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E77: PAYING FOR MEDICAL PROCEDURES WITHOUT BREAKING THE BANK: PATIENTFI

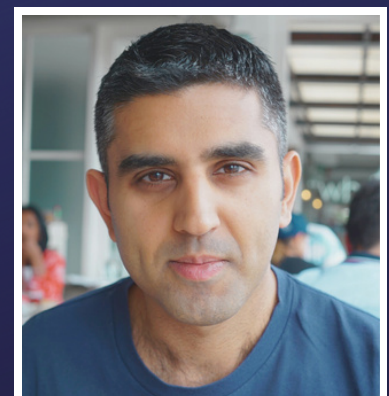
GUEST

Todd Watts
CEO & Co-founder



HOSTED BY

Satwant Phull



[Important]

This transcript was produced with machine learning. It contains lots of errors and omissions.

[00:00:00] **Satwant:** Hi, I'm your host Satwant and welcome to this episode with Todd Watts from PatientFi. If you'd like to watch the video version of this podcast or get the transcript in PDF format, please click the link in the show notes. Thanks and enjoy the episode.

[00:00:16] Introduction

[00:00:16] **Satwant:** Hi, Todd.

[00:00:18] **Todd:** Hey, how are you?

[00:00:19] **Satwant:** I'm good, thanks. How are you? Welcome.

[00:00:21] **Todd:** 830, 830 sharp. This is about as slick back as you can get. You'll ever see my hair. It's right. I'm almost right out of the shower.

[00:00:28] **Satwant:** Thanks so much. Actually, on that note, I was, I was kind of worried. I'm thinking as we're going to be talking about beauty and cosmetics, I had to gel my hair for a change.

[00:00:39] **Todd:** Well, you know, just because it, just because you're selling products through, it doesn't mean you have to be an avid user. So I, I always just usually start any conversation I have with like, look, I'm not I don't eat my own cooking, but you know,

[00:00:53] **Satwant:** it looks beautiful where you are. You're in LA.

[00:00:55] **Todd:** we're in uh, Irvine, California.

[00:00:56] **Satwant:** Oh, nice. Excellent.

[00:00:58] Nice

[00:00:59] **Todd:** How about you?

[00:01:00] **Satwant:** I'm in Bristol, South West England.

[00:01:02] **Todd:** Yeah. Cool, man. Well, it's a pleasure to meet you.

[00:01:05] **Satwant:** And you too, I'm really looking forward to this episode because I've been wanting to get a payment company on from the States involved in healthcare. So I'm extra grateful for you to be on and I've had to do all sorts of research for the show, which was interesting looking at celebratory cosmetic treatments and seeing case studies of Kim Kardashian and Eva Longoria. And it's been quite an interesting path I had to follow for this one.

[00:01:30] **Todd:** Yeah. Yeah. It's uh, you know, and we've, we've now, we've expanded um, you know, we're very much in aesthetics. We're in a couple thousand practices in the U. S., but we're also, we're making a lot of headway into fertility and dentistry and So it's been it's been a lot of fun.

[00:01:46] Start

[00:01:46] **Satwant:** I'll give an intro into what you guys do so Todd, you're the co founder and CEO of PatientFi based in California. And PatientFi is a point of sale financing company.

[00:02:00] That partners with health care providers to offer patients a payment solution for elective procedures, cosmetic procedures and your mission is really to expand the patient access to all those kinds of procedures and by removing the cost barrier. And To set the scene of what kind of treatments we're talking about, I'll give a little summary.

[00:02:21] So, plastic surgery, cosmetic and skin, including micro needling, hence my celebrity research, dental and fertility, as you mentioned, and some hearing and vision as well. it's quite a, quite a bit there and before I hand over to you, I wanted to, I always like to open with stats to, to get the audience understanding what we're talking about here.

[00:02:41] Growth Projections for Treatments

[00:02:41] **Satwant:** So, From Business Wire, the research shows that the global market for non invasive aesthetic treatment is expected to grow from around 43 billion in 2021 to 85 billion in 2026. So just over double. And in the U. S. there's 40, 000 medical providers who offer these kinds of treatments. And the largest barrier is... affordability

[00:03:08] And very lastly, this is from your own website, 40% more patients convert when they've got the right payment options available to them. So I wanted to set the scene there and hand it over to you and please open however you want in terms of how PatientFi is addressing these high costs for these procedures, and, how long have you guys been around?

[00:03:30] **Todd:** Yeah. Thank you so much for the introduction. So um, and and thanks for having me on the show.

[00:03:35] Overview of PatientFi

[00:03:35] **Todd:** so patient by we started the business in 2017. I've been in the healthcare patient payment space since 2011. the team here and executive team has done prior Projects and initiatives very similar to this.

[00:03:49] Um, Patient fi was design our tagline and kind of everything we do is it's patient fi and the friendly way to pay. And you know, we've a lot of times that's kind of something, a

bumper sticker, a tagline that sounds good, but it's really been a core part of our strategy since the very, very beginning.

[00:04:04] And that is in these kind of clinical settings, whether it's um, Plastic surgery, a med spa dermatologist, or a, as we, as you spoke about a a urologist that's doing a fertility treatment or a gynecologist, or if it's a uh, or if it's a, a dentist you know, they're, you're in a clinical setting usually evaluating pretty important life decisions as a patient.

[00:04:26] There's a lot to lot to be able to to have to process. And we wanted to be able to introduce a solution that. of that was not only patient friendly. So all of our interest rates are you'll usually find, are more competitive than any of the, if there's, if there's another company next to us in that office, or if they're researching other options, usually will be the most competitive and friendliest to the patient.

[00:04:46] Very straightforward products that are there where the patients can borrow money. Many, many times it's 0% interest to be able to gain access to that elective procedure that they otherwise might not be able to afford and then also making it really easy. So... We are a technology company. First we don't do kind of on a, on a, on balance sheet lending.

