

# **U.S. Medical Weight Loss Programs Market Worth \$7.8 Billion and Growing**

## ***Affordable Care Act Creates Opportunities For MDs, PAs, Nurses***

**Tampa FL, June 10, 2015:** Marketdata Enterprises, Inc., a leading independent market research publisher of “off-the-shelf” studies about service industries since 1979, has examined the diet market for 26 years, and sees stronger growth for medical weight loss providers than commercial companies. The firm has just released a new study entitled: *Medical Weight Loss Programs: A Growth Market*.

“The Affordable Care Act is the greatest thing since sliced bread for medical weight loss programs. The Preventative Health Benefit mandates insurance coverage for obesity screening and counseling in 23 states, by qualified weight loss providers. Only medically supervised programs have the personnel qualified to do it—not the commercial chains.”, according to Research Director, John LaRosa.

Medical weight loss programs have operated in the background of the diet industry for decades. The commercial companies spend hundreds of millions each year on national TV ads and get a lot more exposure. However, lately they have been struggling. This is the best time in decades for Physicians, Nurse Practitioners, Registered Dietitians and Physicians Assistants to start their own weight loss practice or purchase a medical franchise. Consultants have proven that MDs can add \$250,000 (part-time) to \$1+ million per year (full-time) in revenues by doing so.

There are three mega-trends currently affecting the U.S weight loss market:

1. Medical weight loss programs are increasing in stature and importance, and are taking market share away from commercial diet companies.
2. There is a paradigm shift: less emphasis on diet foods and more emphasis on behavior modification and services.
3. Weight loss program distribution channels are shifting to non-traditional sites.

Adding weight loss to a physician’s practice is a natural. Consumers already have a long-term relationship with and trust their doctor. Doctors have a built-in client base and don’t have to spend as much on marketing and “branding” to reach these patients. Doctors are better able to address obesity-related conditions than commercial chains (high blood pressure, diabetes, pre-diabetes, high cholesterol, post-menopausal hormone imbalance, for example).

## Marketdata Findings & Forecasts:

- Medical weight loss programs in the U.S. will generate an estimated \$7.87 billion in 2015. (more than 2.5 times the value of commercial chains). We forecast 5.6% average annual growth in this market over the next four years, to a value of \$9.6 billion by 2019.
- Medical programs consist of the following: bariatric surgery (\$5.26 bill.), prescription anti-obesity drugs (\$614 million), Bariatricians' programs (\$488 million), Very Low Calorie Diets-VLCDs, (\$445 million), and programs provided by hospitals, clinics and independent physicians (\$1.05 billion).
- Marketdata forecasts that more MDs will add weight loss to their practice, to make up for lost income and declining reimbursement. Internists, General Practitioners, Family Doctors and OB/gyns are especially well suited to add weight loss.
- Medical weight loss programs will have the competitive advantage in 2015 and beyond. The ACA's Preventative Care Benefit, taking effect January 2014, mandates that insurers pay for diet programs for people with a BMI of 30+, that are counseled by "qualified weight loss professionals" (MDs, RDs, PAs, Nurses). This benefit is worth \$1,625/year and covers up to 14 counseling sessions in 6 months. This is an unprecedented opportunity for medically supervised weight loss programs to provide a higher level of service than commercial diet centers--essentially free of charge for those with insurance.
- Marketdata forecasts that we will see the emergence of more medical entrepreneurs that specialize in weight loss. Nurse Practitioners, Dietitians, and Physicians Assistants will group together to form new companies that deliver a higher level of weight loss counseling to consumers, at little to no cost out-of-pocket. With their own practice, their income is not limited, and liability protection is easily obtained via collaborative practice agreements with local MDs.
- Marketdata analysts expect to see continued growth in the number of small-mid-sized medical weight loss chains. This growth will come from 3 areas: franchising, 2) licensing, 3) organic growth of company-owned centers.
- Physicians and other medical professionals desperately need business training in how to set up and run a profitable weight loss program, either as a stand-alone center or adding it to their existing practice. Yet, no clinical associations offer this in-depth training

- More retail drug chains are operating in-store mini-clinics at CVS, Rite Aid, RediClinics and others. They are usually staffed by Physicians Assistants or Nurses, who provide counseling right there in-store, 7 days a week. And, it's all covered by insurance in 23 states.
- There is a paradigm shift taking place in the weight loss market—from a focus on diet food and PRODUCTS to SERVICES. Service is now more important than diet foods/drinks—50.7% of the total market value, vs. 49.3% of revenues—for the first time.

## **About The Study**

*Medical Weight Loss Programs: A Growth Market* is a 137-page independent market research report, published in June 2015. The report contains 38 tables and charts and 17 competitor profiles. The report covers: an overview of the total weight loss market and its current status, major weight loss trends and factors affecting growth, discussion of the ACA's positive impact on medical weight loss programs, a review of drugstore chain competitors, and the major medical weight loss franchises available. Status reports and 2019 forecasts for: bariatricians, the weight loss surgery market, prescription obesity drugs market, VLCD/LCD programs, and programs offered by hospitals and independent physicians. The price of the study is \$995.

A Table of Contents may be found on Marketdata's website, or emailed to interested parties. The report can be ordered online at the Marketdata website or by calling 813-907-9090, M-F. John LaRosa, Research Director, is available for interviews. Marketdata's other weight loss market reports cover these areas: diet food home delivery services, worksite weight loss programs, the MLM market for diet products, weight loss websites & apps, yearly status reports, and a Guide: *How To Run A Profitable Weight Loss Business*.

## **About Marketdata**

Marketdata Enterprises, Inc., is an independent market research firm and 26-year analyst of the U.S. weight loss industry since 1989. Marketdata publishes many weight loss market studies covering all diet market segments, performs consulting and custom research projects, has diet market teleseminars on You Tube, performs teleconferences and conferences. It also operates a leading free weight loss news website: DietBusinessWatch.com.

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