



# **Opening a Medical Weight Loss Practice in High-Competition Areas**

A White Paper

July 2017

## INTRODUCTION

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Obesity is nothing new. In fact, it has been a health epidemic for decades in the United States. However, what is new is the changing approach to how it is classified by government and commercial institutions, and also how it should best be treated.

In recent years, more doctors and clinicians have realized the critical role they play in the identification and treatment of obese and overweight patients. The shift toward clinical care of obesity is happening and gaining support at a rapid rate.

The Evolution of Obesity Care in the United States:

- The Centers for Disease Control and Prevention has been putting obesity in the spotlight since the early 1990s. Today, the CDC recognizes obesity as a national epidemic.
- In January 2012, CMS introduced Medicare coverage for obesity behavioral counseling with private insurers quickly following suit.
- In June 2012, The U.S. Preventive Services Task Force recommends screening all adults for obesity.
- In June 2013, the American Medical Association took a stance to classify obesity as a disease that requires medical treatment and interventions.

## ABSTRACT

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This white paper describes the steps recommended for primary care physicians to launch and grow a medical weight loss practice in areas that may have multiple weight loss program options. It focuses on the experience of Dr. Matthew Pinto, a family doctor in New Jersey, who turned an add-on medical weight loss practice into a career, seeing significant returns within a short period of time, sustaining growth by leveraging weight loss services and products to evolve his practice, and finding personal satisfaction in helping those in need achieve better health through physician-directed, long-term weight loss.

## THE PROBLEM

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If your independent medical practice is like many others in the United States, you're being challenged by:

- falling revenues driven by declining insurance reimbursement
- heavy case loads of patients suffering from chronic conditions such as hypertension, Type 2 Diabetes, and high cholesterol
- mounting administrative overhead due to patient management and insurance reimbursement requirements
- a dissatisfying work-life balance
- a creeping sense of dread that you're falling short of effectively helping your patients get healthy

In addition to the business issues, there is another underlying problem affecting medical practices. This is the problem of obesity. Officially declared a chronic disease by the American Medical Association, obesity affects close to 40 percent of U.S. adults with

close to another 30 percent classified as overweight.<sup>1</sup> Obesity has been identified as the root cause contributing to more than 59 health conditions, including cardiovascular disease, osteoarthritis, sleep apnea and even cancer. However, most doctors are or feel ill-equipped to effectively treat obesity as a disease and are often uncomfortable having meaningful discussions about the health risks associated with obesity.<sup>2</sup> In addition, some studies reveal that physicians are hesitant to discuss weight loss with patients due to being overweight themselves.<sup>3</sup>

In 2009, these were the problems facing Dr. Matthew Pinto<sup>4</sup>, a family practitioner based in the Philadelphia metropolitan area. His office was feeling the administrative strain of seeing 20 to 30 patients per day (often visiting for chronic condition issues), and insurance reimbursement levels were not commensurate with the level of effort required to sustain a healthy practice. He wanted to find an affordable way to increase revenue and improve his patients' health outcomes through the practice of clinically-proven, sound medical treatment. With such pressures and the desire to retain his independent status, he had an idea that ultimately resulted in a new specialty career that exceeded his expectations of success, both for his practice and for his patients.

## PROPOSED SOLUTION

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### 1) Weight Loss Services In A Medical Practice

The idea that seemed like a natural fit for Dr. Pinto's practice was medical weight loss. It was clear that his patients needed help losing weight, and it was also clear from decades of research that weight reduction has a direct positive impact on health. A modest 5 percent weight loss has been proven to reduce the health risks associated with obesity.

Dr. Pinto already had established strong relationships with his patients, and he knew they would trust his treatment recommendations for weight management and obesity. But first he realized he needed to find a program that would provide him with the training and knowledge that would increase his confidence in delivering obesity care.

After extensive research and ruling out franchise programs that would require him to invest in stand-alone build-outs or that were too much of a cost burden, he found The Center for Medical Weight Loss (CMWL) in July 2010. The program seemed to offer what the weight loss franchises offered but with more flexibility and at significantly reduced costs. With CMWL, a non-franchise model, he could easily add the medical weight loss practice onto his existing family practice without relocating. The program contained a large cash component that would increase revenue without having to rely on insurance reimbursement. And, most importantly, the CMWL program offered the most robust medical weight loss training program and practice support services that would enable him to get up and running easily to start treating his patients.

