic arena. Skin laser therapy patients span a wide range of age and skin conditions.¹

Determining the Patient Demand

Insurance may not cover the various light or laser therapies. Coverage can vary depending upon the insurance plan and state. Do your research first to find out which services are covered as well as what their

reimbursement rates are. Depending on the demographics of your patient base, those laser and light therapies that are not covered by insurance may not yield a return that is worth the investment that was placed on the device.

Negotiate and Explore Payment Options

There are several different purchasing options that are available. Typical purchasing options include buying the device outright or leasing the device. Due to the increasing costs of laser and light therapies, many device companies are offering per-use or “per-click” terms. Setting up a per-click agreement allows you to assume less financial risk. The physician agrees to pay the device company when they actually perform a procedure. The device company would retain the rights of ownership as well as the cost to maintain the device. So, for practices that have a small to medium demand for these services, this option provides them with a cost-effective way to offer a new procedure.

For larger volume practices, the best option is to buy the machine outright or use a short-term lease-to-own agreement. A cost analysis would need to be conducted to ensure that buying the device is the best option. This analysis should include the initial investment outlay, the projected amount of procedures, maintenance costs, support staff costs, and any necessary insurance costs.

Due to the competitive nature of the medical device industry, physicians and practices can now negotiate the terms of their agreements with the device company. Practices can negotiate volume discounts on disposables as well as repair and maintenance costs.

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Other Items to Consider

Cost of Business

One important item that should be considered early in the decision making process is the cost of performing the procedure. This takes into account the space and time cost associated with housing the device. If the device ties up a room for 30 minutes as well as a provider's time for 30 minutes, how much is that time worth? If the provider was seeing established or new patients in that same room, would the room generate the same, less, or more income?

Cost of Insurance

All procedures that a physician provides need to be detailed and covered within their insurance policy. Laser and light therapy procedures should be included and listed on the physician's insurance plan. Having a positive and professional relationship with an insurance agent where all of the practices' procedures and policies are discussed is key. Anytime a new procedure is incorporated, your insurance agent should be contacted. The additional cost should be minimal if the original policy was set up appropriately.

Cost of Warranties, Repair, and Maintenance

If a per-click or per-use agreement is in place, normally the device company assumes the cost of routine repairs and maintenance. However, it is best to check the details of the agreement to ensure that this is the case. In lease-to-own terms or other purchasing terms where the device will be owned and operated by the physician, repair and maintenance fees are charged separately. Know these costs up front and include them in the cost analysis.

Training and Marketing

Establish a positive relationship with the device company. Communicate to them your expectations on training and service. Ensure that all the appropriate staff members are trained on the device and that the practice has all of the necessary procedure forms. Make sure that you have the appropriate contact information if the device malfunctions as well as the contact information for marketing support. Now that the practice has incorporated a new procedure, they will need the appropriate support materials to effectively market the new service to their existing patient base as well as new patients.

Conclusion

In conclusion, laser and light-based therapies continue to be in demand and have become a solution for various skin problems and conditions. Laser and light therapies should be incorporated into practices that have the appropriate patient demographics for the devices being considered. Also, a cost analysis should be performed prior to making the decision on whether or not to incorporate a new laser or light therapy as a service offering. This cost analysis should include all of the costs associated with the device such as purchasing terms, insurance, maintenance, warranties and disposables costs.

Reference

1. Cosmetic plastic surgery research. statistics and trends for 2001-2008. www.cosmeticplasticsurgerystatistics.com/statistics.html#2008-HIGHLIGHTS. Accessed January 20, 2011. ■