

That's One Way to Cut Your Medical Bills By 50%

By QUENTIN FOTTRELL



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Daily deal sites, home of the half-off, limited-time-only, pre-paid coupon craze, are no longer content to sell low-cost dinners and dye jobs. Now on the discount table: laser eye surgery, dental checkups, and other medical services.

In the first quarter of 2011, there were more than 2,500 medical, health and dental offers published on daily deal sites in the U.S. -- an eight-fold jump over the 300 offered during the same period a year ago, according to Dan Hess, CEO and co-founder of Local Offer Network, a daily deal aggregator. That's a startling increase, even compared to the rapid growth of the sites themselves, which had a five-fold increase total deal volume over the first quarter. And, says Jack Vonder Heide, president of Technology Briefing Centers, "We're seeing more of them coming onto the market every week."

Considering the never-ending medical-care sticker shock consumers face, the deals have an obvious appeal: They're extremely cheap. In one recent offer, Groupon sold four porcelain veneers, plus a full dental check-up for \$2,400 a 52% savings off the normal \$5,000 cost of the procedures. Living Social and a Washington DC-based optician recently offered an eye exam, plus \$225 toward a pair of prescription eyeglasses, for \$58, a saving of 81%; More than 5,400 people purchased the offer. In New York, Melissa Morgan, a communications coordinator, recently bought a dental cleaning, examination and X-ray on Groupon for \$50, saving 82%. "I don't have dental insurance so it seems like a really good deal," she said.

But medical organizations say this is the wrong way to sell medical services. Consumers may pay too much attention to the low prices and not enough to the quality of care or the provider's track record, says Greg Sterling, a San-Francisco-based Internet analyst with Opus Research. And the "limited-time only" nature of daily deal sites doesn't encourage measured, thoughtful decision making, adds Malcolm Z. Roth, president of the American Society of Plastic Surgeons. "You shouldn't be doing procedures on a whim," he says.

Unlike a half-off dinner coupon, where the biggest risk is a wasted meal, the consequences of poorly-performed procedures are more severe, says Carolyn Jacob, an Illinois-based board-certified dermatologist. Any time anyone has an invasive procedure involving needles, there's a risk of infection, she says. Laser and other skin treatments designed to zap blemishes or hair can burn a patient's skin; Botox and other chemical lifts can cause lumps or droops, Jacob adds.

There's also the risk of an up-sell: the half-off dental checkup that leads to the full-price teeth whitening. For some merchants, this is an integral part of the strategy. Because of the steep discounts they offer and the percentage taken by the deal sites, many merchants lose money on the initial offer, so they're betting on customers returning for other procedures, or adding on to the ones they buy.

Of course, practitioners say they have their clients' best interests at heart, and besides: it's a free country. "Unless there's a risk or a health hazard customers have a right to plump their lips if they want and decrease the movement in their forehead," says Jack Berdy, owner and medical director of SmoothMed, a New York-

based dermatology clinic and spa. He has used around five daily deal sites to promote Botox treatments, laser rejuvenation and other minor medical procedures. Customers often come out of curiosity, inspired by a bargain. But, he adds, "we're not telling people they need it. In fact we go out of our way to tell them that they don't."

For their part, the daily deal sites say they choose their partners carefully. Maire Griffin, director of communications for Living Social, says the services they offer are minimally invasive and mostly outpatient. "We do everything in our power to connect our members with reputable merchants with the highest ethical standards," she says. Groupon spokeswoman Julie Mossler says every merchant goes through "at least eight rounds" of checking before they are placed on the site. Whitney Crisp, director of business development and sales for Sharing Spree, also says the site only uses qualified doctors.

And the sites say they'll continue to do so. Sharing Spree's Crisp says it is open to offering new medical services as long as they're safe, there's a demand and the surgeons are qualified. "We're open to anything and feeling out the medical industry deals," she says. But that doesn't mean a discount nose-job is in the offing any time soon. The American Society of Plastic Surgeons has set an official policy to put the kibosh on selling daily deal vouchers for more invasive cosmetic procedures. "It's a no-no," says spokesman Roth.