### 2) Physician, Heal Thyself: Being The Role Model

While not obese, Dr. Pinto realized that he was overweight (Body Mass Index between 25.0 and 29.9). With the CMWL program, he

gained the professional confidence to make his new practice work, but he needed to personally practice what he would be preaching. He needed to lose about 25 pounds to reach a healthy weight. Before CMWL, Dr. Pinto had attempted to lose weight with commercial programs and would see results at first, only to gain the weight back a few months later. This is not uncommon with commercial weight loss plans.

With his newfound obesity medicine knowledge and a new CMWL weight loss practice preparing for launch, Dr. Pinto put himself on the CMWL weight loss program in 2010. By following the simple food plan, measuring his body composition regularly, and understanding the science behind the program, he kept himself motivated to lose those 25 pounds and has not gained them back after seven years. His own CMWL weight loss experience would be an invaluable tool in motivating his patients to follow his lead.

### 3) Introducing Your New Weight Loss Practice To Patients

By deciding to add the CMWL medical weight loss practice, Dr. Pinto realized that it introduced a new, interesting experience for both his patients and himself. This experience wasn't necessarily the obesity treatment itself. It was actually what happens prior to starting treatment, that is, how to encourage his patients to sign up.

Knowing the statistics of obesity and being overweight, Dr. Pinto recognized that he already had a built-in customer base in his own patient database. He took some simple steps to start generating awareness that his new CMWL medical weight loss program was now available:

#### 1. Place Signage Throughout the Office

Dr. Pinto placed posters and other CMWL-branded collateral in the waiting room and exam rooms for patients to see and, hopefully, inquire about the program details.

## 2. Reach Out to Patients

Dr. Pinto proactively created lists from his patient database and contacted them about the new program through different communication channels, like mail and email.

## 3. Discuss the Program with Patients During Office Visits

If a patient was in the overweight or obese range during a regular office visit, Dr. Pinto would have a discussion about the health risks associated with those conditions. Within that context, he let these patients know of his ability to help them through the CMWL medical weight loss program. At first, this kind of conversation felt somewhat uncomfortable, simply because it could have been perceived as “selling.” But the discomfort soon disappeared, particularly because Dr. Pinto authentically cared about his patients’ health, believed in the efficacy of the program, and personally had experienced its positive results.

The results of Dr. Pinto’s initial activity exceeded his expectations. He launched his CMWL practice in August 2010 and had planned on seeing two to three weight loss patients per week. Due to overwhelming response, he needed to quickly expand his plan to see two to three weight loss patients a day. In six months he had outgrown his space, needed to open a new office, and hire a nurse practitioner to help administer the program. In two months he doubled his incremental monthly gross revenue from \$10,000 to \$20,000, while only practicing obesity medicine part time.

## 4) Understanding The Weight Loss Market

Dr. Pinto’s medical practice is located in a New Jersey town located in the Philadelphia metro area. Its residents are mostly hard-working, middle-class families. They make a solid living, but don’t have a lot of disposable income.

The middle-class neighborhood might have seemed like a deterrent to opening a medical weight loss practice to some doctors, but Dr. Pinto was convinced that his patients would understand that this would be an investment in their health. By framing the program as value-based, he focuses on positive health outcomes and takes the time to thoroughly educate his patients

about what to expect. He doesn't put pressure on his patients to sign up for the program; simply explaining what losing weight can do for your quality of life is often sufficient to encourage patients to take the leap.

In addition, Dr. Pinto never made assumptions about which of his patients would or would not adopt the program based on price. Again, focusing on health as the driving factor, Dr. Pinto explains how the CMWL medical weight loss program is different from commercial plans in its science, safety, and long-term clinical effectiveness. If cost objections do arise, he leverages CMWL's "Program Cost Objection Tool," which provides data on the patient's typical food spending habits so he can engage them in a meaningful dialogue about investing in good health. This conversation helps them draw conclusions about the value of shifting their investment of "bad food money" into "good health money."

