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Private sector offers doctors flexibility

Ongoing reforms remove restrictions on working independently, encourage surgeons to operate at multiple sites

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Plastic surgeon Guo Shuzhong decided to resign from First Affiliated Hospital of Xi'an Jiaotong University in mid-2017 to establish a private plastic surgery hospital with a group of renowned doctors and investors.

Guo, now 56, conducted China's first and the world's second face transplant operation in 2006 at Xijing Hospital, a military hospital in Xi'an, capital of Shaanxi province, where he worked for 33 years until late 2015, before joining the university hospital in early 2016.

He achieved international recognition again in late 2016 when he and his team grew a human ear on a man's arm after his ear was deformed in a car accident.

Now, as president and equity holder of First BCC Plastic Surgery Hospital in Beijing, Guo said he is satisfied with the current situation and looks forward to new possibilities, despite not being able to continue with basic scientific research.

"I earn much more money than I used to, but what's more valuable to me is the freedom to focus on ear surgeries and the agreeable work environment where both patients and doctors feel respected," he said.

His dream is to build a world-class ear reconstruction surgery center in China in terms of both surgery quality and quantity, and feels the private hospital is the right place to realize it.

In public hospitals, much of his energy was diverted to other plastic surgery fields he had little interest in, administrative affairs and training of young doctors.

Now he can spend more time on communicating with patients, has more outpatient visits for ear reconstruction, and performs more ear surgeries.

Guo is among a growing number of aesthetic medicine professionals venturing into the private sector in pursuit of higher pay and career advancement.

Despite a lack of reliable data on China's aesthetic medicine professionals practicing in private facilities, China's leading online platform for aesthetic medicine,

the Nasdaq-listed So-Young International Inc, reported impressive growth in the third quarter of 2019, with most registered practitioners coming from the private sector.

So-Young's total revenue in the third quarter of 2019 reached 302.4 million yuan (\$43.35 million), a 79.6-percent increase year-on-year, while profit from operations was 20 million yuan compared with a loss of 22.1 million yuan in the same period of 2018.

Du Taichao, an eminent plastic surgeon with Beijing Huangsi Aesthetic Surgery Hospital, attributes the surging number of aesthetic medicine practitioners in the private sector to China's ongoing medical reforms that optimize distribution of resources under market mechanism, particularly to the policies that remove restrictions on independent practice and encourage licensed doctors to practice at multiple sites.

Internet applications, especially social media and specialist platforms for aesthetic medicine, also make it easier for doctors to promote themselves, he said.

Gengmei, a Chinese online aesthetic medicine platform, said about 20,000 doctors and 8,000 facilities have registered on it, among which 90 percent are from the private sector.

So-Young provides a variety of tools for doctors to create and promote online content as well as channels for doctor-patient communication, including online consultancy, video sharing and livestreaming, to help doctors and facilities gain professional reputations and provide services.

In 2019, the gross merchandise volume of 423 doctors on the platform surpassed 1 million yuan, increasing 70 percent from 2018. Their average income through the platform was 2.03 million yuan, with average customer expenditure increasing 31.53 percent, figures from the company showed.

Plastic surgeon Jiang Ya'nan left a public hospital to work for a private facility in 2014, and opened her own practice in 2016.

Last year, she answered online inquiries from more than 10,000 patients on So-Young, which helped her attract attention from potential customers, and made the



**Top:** A plastic surgeon examines a patient who is about to undergo surgery in Nanjing, Jiangsu province. XINHUA

**Above:** A surgeon performs an operation on a patient in Hefei, Anhui province. JIANG YU / FOR CHINA DAILY

“... Compared with heart, brain or other major medical surgeries, it requires more high-quality doctor-patient communication ...”

**Yang Mingjie**, a plastic surgeon from Dalian, Liaoning province

platform the largest online channel for her clinic to get customers.

Guo observed that the internet is becoming a vital channel for China's private aesthetic medicine practitioners to get in touch with targeted customers, build their reputations, and create close doctor-patient bonds to enhance services and boost revenues.

His hospital, which was officially established in September 2017, is already making a profit and is gaining a good reputation among customers and the medical community.

The hospital's rapid rise is mainly because it is managed by professional doctors who have equity shares and pay extreme attention to fair pricing, patient experiences and avoidance of overtreatment, but the influence of the internet is also indispensable.