[00:05:05] So we don't hold a bunch of loans on our books. We really view ourselves as we custom built a platform customized to the workflows of healthcare. Healthcare is very different than furniture sales. If you're in, you know, trying to sell a, or home improvement, it's its own. It's, it's really, it's its own animal and and by kind of creating a solution that was very easy for patients to be able to, to apply and get quick access to, and then also make it where, and this was critical, is get the practices and the medical healthcare providers across the country give them a solution that was very, that was turnkey and they could just, without much interruption in their day, they could offer something to the, to the patients and it could just be something seamless.

[00:05:44] And kind of like the kind of convenience that we're used to in the rest of our lives, right? And usually when you walk into health care practice certainly in the United States, people you know, are always amazed that they have to, you know, put together a they have to do a signup sheet on paper when they go in and kind of fill out the forms.

[00:05:59] And a lot of that still exists even for the financing options in health care. And we've created a kind of fully digital. Instantaneous we give immediate decisions. And, and that's kind of led to over the years is where we started with just kind of patient fi financing, where we were financing big ticket procedures.

[00:06:15] Now that's evolved and one of our most exciting recent product offerings is PRIVI and it's, that's really focused on the aesthetic market and where. As opposed to kind of these one time pretty expensive procedures that sometimes we'll, we'll finance 20, 30, 000. PRIVI is the, gives the patients the ability to, for their aesthetic treatments to be able to go pay 149 a month and get access to their Botox and filler treatments and any other lasers.

[00:06:41] And it kind of. With the convenience of that monthly membership payment. Whereas today, it's usually you know, they'll he or she will go into a practice and it'll be 800 one day and then 900 the next day and it's hard to budget for. Scheduling is usually a problem. So we've created a one stop shop for scheduling.

[00:06:58] The practices can offer loyalty and they can, the patients get to pay 149 a month and women or men can have all of their aesthetic treatments and cosmetic treatments paid for. And as you just mentioned in your statistics, I mean, this is a This is one of the most exciting and fastest growing segments and not just healthcare.

[00:07:15] I mean, really in the, in the broader economic environment, it kind of transcends different industries and there's more growth and investment in this industry than ever before. So patient fi is is privileged, but also it's, I feel that we're a little bit of lucky to be at the intersection of such a high growth area of medicine being medical aesthetics and being able to offer the first of its kind solution with these kind of membership products with PRIVI.

[00:07:38] Profit Margins in Aged Care vs Looking Youthful

[00:07:38] **Satwant:** Yeah, I like probably everyone out there until relatively recently thought that the big opportunity in healthcare just in the Western world in general is the aging boomer population you know, care homes and all that kind of care associated with older people was going to be the main way to make money in that area. But for me personally, that changed when I was listening to somebody, I can't remember it was on YouTube or a podcast that we're talking about trends in future and where to make money. And this person said that in actual fact, looking more youthful is where people will place their priorities as they live longer. And that's where the margin and the opportunity is going to be not necessarily in the, the care for older people. Not that, that market's small. It's just that the high margin in healthcare is going to be in that market. And would you agree with that? I mean, I don't know the numbers of how big each market is.

[00:08:39] **Todd:** yeah, I mean um, particularly I think the medical aesthetics market, you know, it's now, one of the most exciting clinical areas. And we do the and we have some of these products in our membership program today, but it's still very early as far as the clinical advances are things like stem cells. We call it the regenerative category of medical aesthetics. And that is exactly what you're saying. This isn't so something like Botox or if you're getting a treatment that's going to alleviate a symptom of aging, right? That's a um, so say if, you know, you have wrinkles and perhaps it will change the appearance of what those wrinkles look like by in the case of something like Botox.

[00:09:17] Regenerative Procedures: Winding Back the Clock

[00:09:17] **Todd:** But regenerative is where you're actually, you know, being able to, whether it's you know, it's a topical or something that's injected. And this is not very far away where you can actually, think of it as a wind back and be able to create actual younger looking features, but it's not just, it's not cosmetic. It's actually regeneratively turning back the clock. And that's, it's, that sounds kind of science fiction, right? But it's, it's right on the doorstep. And those are some of the exciting things as, as you mentioned that, that are, that are here. And, and we'll become, I think the broader, you know, your audience will see, you know remember I said it is in the next, you know, 10 years, you'll see a lot of these treatments that are set safe and highly efficacious and they're not going to feel anymore like, Oh, I'm going to a med spa and getting a laser that may or may not work. And, you know, these are going to be very commonplace ways to be able to, you know, when you're 60 years old, look a lot younger.

[00:10:13] **Satwant:** That's pretty incredible. I didn't think of a generative type of treatment.

[00:10:17] **Todd:** Oh yeah, and this isn't, this isn't, yeah, it's, they're here, they're already here.

[00:10:21] **Satwant:** Yeah. I mean, I think of treatments of slowing something down, not, not going the other way. So that's fascinating!

[00:10:27] **Todd:** Yeah. Right.

[00:10:28] **Satwant:** Yeah.

[00:10:29] **Todd:** Yeah.

[00:10:29] General BNPL vs PatientFi

[00:10:29] **Satwant:** I want to dig one level deeper in, in the payment side of things Today if a health care us health care provider, you know is offering these kind of treatments and doesn't have your solution and and the patient needs some way of spreading the cost My question is related to you know, how? How you guys differentiate from say a klarna or a an after pay?

[00:10:52] **Todd:** Hmm.

[00:10:53] **Satwant:** type solution in terms of your monthly payment plans because Like you said earlier, it's similar to kind of buy now pay later. You've got 0% options if paid in full during the promotional period, which can be six to 24 month plans. And then you've got interest bearing fixed plans as well that extend to 48 months. So all the way from 12 to 48 months. So yeah, I'd appreciate if you can just sort of articulate the differences and, and can healthcare providers even use those solutions or are they not allowed if they're not licensed?