Since the original launch of his medical weight loss practice, Dr. Pinto has continued to grow, sustaining between \$30-\$40K per month on a part-time basis (about 40% dedicated to weight loss). Since introducing medical weight loss into the practice, he has moved into a larger facility and grown his staff to include a second physician, a Nurse Practitioner and Physician Assistant.

Insurance coverage for obesity behavioral counseling has increased affordability for middle-class income consumers.. As more consumers become aware of insurance coverage for medical weight loss treatment, patients will request these services from their providers.

#### 5) Facing Weight Loss Competition

As with any business, Dr. Pinto's CMWL medical weight loss practice faces competition. And in weight loss, the competitors are broadly defined and vast. However, he realizes that confidence, persistence, and determination are required attributes for growth and success.



The good news for weight loss businesses is that, based on the obesity and weight statistics, demand is high all over the country. The challenge is how to stand out from the crowd and how to maintain a leading position.

In Dr. Pinto's experience, despite being surrounded by Weight Watchers, Jenny Craig, and LA Weight Loss Centers, he knew he had advantages:

1. Dr. Pinto had long-term relationships with his patients. There is a trust already in place that is difficult for commercial plans to build.
2. Patients refer other patients. Once Dr. Pinto's patients started to lose weight on the CMWL program and kept it off, they became a powerful testament to his practice. And the fact that he had achieved his long-term goals on the program also would play a large role in helping patients understand how different the program is.
3. Dr. Pinto's confidence. He says success is about having confidence in your abilities. "If you don't feel that you're the brightest light, you shouldn't be doing it."

Dr. Pinto's efforts have paid off, garnering a great deal of publicity in the Philadelphia Area, awards, and attracting local celebrities to his practice.

### ***A Note About Colleague Skepticism***

Unfortunately, in the weight loss industry, a large handful of companies promote solutions that are not clinically-proven and in some cases dangerous to consumers. These bad apples can have the power to dilute the messages of programs that are actually safe and based on tested scientific protocols. Some clinical colleagues in the medical field may say obesity medicine isn't real medicine, that it's dangerous or drastic. As a physician it's

important to educate the skeptics and inform them that weight loss isn't always about superficial or aesthetic results. It is about producing positive health outcomes first and foremost, and a trained medical professional is in the best position to help people achieve this. It's actually a responsibility of physicians and clinicians to provide this type of care, especially when obesity continues to remain at epidemic levels.

## RESULTS/CONCLUSIONS

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Dr. Pinto's experience in launching a growing a CMWL medical weight loss practice illustrates that physician-directed obesity treatment is a viable, scalable business opportunity, even in modest income, highly competitive areas. His results prompt us to draw the following conclusions:

- Obesity medicine is a high-growth area and opportunity for clinicians. The obesity rates in the US and continued institutional support of physician-directed weight management offers clinicians ample demand and incentive for treating obese and overweight patients.
- While obesity medicine requires training and expert support, it does not require heavy investment in an expensive weight loss franchise. The CMWL clinical and business program and membership provides superior training and service at affordable rates for clinicians to get up and running quickly.
- Return on initial investment on the CMWL program happens swiftly, with the ability to double monthly gross revenue in just two months even by operating part-time.
- Physicians should not be hesitant to make patients aware of their medical weight loss practice. They are looking for effective, long-term, safe approaches and will not be

dissuaded by cost if they understand value to their overall health. Increasing access to insurance coverage for obesity behavioral counseling will also improve program affordability.

- Obesity medicine with the CMWL Program offers physicians and clinicians the opportunity to improve both their own lifestyle as well as practice good medicine focusing on prevention and wellness.

## APPENDIX A-CONTRIBUTORS

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### **Dr. Matthew Pinto**

Owner of medical weight loss practice in Marlton, NJ

Dr. Matthew Pinto received his medical degree from the Philadelphia College of Osteopathic Medicine. He completed his medical training at Broward General Medical Center in Fort Lauderdale, Florida, where he served as chief resident. He became board certified in Family Medicine in 2003. In July of 2010, after extensive training, he opened The Center for Medical Weight Loss at Vive Medical Weight Loss. Today, he specializes in weight loss and aesthetic medicine.

## APPENDIX B-REFERENCES

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