

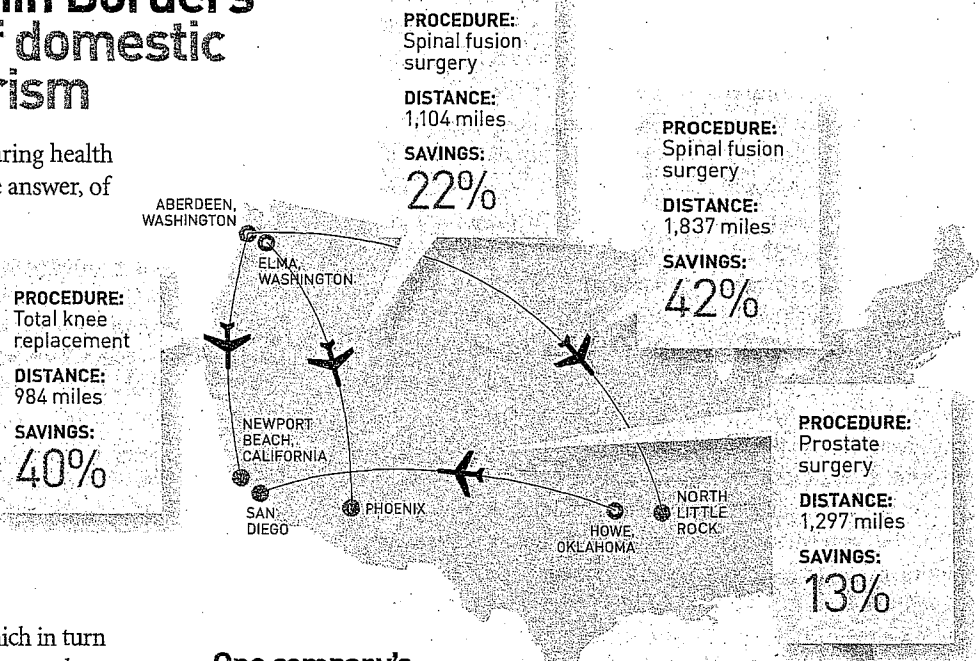


## Doctors Within Borders The allure of domestic medical tourism

What can be done about soaring health care costs? There's no single answer, of course. But BridgeHealth Medical seems to be providing at least one piece of the complex puzzle: domestic medical tourism.

Launched in 2007, the 20-employee company, based in Greenwood Village, Colorado, negotiates discounted rates with hospitals and extends those rates to businesses, which in turn encourage their employees to travel around the U.S. for treatment. BridgeHealth started as an international medical tourism company but turned to the domestic market in 2010. "The feedback we were getting from employers was, 'I'm not sure I want to send my employees on an airplane for 10 hours. But two hours, that's OK,'" says CEO Vic Lazzaro, a former UnitedHealthcare executive.

BridgeHealth won't discuss its revenue, but the company says sales are up 25 percent since it shifted its attention to the domestic market, and domestic sales now account for more than 80 percent of



### One company's health care odyssey

BridgeHealth negotiated \$70,000 in savings for Stephens Media, which has employees nationwide.

the company's business. BridgeHealth partners with about 20 insurance companies that administer health benefits for self-insured employers. Thanks to those partnerships, BridgeHealth has struck deals with 30 hospitals and medical centers around the country and sells its services to more than 200 businesses. "It's just a good benefit," says Cindy

Meyers, benefits manager for Stephens Media, a Las Vegas-based company that saved \$70,000 in its first year with BridgeHealth. "It was a benefit that could be a cost savings to our employees and our medical plan."

Domestic medical tourism is still a tiny market. BridgeHealth's largest com-

CONTINUED ON THE NEXT PAGE →



### BLOGGER LOGIC | Get inside your customer's head

For start-ups, making those first few sales can be the hardest part, writes Chris Savage (*savagethoughts.com*), co-founder of Wistia, a video hosting site. Truly understanding your customers will help.

"What books and magazines would your customers read? What conferences would they go to? What search terms would they use? Who would they follow on Twitter? Once you have an idea of where your customers hang out, you need to go there. The more time you spend where your customers are, the more you'll learn about how they think and whether or not you're focused on the right group."