[00:11:23] **Todd:** Yeah. Sure. It's a great, great question.

[00:11:25] So yeah. We, we may we on its face it might appear like it's a buy now pay later product, but actually um, just as, as the architect of the, or not, I'm not the architect. I have people are smarter than me here that architect the products, but the actual products themselves are quite different. And I'll explain between a buy now pay later.

[00:11:42] So you know, right now in the regulatory environment, particularly in the United States, buy now pay pay later products. I mean, typically those are paying for. They're lower ticket they're designed for kind of an e commerce checkout experience. They're not, and, and because they're paying for it, they're not subject to a number of regulations, which I won't bore you with, that folks like PatientFi because we're offering 0% loans, we offer interest bearing loans, long term loans we, we, everything that we do is in partnership with banks and credit unions.

[00:12:13] So right now there's this one of the big topics here in the United States around financial technology and particularly non bank lending is. are by now pay later is going to start to have to abide by a lot of the disclosure requirements and things that others like patient fi today need to be able to do.

[00:12:30] And, and, and, and if you need to do that, that's a pretty big shift not only in the application process, but in how the the, the consumer interacts with the loans there afterwards, whether you're charging interest or not. By now pay later is, is you know, and again here in the United States and, and, and also, I, I, I know this to be true as well in, in Europe and elsewhere for for folks like Klarna in general, usually this isn't a, you know, they're not doing credit checking, they're not going through and actually evaluating the credit worthiness of the borrower. Patient by, I mean, we we do use a lot of alternative lending.

[00:13:01] I think we have some of the best data sets and algorithms for our underwriting process, but at the end of the day, A lot of the kind of core fundamentals, well, I think of is a lot of the extra stuff we put around it are to give us an edge, but the core fundamentals are the same thing that banks have been using and the disclosures and the process that the banks have been using for a long time, you know, 30, 30, 40 plus years and particularly when, when credit bureaus were in FICOs and other things were being used.

[00:13:27] So you know, if I look at somebody like, you know, can a physician use somebody like a car Karna or after pay. One of the big challenges if I was sitting in their seat is, you know, after pay is really designed for an e commerce environment, right? And that's that which is a novel and disruptive ideas is buy now pay later started to become more of a prolific offering in the market.

[00:13:49] Things have changed a lot as we all know. And I'm sure your listeners know that we're Investors in some of those companies, but it's designed for lower ticket e commerce, you know, it's a very seamless experience with patient by while we are, we built a very quick, immediate decision, technology based solution, point of sales solution for providers for the patient financing core product we have, you're still dealing with a brick and mortar transaction where the, you need to have confirmations of the procedure being done, confirmations of the amount.

[00:14:18] And so you're still having to go in. If you're a salesperson for afterpay, you can't just sign up a bunch of e commerce companies and turn it on and off you go. It's still going to be a brick and mortar and high touch environment. And that's one of the reasons why we love this business. As opposed to something like buy now, pay later, that's all virtual, it's all done online where I actually get to see not directly, but through my relationship with the provider, I actually, one of the few remaining. Lenders that there is an in by definition because you're getting a treatment. I'm never sending any money to the actual borrowers We're sending money to the merchants, but by definition there has to be a face to face interaction.

[00:14:54] So it gives us the opportunity for things like having our providers or practices check IDs and do all of these other things that where I think that we've been able to avoid a lot of the Whether it's delinquencies and fraud and other been able to avoid a lot of that.

[00:15:10] And then one step further is, is the membership platform that we built that has built in scheduling. And that's PRIVI has you know, practices can go in and build end to end treatment plans. So. All of these things that are total a lot of intellectual properties gone into that that's custom that's for the health care practice That's an entirely different product, right?

[00:15:29] That's not a that's not even just a financing product That's giving someone almost like a turnkey annual membership platform for all their cosmetic treatments. So the core of the of the business patient financing I would say, you know It is how it has a lot of just inherent differences, but you know as we've continued to expand the product And enter into, you know, go horizontal product expansions to meet more needs and needs they might not even know they want in the practice, that's where it starts to get really differentiated from you're paying for buy now, pay later products.

[00:15:59] PRIVI - Customised Plans for Non-Invasive Treatments

[00:15:59] **Satwant:** I want to talk about PRIVI next in a lot more detail because for me, the concept of having an annual plan for procedures is, is totally uh, totally new concept. And it's funny, I only, only about a month or so ago I watched a video on. A company called in mode, which I'm sure you'll be familiar with, but if anybody listening or watching doesn't know, so there's a procedure called micro needling, which is very popular with a lot of women where it makes you more youthful, gets rid of wrinkles, etcetera.

[00:16:36] the treatments. you've got to keep having them. So a plan like, like a subscription plan that you're offering makes obviously total sense. But. Also in modes business model is interesting too. So every time a healthcare provider uses the machine, they get some money for it as well.

[00:16:52] So it's kind of crazy how things are evolving and there's some other firms in this space, correct me if I'm wrong, there's companies like Novo, Nordisk, Ulta Beauty and Elf

Beauty. I'm still learning about this space. But the, the question I want to ask next is what's the impact of Your plan for these kinds of treatments. How will that impact the industry in general the healthcare industry?

[00:17:19] **Todd:** So let's take, you know I look at if you can, let's call it the patient by core to the patient by core financing product that we've built and started in 2017 and then PRIVI. PRIVI is really designed for the noninvasive, which, and you just gave a couple of examples of which is noninvasive, meaning it's a non surgical treatment.