Social media and video-sharing platforms enable the hospital and its doctors to communicate with patients directly, respond to their inquiries quickly, and post problem-solving articles, tutorials or videos that patients are interested in, to foster trust and establish a professional and caring image, he said.

Yang Mingjie, an experienced plastic surgeon from Dalian, Liaoning province, who established her own practice Dalian Calmagi

Cosmetic Clinic in 2015, agreed that easy access to internet platforms for both doctors and patients, including social media, video-sharing apps, and So-Young, provide doctors more cost-effective channels to demonstrate to potential customers their medical and aesthetic expertise — the core of their professional skills.

Her team regularly spends time on So-Young, Sina Weibo, and WeChat to promote professional knowledge and enhance doctor-patient communication.

In 2018, her clinic's monthly revenue hit more than 1 million yuan, although it declined in 2019 due to overall economic slowdown.

The brand promotion of an aesthetic medicine practitioner should center on pre- and post-surgery demonstration and the doctor's personal philosophy of aesthetics, with complementary information on their educational experiences and career achievements, so that messages delivered to patients will not be misunderstood and the communication between doctor and patients will be productive, according to Yang.

"While conducting an aesthetic medical procedure is relatively less demanding on the number of doctors and nurses, or the operation of complicated medical devices, compared with heart, brain or other major medical surgeries, it requires more high-quality doctor-patient communication and mutual understanding to avoid medical disputes because the appreciation of aesthetics is quite subjective," she said.

However, both Guo and Yang noted that market competition has become fiercer amid the surging number of aesthetic medicine practitioners in the private sector.

Guo advised that doctors, especially those who leave public hospitals for private ones, strengthen their medical and self-promotion skills.

He also said integrity is a must if a doctor wants to stand out from the competition.

Coworking hospital cuts costs for startups

By LIU ZHIHUA

While the sharing economy has changed many aspects of people's lives in China, its latest beneficiary seems to be the medicine aesthetic industry.

Cosmetic medical clinic franchise BeauCare Clinics and online platform So-Young International Inc jointly opened China's first coworking hospital in Beijing in early November, where doctors can book a room to conduct treatment, with supporting staff, medical devices, and medicines provided by the hospital.

The six-story hospital is certificated to conduct class-3 surgeries, with everything ready in consultation rooms, operation rooms, and patient wards. In China, surgeries are categorized in four groups in terms of complexity, and class-3 is the second-highest level.

It employs administrative staff, nurses and anesthetists, but has no plastic surgeons, and does not accept walk-in patients.

Jin Xing, CEO and co-founder of So-Young, said such a model aims to meet the demand from doctors who want to start their own businesses but not have enough funds and resources.

"The shared hospital greatly reduces doctors' cost to start a business, and enables them to focus on patient treatment and surgeries," he said.

Li Bin, president of BeauCare Clinics, said the hospital is aiming to reach a break-even point within three months of operation, and more shared hospitals and clinics will be built if the first one succeeds.

It has already made enough to cover staff salary expenditure in the first month, with commissions charged at an hourly rate, he said.

Du Taichao, an established plastic surgeon with Beijing Huangsi Aesthetic Surgery Hospital, said the hospital had attracted the attention of the medical aesthetic community and his personal experiences there proved the hospital was helpful to doctors seeking safe freelance practice.

"With the market demand booming, many medical aesthetic doctors want to start their own businesses, and those employed by hospitals also want to practice at multiple places in their spare time," Du said.

"The shared hospital provides doctors a safe site to practice, when patients are more likely to choose doctors rather than hospitals for treatment nowadays," he said.

Du also spoke highly of the insurance programs BeauCare Clinics and the Beijing arm of Ping An Property & Casualty Insurance Co jointly developed for medical aesthetic doctors and patients.

China's medical aesthetics market reached 122 billion yuan (\$17.5 billion) in 2018, with compound annual growth rate from 2014 hitting 23.6 percent. The market is expected to triple to 360 billion yuan by 2023, according to research firm Frost & Sullivan.

However, data from Ping An Property & Casualty Insurance showed the industry has a high incidence of botched procedures and incidents, with 40,000 cases recorded annually.

Officially unveiled in mid-December, the insurance products are intended for doctors and patients involved in the clinic franchise's operation.

