

NATIONAL REPORT ➤ One of the greatest benefits of cosmetic surgery for practitioners is the freedom from having to deal with managed care — and with negotiated fees. But with the multi-billion dollar cosmetic surgery industry still flying relatively high, insurers aren't about to stand on the sidelines. They are increasingly trying to get in on the action by adding cosmetic surgery discount programs as additional perks within certain plans.

A leading provider of such programs is American Cosmetic Surgery Network (ACSN), owned by United Networks of America Inc., based in Baton Rouge, La. United Network, which has been in business for about 15 years, specializes in setting up discount provider networks for a variety of popular medical procedures and health services that typically aren't covered by insurance, such as Lasik

eye surgery, hearing aids and dental work.

COSMETIC COMPETITION The company launched its cosmetic surgery network about five years ago amid increasing demand, and its network of providers has since grown to about 239 providers performing surgical procedures, and 130 nonsurgical providers. Providers in the program agree to discount their procedures to rates that can save patients anywhere from 20 percent to 35 percent of normal fees. And with average prices for cosmetic surgery procedures running well into the thousands, a savings of as much as 35 percent may just be enough — insurers hope — to attract new members or convince them to switch plans.

"We know that a lot of our members are increasingly seeking cosmetic surgery, and likewise, we know that we're in a competitive

market," says David Boucher, assistant vice president of Health Care Services at Blue Cross Blue Shield (BCBS) of South Carolina (BCBSSC). "If there is any way that, in a



Mr. Boucher

healthy way, we can differentiate ourselves from our competition, we're going to do it," he tells *Cosmetic Surgery Times*.

BCBSSC, like many other insurers, packages the ACSN cosmetic surgery

discount program as part of a "boutique" of "value-added benefits," offering discounts for many of the same procedures and types of care discounted by United Networks.

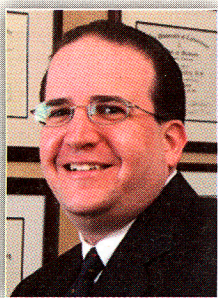
Under the ACSN plan, the surgeon's fee is

discounted, excluding related fees, such as anesthesia. The discounts are offered for a variety of popular cosmetic surgical procedures, including breast augmentation or reduction, rhinoplasty, liposuction and tummy tucks.

Some noninvasive procedures are also discounted, including laser hair removal, microdermabrasion and skin tightening, but soft tissue fillers and Botox injections are not included. Only board-certified plastic surgeons may sign up as discount providers.

PROGRAM BENEFITS While patients may be thrilled about the savings and insurers are pleased, not all plastic surgeons are sold on the benefits of discount plans.

"A problem with these programs is that surgeons have to accept the cut-rate reimbursement versus the normal non-third party reimbursement that they would normally get," says Scot Glasberg, M.D., a Manhattan-based plastic surgeon and chair of the Government Affairs Council for the American Society of Plastic Surgeons.



Dr. Glasberg

"Given the low reimbursement that doctors already have to settle with on the insurance side, most don't want to also have to discount their rates on the cosmetic cases," he says.

"The fact is, if you look at a plastic surgeon's practice, even if they do an even number of reconstructive and cosmetic cases, the cosmetic cases really are the ones that pay the bills," Dr. Glasberg adds. "So there are not a lot of plastic surgeons who want to compromise on that side of their practice."

In addition, the idea of a surgeon

discounting his or her services may be unsettling to patients, especially for something like cosmetic surgery, Dr. Glasberg says. "Patients may have the perception that if the surgeon is willing to offer this discount, somehow they may be less skilled. That may or may not be true, but I think it's the impression some patients have. And for this type of surgery, they really want to be able to pick someone they're comfortable with."

INSURANCE IMPACT According to ACSN Executive Vice President Brad Barousse, cosmetic surgeons who contract with the ACSN only agree to discount their rates in the same way that they would agree to negotiated fees with traditional insurance companies, so the fact that they offer the discounts should not reflect poorly on the practice.

"We don't do anything that insurers don't do," he says. "Blue Cross Blue Shield, for instance, goes out and negotiates fees with providers, and they charge patients who are members according to Blue Cross fees — not what they would charge someone without that coverage. It's the same thing here."

Plastic surgeon Richard Carlino, M.D., is a member of the BCBS North Carolina's cosmetic surgery discount program, Cosmetic Surgery Blue, and while he says the program hasn't had a negative impact on his practice, Specialists in Plastic Surgery in Raleigh, N.C., nor has there been much of a positive impact in the three or so years he's belonged. In fact, the majority of the discounts go to patients who come to his practice anyway.

"It's not bringing new patients, and the [BCBS] patients who would have come in anyway are just taking advantage of the discount," he says. "So I don't know if this is something that we're going to continue long term."

Dr. Carlino says as many as 60 percent to 70 percent of his patients belong to BCBS because of the

insurer's high penetration in the area, and about 50 percent of those ask for the discount. He seconds Dr. Glasberg's suggestion that a discount is not likely to be a major deciding factor for a patient to have cosmetic surgery.

"There are so many other factors that go into deciding on the surgery and where to have it, and I really don't think the discount is the deciding factor for most people," he says.

In pondering dropping out of the program, Dr. Carlino says he doubts if he'll see any decline in cosmetic patients. "The patients are coming here for all the right reasons, and I've never felt that if we didn't offer this discount that our cosmetic population would decrease." ◀

For more information

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April 25 & April 26
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