[00:17:36] It's usually not a one time in most cases, a one time treatment. These are things that Women and men will go in several times per year, and they're going in several times per year, every year, and interestingly enough is as there is, as the aging progresses or their skin changes a lot of times, the, the kind of products that they're using are, are changing as well.

[00:17:56] So one thing that I'll kind of rewind as far as, you know look at the different constituents, meaning, you know, being in the, in the healthcare aesthetic market today and then I'll tell you kind of how PRIVI has been able to kind of uniquely solve. A number of not just problems, but also I think making things a lot more seamless and convenient.

[00:18:14] So again, as you mentioned, what is PRIVI PRIVI offers a monthly payment plan where the providers can be paid up front for the procedures that they're rendering to the patients within 24 hours. But the patient always gets to be able to enjoy a monthly payment. So how that's how that works in our system is once a patient goes into any of our providers and we have thousands of providers all over the country, on our patient financing product.

[00:18:37] They can go in and whether it's their first time someone who's considering a noninvasive procedure, let's just use Botox as an example, or someone who's coming in all the time, but they have this, you know, they're paying 900 here and 700 here. It's a very, it's a clunky, a lot of, there's a lot of friction, particularly with the amount of, of of payments in the system. So let's talk through kind of, you know, how it all works and they'll say how it benefits everybody.

[00:18:59] Scheduling for Optimal Therapeutic Results

[00:18:59] **Todd:** So patient comes in with PRIVI. Whereas today outside of PRIVI, they're usually doing one treatment and then hopefully the patient comes back. There's not a lot of cohesion to the end to end kind of experience for the patient where they know exactly what they're going to be getting throughout the whole year.

[00:19:14] So today they come in, they pay 900 and then they leave and it's like, oh, they have to figure out a way to eventually pay that off and however they're doing it. And then they come back in at some time. And usually what happens is because maybe the amount of it, or they forget to schedule the procedure, a lot of times what happens today and I can tell you

it's not just a majority, it's statistically for something like Botox, which is the most popular procedure, the therapeutic for a patient to achieve a therapeutic result, which means the most optimal result for something, and this is very much you can extrapolate this to a lot of other products and the same data exists, is patients usually get *under correction*.

[00:19:49] So I'm not saying that, you know, we want patients and people to look over corrected where, you know, it's a, You know, where it's kind of the negative perception of aesthetics and plastic surgery. This is just to get the therapeutic result they want. In the United States, on average, people come in to get Botox 1.8 times, and they're supposed to come in to get a therapeutic result 3 times.

[00:20:09] So with PRIVI, just let's talk about the patient first. Not only are they getting the benefit of a monthly payment, but they're also able, because of that first visit with the provider, they're able to, actually the provider is going to build out their entire treatment plan for the entire year to make sure that they are abiding by a therapeutic result.

[00:20:27] And being able to achieve and that could be, you said, micro needling, it could be 3 Botox treatments, perhaps one filler treatment, maybe it's some skincare and they're building out this kind of opt optimized, kind of custom optimized and customized program for that patient. And then scheduling is built right in where they can actually schedule out all the, if they choose to schedule out all the different treatments and procedures for that entire year.

[00:20:49] Patient benefits because a, they're not, they're not only being able to get the convenience of a monthly payment, which they're used to for the rest of their lives, like it's like paying for a gym membership they get the convenience of having scheduling if they if, if they need to, they, there's the options to be able to visit multiple different providers but also they're going to get that therapeutic result.

[00:21:07] So by, by adhering to the plan that they're set up on, they're going to have, they're going to be happier, right? They're going to be able to, to experience the full benefit of the product. So. Okay. Thank you. That's what it does for the patients.

[00:21:17] Benefits for Medical Providers

[00:21:17] **Todd:** Clearly on the, on the provider side, the, which is where we've, we've garnered the most interest because that's where usually most of our interaction is with the medical providers. They're going from, I just said as an example for Botox, 1.8 times per year. Now they have their patients coming in 3 times. And it's not like they're over correcting is what we call or putting in too much product in their face. They're just getting the therapeutic result, but now they have not only a patient coming in more, but they also have the patient coming in and they're loyal to the practice.

[00:21:45] Loyalty to Medical Practice

[00:21:45] **Todd:** So patients all the time will price shop, they'll go over here, they'll see a sign that says, Hey, Botox for \$10 or \$8, \$7 per unit. Then they go over there. Now it's like you have this patient for life as long as you continue to do a good job and keep the patient happy where they're not only coming in more, you're able to, to, to do more procedures, but they can, they're going to, the, the, the membership renews every year. So they're continuing to come back. So increased sales.

[00:22:09] Sell a Medical Practice More Easily with a PRIVI Customer Base

[00:22:09] **Todd:** One other point on the provider that's kind of a fun thing that we've discovered is we've really is this product as privies really grown is and, and I think the same thing exists for sure outside the United States is: practices medical providers if you ask them, one of the things that drives a plastic surgeon, as an example, crazy is they build up this amazing business their entire lives, and then they get to the end of the end of the end of the road, or if it's a dermatologist, and it's like, Oh my gosh, I can't sell this amazing practice I've sold because I'm the product, right?

[00:22:37] Me being the medical provider. You know, it's like in the hand of the artistry. Once the artist is gone, does that mean that like no longer my practice exists? And meanwhile, at the At the golf club, all their friends are on building businesses and owning businesses that they sell, or they don't even have to be there.

[00:22:51] Where PRIVI has been really unique is it's given these medical providers, the ability to build up a recurring base that's loyal to the practice and loyal to the providers in the practice. So that one day that's a much more sellable asset, right? That's something that they could maybe sell to another surgeon or private equity because you have this built in loyal base.

[00:23:09] A lot of times people are afraid to buy. A medical practice like that because they're afraid that if the, if the, if the, once the doctor, you know, retires is, is the patient gets patient going to go to zero. And if you're the average consumer, if they're paying a monthly plan like that, they're usually going to keep coming back and continue to be loyal to that practice.