If they prove to be mutually beneficial for both the insurance company and those insured, the products are likely to be open to all doctors and patients in the industry, according to Li.

He also claimed the insurance programs would help reduce the illegal practices and unnecessary treatments that are common in the industry, because they are only open to qualified doctors and do not offer compensation if malpractice is detected.

Products for doctors are categorized by surgical and nonsurgical practices, and the highest compensation is as much as 2.5 million yuan.

For patients, small-scale claims under 5,000 yuan will be approved as soon as they are proposed. Claims ranging between 5,000 yuan and 50,000 yuan will be approved within five days, and for those above 50,000 yuan, the insurance company will pay 50 percent of total compensation in advance within three days of a proposed claim.

Hainan medical tourism pilot zone supports pursuit of beauty

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China's pilot medical tourism zone in Hainan province has approved its first medical aesthetics product, and high-end international companies are stepping up efforts to take a share in the nation's booming medical aesthetics market.

On Dec 29, Ireland-based pharmaceutical giant Allergan announced that its medical aesthetics product Volux was introduced to Boao Super Hospital at the Boao Lecheng International Medical Tourism Pilot Zone, enabling beauty seekers at Boao Lecheng to get access to the product, which has not come to the Chinese market yet.

The zone is the only one of its kind in China that enjoys nine preferential policies, such as special permission to import medical technology, medical equipment and medicine.

Specifically, the policies allow medical institutions in the zone to import and use badly needed drugs and medical equipment from overseas that are not yet approved by the top drug authority in China.

However, this is the first time the

pilot zone has approved a medical aesthetics product.

Liu Zhefeng, deputy head of the zone administration, said: "The reason we introduced a medical aesthetics product into the pilot zone is that we are seeing a constantly surging need. Every year, 600,000 Chinese go abroad to see a doctor, among whom 20 percent are seeking medical aesthetics services.

"We hope that Chinese residents can enjoy international-standard medical products without going abroad."

Chen Qiaoshan, a medical analyst at Beijing-based market research consultancy Analysys, said that the introduction of the medical aesthetics product into Boao Lecheng demonstrated that China's medical aesthetics industry is in line with international standards, and the scope of international docking has been expanded.

"Medical aesthetics consumption is one major part of overseas healthcare. Currently, the medical aesthetics market is mixed, and there are a flood of fakes. If high-end international products are introduced to China, consumers won't bother to go abroad," she said.

"For international pharmaceuti-



A doctor gives a patient an injection of Volux, a medical aesthetic product of Allergan, at Boao Super Hospital in Boao, Hainan province. PROVIDED TO CHINA DAILY

cal companies, it is a signal that China's medical market is further opening up to complementary pharmaceutical products. Medical aesthetics is one sector, and the next sector may be assisted reproduction," she added.

Qiu Hanhua, general manager of the medical aesthetics business unit of Allergan China, said: "In the past five to 10 years, China's medical aesthetics market demands have grown rapidly, maintaining double-digit annual growth, and the growth momentum will remain. However, the supply side is

far from enough. Many high-quality products haven't entered China yet."

A report by Chinese cosmetic surgery platform Gengmei showed that in 2018, China's standard medical aesthetics market reached 495.3 billion yuan (\$71 billion), growing 20 percent year-on-year. There were 22 million consumers, each spending 22,000 yuan a year on average.

"Medical aesthetics consumption is a rigid demand. With constantly surging demand, Allergan will keep on innovating to meet

consumers' high-quality demands," Qiu said.

Chen Kai'an, deputy head of Boao Super Hospital, noted that the pursuit of beauty has become a manifestation of a nation's development. "In the future, we will work with Allergan on the clinical research and application of medical aesthetics products, and fulfill the demands of domestic beauty seekers."

According to Allergan, its training center will cooperate with Boao Super Hospital to train local doctors on medical aesthetics operation, in order to benefit more Chinese consumers.

Qiu noted that there are three subcategories in medical aesthetics: surgery, micro plastic injection and skin care. In the coming few years, the number of consumers choosing the first subcategory will decline and those opting for the latter two will increase.

"With the rise of consumer confidence, they prefer to adhere to the principle of not changing their looks completely, but just pursuing a better look," Qiu said.

According to the company, Allergan will introduce skin care products and medical equipment to China this year to provide Chinese consumers with multiple choices.