Medical Tourism continued

petitor is an 11-employee company called Surgical Trip, based in Boca Raton, Florida. It works with 10 employers and three insurance carriers. Still, Paul Keckley, executive director of the Deloitte Center for Health Solutions, predicts that "this is where the health care industry is going to migrate." He says domestic medical tourism could easily surpass the \$2.1 billion that Americans spend outside the U.S. on health care.

Propelling BridgeHealth's growth is a three-way agreement in which all sides seem to come out ahead. Companies with self-funded insurance plans benefit with, typically, 20 percent to 40 percent savings on such surgeries as knee replacements and heart bypasses. Patients willing to get on a plane benefit, too. Because employers save so much, they encourage their employees to use the BridgeHealth plan by waiving copayments and deductibles. And hospitals get access to patients they would otherwise not have, allowing them to fill empty beds.

Katharine Anderson, a network analyst at United Utilities, a telecommunications company in Anchorage, Alaska, chose a clinic in La Jolla, California, for surgery to fix a bone spur in her shoulder. BridgeHealth negotiated the terms and United paid for Anderson's surgery, hotel room, meals, and other costs and flew her back to Anchorage, first class, a week later.

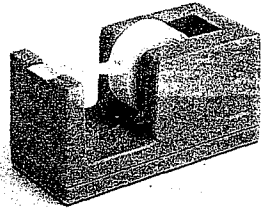
Even with those expenses and BridgeHealth's 15 percent fee on United's savings, the company spent just \$16,000, less than half the \$39,000 it would have cost to do the

procedure in a local hospital. Anderson saved as well. Had she had the surgery in Alaska, her plan would have required her to shell out \$1,500 to cover her deductible and copayment. "I looked into the BridgeHealth plan, and I thought, That's the only way I'll be able to afford this," Anderson says.

Traveling to distant states for major surgery, though, can have downsides for patients, says Judy Dugan, a health care researcher at Consumer Watchdog. She worries about sending sick people on a plane, because flying increases the risk of blood clots, even in healthy people. She also notes that a procedure may require postoperative care in the patient's hometown, but many doctors are reluctant to see someone else's patient.

Those drawbacks aside, proponents argue that the practice of medical travel will ultimately make for a better health care system. "Competition is good, especially if you're competing on the basis of quality and price, not either-or," Keckley says. BridgeHealth works only with top-quartile providers, as rated by CareChex, a hospital-rating division of the Delta Group, and Keckley believes that will be the norm as the industry grows. "There's liability involved if you refer someone to a place with inferior quality," he says. "So these companies will have to say, 'We can offer a better outcome, and, oh, by the way, you can also save a lot of money.' That's a pretty great position to be in." —*Issie Lapowsky*

**Close-up:  
Chris Burch**



**He'll make your tape dispenser beautiful**

Chris Burch is best known as the fashion mogul who co-founded, with his then-wife, Tory Burch, the Tory Burch apparel line, worn by A-listers such as Michelle Obama and Gwyneth Paltrow. Now, the venture capitalist and serial entrepreneur wants to add style to a different category: office supplies.

Burch, with Ken Seiff, founder of Bluefly.com, and Noah Maffitt, a former executive at OfficeDepot.com, has been developing Poppin, an online store stocked with affordable yet well-designed office supplies in a palette of 20 bright colors.

Unlike Staples and other big-box office-supply stores, Poppin, which recently launched an invitation-only beta test, designs and makes its products. It also has a more personal approach to customer service. Customers are assigned a concierge, whom they can contact directly by phone or e-mail. "If one of our pens leaks on a customer's Chanel jacket, her customer service agent will have the power to buy her a new jacket," says Maffitt, Poppin's CEO. The online store, which already boasts Google and Pandora as customers, is set to launch publicly this summer with a selection of office supplies geared primarily toward small and mid-size businesses. "We think the office environment should be beautiful, fun, and happy," says Maffitt. —*Nadine Heintz*



**Noah Maffitt (top)** Before joining Poppin, he was an executive at Live Nation, a concert promoter and online ticket hub.

**Ken Seiff** He founded designer discount retailer Bluefly.com in 1991.

**Chris Burch** As an Ithaca College student in the 1970s, he co-founded Eagle's Eye, an apparel company he later sold for \$60 million.