[00:23:27] Selling on Value Not Price

[00:23:27] **Todd:** And then I'd say the last constituent that's an important beneficiary of, of PRIVI is the medical, you said folks like in mode and others where they're selling products into the medical practice. So we've, had partnerships with a variety of different medical device manufacturers, especially pharmaceutical companies now.

[00:23:44] And think of it like the perfect analogy, although the healthcare community hates me saying this, but it's, it's the easiest way to explain it is think about car dealerships are like

Mercedes Benz or any luxury car dealer. Our luxury car manufacturer, they've totally changed the market because they help their dealerships, right? be able to sell on monthly payments like a lot of times people don't even know what the cost of a \$50,000 car is. All they know is hey, it's 249 a month or it's actually we they wish it was that I guess it would be this day and age a little bit higher, but the idea is is that because consumers are focused on a monthly payment use in the car.

[00:24:19] Manufacturers have done a better job educating consumers and giving the dealerships the tools to be able to educate and offer and solve this affordability issue with cars. They've been able to sell much more products. They don't care what dealership they go to, but there's more demand for products. So with something like PRIVI, as I mentioned now, now, now patients are, instead of coming in 1.6 times on average, or 1.8 times, they're coming in 3 times per year. That means more product sales for for the manufacturer of the product selling through the provider and also now also you have happier patients. So they're gonna be they're gonna be you're gonna have much more endorsement, happier products, patients of the product that you're selling through providers.

[00:24:55] So, it's not completely unheard of, but I, I love it when, particularly for this product. You know, and again, it's the only of its kind, there's nothing else like it in the market. Right. But you kind of everybody that touches it if there's a pretty clear value proposition, and it's that's that's pretty hard to argue with And it feels like with no competition, it's like hey look if it's not a win win win We don't do it and that's kind of been our philosophy of previous since that since we launched the product

[00:25:20] **Satwant:** Yeah.

[00:25:21] **Todd:** Hopefully that makes sense

[00:25:23] Medical Staff Skills: A Tiered Approach

[00:25:23] **Satwant:** Yeah, definitely. I want to come back to the point you made earlier about how, if a surgeon or whatever gets to the end of their career and they've got no business to sell because it's them, that was quite an interesting point. And, and I've got a question just purely out of interest. with all these cosmetic procedures. Am I right in assuming, obviously not everybody has to be a doctor to, to, to run those procedures. You need training, obviously, and certain qualifications perhaps, but I guess that person could have a tiered level of staff doing all different sorts of procedures. So even though if, if his surgery was the most highest margin service that he was providing, there's still a whole bunch of staff there, which could be passed on to somebody else.

[00:26:05] **Todd:** That's exactly right you have done your research

[00:26:08] **Satwant:** Well, I just assumed that.

[00:26:10] **Todd:** Yeah, I know that's exactly right I mean so you have like if it's for a plastic surgeon's office. We have a lot of plastic surgeons that offer PRIVI in their practices. And a lot of plastic surgeons will have a med spa like attached to their practice and a med spa being the kind of these noninvasive procedures.

[00:26:26] And again, if you surgery is a hard one to solve, right? I mean, cause cause surgery is, I mean, now that, I mean, that's the plastic surgeons, no matter what you do, that's the hands of the surgeon. And the result is so tedious. And can be, can there's so much variability based on the skill set of the surgeon, but for the med spas, a lot of the stuff you or I I'm not encouraging your audience.

[00:26:45] I would, I would really encourage your audience to go to a a med spa or someone with a board certified either dermatologist or plastic surgeons, but with the noninvasive stuff, a lot of these are controlled through technology, it's controlled through something like Botox. I mean, yes, there is a big differentiation in results, but that versus a surgical procedure, right? The bar of, of expertise is different, right?

[00:27:11] And so it allows plastic surgeons to be able to set up these med spas, put everybody on a membership plan and you're exactly right. They'll hire, there's some of the best injectors in the world. And this is something that's been interesting as I've gotten more familiar with this This, this segment over the years is, you know, you're a plastic surgeon is not always the best injector of something like Botox.

[00:27:30] A lot of times that is a nurse injector who's done it forever. And, and it's attached to a plastic surgeon's office as an example. And they, they, he or she might just be a nurse, but it's, it's the same thing of uh, you know, if you're going to get your knee replaced, you don't just want to go to the guy that went to the, to Stanford and trained at Stanford Medical School or Harvard or what have you.

[00:27:48] You want to go to the, the, the, the surgeon that he or she has done the most, like, it's like changing a tire, right? And so, to your point you, it, there is levels of staff, and sometimes the very best and most competent staff at a particular non invasive procedure is one that has just done it the most, and it's not necessarily a board certified doctor.

[00:28:07] **Satwant:** So that's basically like an anesthetist is a specialist for a reason. Cause they just keep doing it over and over and over again. Yeah.

[00:28:14] **Todd:** That's right. That's exactly right.

[00:28:16]

[00:28:16] Challenges with the US Healthcare System

[00:28:16] **Satwant:** Next. I want to ask about the intersection of payments and the medical industry specifically. I mean, you have touched on it already where you talked about the car example and lease payments but the U S very specifically got quite a few challenges in the healthcare system with, with higher and higher costs.

[00:28:36] And

[00:28:37] **Todd:** what you're talking about!

[00:28:41] **Satwant:** I think everyone in the world knows about it! But, uh, yeah, it'd be good to get your thoughts on. is it going to be resolved through a thousand cuts like a thousand, you know, type of companies like yours attacking it from all angles because it seems the big the big hammer approach that Bezos tried with Buffett in, in their Haven venture, which only lasted a few years before they wound it down. I mean, if Jeff Bezos and Warren Buffett wave the white flag, it seems as though it's going to be a bottom up approach to change or to make the health care system in the U. S. better for patients.

[00:29:20] **Todd:** Yeah. Well, if I had, I'll, I'll give you my thoughts if I had, if I, my answer could be with complete precision it's what I would be focusing 110% of my time on, but I'll tell you some of my observations over the years is so patient fi today something that we can solve for and do so. And I think we've been done a good job addressing the portability, right? It's one thing. You can't ask a a physician. And it's what's and I'll talk a little bit about what we call kind of the reimbursed segment or those that are covered by commercial insurance or government in a second.

[00:29:52] PatientFi's Focus on Discretionary and Elective Treatments

[00:29:52] **Todd:** But, you know, where we focus all of our time on between medical aesthetics, fertility, dentistry, audiology. It's everything that's not covered by insurance. And you know, it's a huge for us. It's a from a business perspective. It's a huge, huge opportunity. It's 270 billion market, but it's primarily discretionary. While a lot of these who will have a large therapeutic benefit and life changing medical benefit especially in the case of things like obviously fertility, audiology.

[00:30:20] But it does, it's not catastrophic or disease based care. So let's talk a little bit about when we go into commercial insurance. So, and I'll, and I'll, I'll make one comment is that in the elective healthcare segment, you know, given that price is dictated by the market, right? A provider, given there is no reimbursement he or she doesn't have to, you know, they can charge it. So it's a, it's a free market.

[00:30:42] The minute you start going into commercial insurance and Medicare and Medicaid in the United States. It's, it's difficult because you have a kind of this situation where the government can only afford to pay so much for said medical procedure that's happening or a

commercial insurance is only willing to reimburse the doctor, let's just say a thousand dollars for a procedure that's not sustainable, right?

[00:31:03] Because now you have a medical, now your quality of care is going to start to go down because people, given that the. The, the ability to make sufficient income as a, with all of the, you know, school loans and everything else for a healthcare provider to go through. And then, you know,

[00:31:16] Benefits of the Free Market vs Reimbursed Care

[00:31:16] **Todd:** if you look at the, the, the price of, as an example for cataract surgery, it's reimbursed the United States. It's fallen like this. I mean, it's gone from thousands of dollars to where it's, it's, it's now, you know, 20% of 20%, if that of that. And. As you know, the cost of living hasn't decreased in the United States, right? So you have these health care providers that are getting pinched that are doing reimbursed procedures.

[00:31:39] And if you can address the affordability of the procedures like we've done in the elective health care segment without having the medical provider reducing price that's very, that's very different. And it kind of does create that win win is. You know, you can use, a lot of people can afford almost to keep them judiciously on a payment plan.

[00:31:58] \$99 a month ju sometimes, in some cases more than they can afford, instead of 5,000, 4,000. So we've been able to solve it out and, and others solve it on outside of health of the, of the catastrophic or disease, disease-based care.

[00:32:12] The problem now becomes, though, is what happens if I, if you're a lender, And, and I don't have the answer to this. And when someone does have the answer I think it can make a huge difference in the healthcare system is at least on the payment side is, let's say someone breaks their, you know injures their knee and they have to have emergency surgery. And it's very clear upfront that in many times they'll just have the emergency surgery and can't pay for it.

[00:32:36] But let's say that there was some way to be able to. address the cost of and make sure that that patient could be able to afford that procedure. If there's a, let's just say an elderly person who hurt their knee and he or she has terrible credit. And, and, and again, let's say that I'm not old enough to be on Medicare and Medicaid, it becomes very difficult because a lender has to be able to survive and make money.

[00:33:03] And how are you going to charge? Whatever the high interest rate is, right, that's required for that lender to make money. And someone just fell and broke their knee, right? And they're perhaps a of an age that, you know, is a protected class as we say in the U S. Now you have a problem as a lender because it looks like you're, you're a predatory lender taking

advantage of old people and, and my gosh, they just hurt their knee and it's, it's a, it's a very traumatic and catastrophic event.

[00:33:30] It becomes very hard to solve for in those circumstances when it is Anybody who's going to sign a loan document, if it's either a life threatening procedure or say a life threatening disease, they're going to say, Hey, I'll, I'll pay whatever. Well, then that's, that's great because they got access with that, but it's not sustainable, right?

[00:33:47] Because then eventually the people that are providing payments are, are, are providing the lending aren't going to be able to be a sustainable business. So to answer your question, I think on the, on the addressing the affordability for the patients. That's going to always be difficult if you're trying to solve it with financing for the broader problem, because the problem isn't really in elective health care. The problem is more so right in reimbursed care.

[00:34:09] That's, that's where there's a lot of friction in the environment. So my answer would be is if we could do a better job with screening patients up front earlier before a catastrophe or disease base happens, and this could be in partnership with insurance to be able to identify whether it's a savings plan or it's helping patients be able to prepare or or you screen them and make sure they're credit worthy before something happens to give them a line of credit or something so that they can get access to care. That's one part of it.

[00:34:36] Too Much Friction Between All Stakeholders

[00:34:36] **Todd:** But then the second part that's probably it's and it's a little bit outside of where we spend our time in payments, but is just is. It's much of a problem. It's a much bigger problem is there's so much friction in the system. And when I say friction, whether that is the cost of providing the care for the healthcare providers and the interaction between the government and what that takes and the healthcare providers and the patients.

[00:34:59] And it goes back to that example I gave earlier. A lot of times you walk into a healthcare provider's office and the first thing you do is you get a clipboard. This one is a... I'm not trying to do a plug. Remarkable, remarkable. But this is a digital board, nor a lot of times you're still getting paper boards.

[00:35:12] That's just a symptom of the rest of the, of, of, of the, of the friction. And then, then that provider takes it down and is entering all the information and then storing it. The healthcare still hasn't gotten the there's still so much friction that can be solved by, to your point, It's going to take everybody and more investment like you saw at Bezos and, and where people are trying to utilize technology more because with friction and with a lot of the the inefficiencies in the market, there's just X, there's so much excess capital that's required to do things that could be so much more efficient.

[00:35:46] And it's probably the big, one of the biggest, if not the biggest problems, you know, that we're facing here in the United States, and it's going to, to your point, it's going to, it's going to create the very best of the technologists and others that have solved problems in other segments, being able to, to help with this.

[00:36:02] And, and look, and, and, and if unfortunately it can't be solved with payments in the catastrophic care segment but I think that there's a lot, it's a lucrative, meaning if you can solve the inefficiencies coming from other angles, it's such a lucrative segment, but it's, to your point, if Jeff Bezos can't do it, it starts to become pretty pretty discouraging for others, right?

[00:36:22] So you know, the good news is, is the healthcare system has nowhere to go but up at this point, as far as quality of care and everything else. So I'm you know, I'm hopeful, but it's it's it's not going away anytime soon.

[00:36:34] **Satwant:** there's still positive things happening you know, Walmart, I think you've got drop in centers for general healthcare now, you know, Amazon bought, I think a pill pack company several years ago, which sounds, oh, well, it's just packaging pills, but it's the, the principle behind it is that if, if everyone can chip away at it together,

[00:36:53] **Todd:** Yep.

[00:36:53] **Satwant:** it might have faster outcomes in a different way.

[00:36:55] So, yeah.

[00:36:56] **Todd:** Yep.

[00:36:57] **Satwant:** One kind of final question, because I'm sure we can talk all day about the healthcare system and what you're doing.

[00:37:02] Customer Success Stories

[00:37:02] **Satwant:** It'd be great to get some insights from you as a, as an example or two of where a healthcare provider has implemented your solution and the impact that it's had. And it would just be cool to know what are the top two or three procedures typically in your customer base, just out of interest more than anything.

[00:37:20] **Todd:** Yeah. So for I'll, I'll tell you as far as the effectiveness of the program. We did a very about a year ago, we did a very kind of extensive national measurement of the effectiveness of patient fi within hundreds and hundreds of providers that we measured across the country. And we, we actually through one of our manufacturing partnerships were able to also know the growth during that year of providers that were in, in effectively their competition. So, and this was among plastic surgeons from the provider's perspective. And

again, is every time a provider is able to increase their sales using patient by right, that's a, and as long as you're providing fair and transparent loans to the patients, That's, there's so many more patients that are getting access to a procedure that they otherwise probably wouldn't be able to have.

[00:38:04] But those providers in the United States that were using patient by relative to all of the other providers in the country for the segments we measured you asked the most popular procedures we do in the plastic surgery space. and aesthetics, botox will do liposuction, breast augmentation, mommy makeovers, fillers.

[00:38:24] And you know, those, those are probably top to bottom, some of our most popular procedures. But in that study, those providers grew their businesses 40, twice as fast as 56% that year. with patient, utilizing patient PHI versus the rest of the country, which grew at about half of the rate of increase of those providers.

[00:38:43] So by working with our providers to offer a turnkey solution, not just, Hey, use financing, offer the patients that can't afford it, but start to market procedures on a monthly payment. So it starts to feel like, Hey, whether it's LASIK or it's a, a Botox treatment, the cost is now, and you start training the providers and say, the cost is now one 49 a month or three 99 a month, whatever it is.

[00:39:03] Not 7, 000. Not 800. So that, that was a very uh, a testament, I think, to the strength of the platform and what it's able to provide for the providers. And then, so, so in the aesthetic segment, those are our most popular procedures.

[00:39:15] In ophthalmology, we do a lot of LASIK correction. That's probably far and away the most popular procedure.

[00:39:21] Fertility, the answer, you know, it's obvious a number of different fertility treatments from, You know vitro IVF. It's been that's been probably one of our fastest growing segment in recent years.

[00:39:32] And then audiology, we'll do hearing aids and dentistry. We do dental implants that are full mouth restorations, teeth whitening.

[00:39:38] Again, it's the beauty of the program is it's able to be able to be able to move in and out of each specialty. And all it is for us is really just changing some marketing materials and the platform works. Works for all of it. So it's been a, it's been a, a, a fun ride and you know, the bit we have a lot of a lot of fun plans for the upcoming year.

[00:39:55] . So we're all

[00:39:57] **Satwant:** That is a great segue.

[00:39:58] The Future: Dentistry, Fertility and PRIVI

[00:39:58] **Satwant:** I was going to ask you towards the end is the future, what's coming up and and, and your plans for the next sort of six to 12 months.

[00:40:05] **Todd:** Yeah.

[00:40:07] Yeah. So we've um, we've been fortunate to have very scalable, large lending partnerships where. You know, you can just read the the news and see how much again, a lot of the, you know, there's been a lot of banking issues and crisis. He's here, here, you know, not just the United States, all everywhere.

[00:40:22] And so we'll, you know, patient has been, been, and has, will continue to be on sturdy footing. And we kind of have a two pillar strategy, and that is to take our core patient financing product and continue to. Well, we've done a I think a pretty good job entering into thousands of practices in the aesthetics category, but we now want to take that solution to be able to benefit patients and providers and dentistry and fertility and grow those segments. And then also you know, we have some pretty pretty exciting plans for PRIVI, which is our dermatologists and plastic surgeons in the U. S. and there'll be a lot of fun updates and exciting news to share with that as we continue to expand. So hopefully, hopefully the next time I'm on the show, we'll be celebrating some of that growth and progress.

[00:41:04] **Satwant:** Yeah, definitely. Any plans to exp, expand into the English speaking world?

[00:41:10] **Todd:** eventually uh, you know, we're, we've, we've taken a very close look at Canada recently. We have a number of partners that have a large presence in Canada. And then I'm just kind of giving you an example of outside the United States and. And then I don't think in the immediate future, and it's not for lack of desire, it's just a very for what we do when you're at the intersection of healthcare and and and lending, it can be a very complex regulatory environment.

[00:41:37] So if, if we get to the point where I think there's a lot where we've done made enough progress in market share in the United States, we would look at Expanding into Europe, but that's a whole other, that's a whole other animal. So that would require a whole team. So if anyone out there is interested in partnering and using our platform that would probably be a, you kind of partner by or organically grow your way into new market.

[00:41:58] And that's probably one where you'd want to buy your partner.

[00:42:01] **Satwant:** Well, if I'm beautiful enough, according to your company's criteria, I'll apply for a job in London. I think your solution would do well in London and Sydney, places like that, where, where all the beautiful people live.

[00:42:14] **Todd:** Yeah. Yeah.

[00:42:17] A 10-Year Prediction: Acceptance

[00:42:17] **Satwant:** And before we sort of finish on a fun question or two is there anything important that you wanted to get across about your solution that I might've totally missed?

[00:42:25] **Todd:** Yeah. Um, you know, I, I think that, uh, that's something that, at this stage in a business, particularly in aesthetics is, is, you know, there is a I think sometimes for the medical aesthetics area people it's, it's a lot more commonplace than even people realize. And, and you shared the numbers yourselves.

[00:42:42] I mean, it's already at a 40 billion market globally, and it's going to become 80 billion. And just something for the viewers or your listeners to consider is my, my prediction is in the next 10 years that things like. Botox, a lot of the regenerative things that we're talking about is it'll be very, it'll be like getting your hair cut.

[00:43:00] It doesn't mean that everyone's going to be walking around with these stoic looks on their faces and, you know, with no wrinkles and everybody's going to look bizarre like we see in the sci fi videos. But you know, I, I would say that this is, and it's why it's exciting for patient fi and PRIVI is that I think that we are just at that right inflection point where there's more acceptance.

[00:43:18] And and, and it's becoming more commonplace. For example, like women now will talk to other women about the Botox treatment they had. Whereas that used to not be the case. It was kind of like, hey, don't say anything. And it's becoming more of a generally accepted kind of treatment regime for, for women.

[00:43:32] So you know, that's one thing that we're particularly excited about. Is, is that the increasing acceptance and is, is in, kind of in the culture of not just medicine, but also the kind of broader, broader culture is you know, the medical aesthetics is not just a, you know, for the rich and famous, and then it's kind of like South Beach, Florida.

[00:43:51] I know, cause I see the data that it's very, very much part of it, of, of, of most, well, there's a lot of growth to happen, but it's a very common thing. And, and, and I would uh, See if I'm right, but I believe in the next five years you'll see centers all over the country. Just like hair, just like hair salons For women to visit and hopefully that you know, everybody's on our membership platform

[00:44:14] **Satwant:** Yeah. Well, if you guys IPO at any point, let me know.

[00:44:18] **Todd:** It

[00:44:19] will

[00:44:20] **Satwant:** definitely invest anything with recurring revenues worth investing in, I think.

[00:44:24] **Todd:** That's right

[00:44:26] Get in Touch with PatientFi

[00:44:26] **Satwant:** if anybody listening and watching wants to get in touch with you guys, the website is patientfi, that's patientfi.

[00:44:33] **Todd:** That's

[00:44:33] **Satwant:** com, and on Instagram you guys are at patient. fi,

[00:44:38] Chit Chat

[00:44:38] **Satwant:** and wanted to finish on a fun question, anything you've been reading, watching or listening to recently that you liked and wanted to share?

[00:44:50] **Todd:** Oh, wow. So, so this, this includes books TV shows. This is, I can say anything,

[00:44:56] **Satwant:** Anything?

[00:44:57] **Todd:** is that right?

[00:44:58] **Satwant:** Yep.

[00:44:59] **Todd:** I, I have been, you know, I, I, I, this is almost going to be hard to admit, but I feel like it's I was just, someone was just teasing me about it yesterday. So I feel like I should admit it on a broader stage is I've, I love uh, you know, watching quality shows and I feel like I've, I've hit most of them, something that I have never, I never watched was the Sopranos and I just started it yesterday! And it was like the cool, I don't know if you've ever watched the Sopranos TV show, but I just started it and man, am I going to be hooked? So I, I, I, I'm going to have to create some structure and balance or I'm going to end up sitting in my office watching those and binging. But man, is it a good show? And I'm about, geez, 20 years late.

[00:45:40] **Satwant:** Well, if it makes you feel any better, I only started watching Seinfeld in 2019,

[00:45:46] **Todd:** ha,

[00:45:46] **Satwant:** I finished all of the series months ago.

[00:45:51] **Todd:** So I just, I don't know why I felt the need to admit it, but I thought I'd admit it because I just, some people just can't even believe I've never seen it. And I'm glad to see there's another one of me out there like you.

[00:45:59] **Satwant:** Oh yeah, I haven't seen Sopranos either.

[00:46:01] **Todd:** There you go.

[00:46:02] **Satwant:** Yeah. Yeah. So I'll get to the Sopranos one day as well.

[00:46:06] **Todd:** So, well that's a fun question. Well, thanks so much for having me. I really appreciate it.

[00:46:12] **Satwant:** Likewise, it's, it's been great and love to visit you in California sometime, so thank

[00:46:17] **Todd:** Anytime. Come in, come and see us.

[00:46:19] **Satwant:** yeah, definitely. You look like you're in a beautiful part of the world, so all the best to you and your team and

[00:46:25] **Todd:** Thank you so much.