

## Franchising in Healthcare Field Offers Physicians New Opportunities

By Ed Rabinowitz

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Looking to invest, but the uncertainties of the stock market are making you queasy? Is the hot air escaping from the real estate bubble burst leaving you wilted? Maybe it's time for a change of pace.



Okay, maybe that sounds too much like a commercial, but the fact is there are viable alternative investment vehicles physicians can consider, and they're in the healthcare field. Franchise opportunities exist through assisted senior-living residences and home healthcare businesses that in many ways are a perfect fit for those in the medical community. As the demand for retirement housing grows, and as more senior adults are looking to stay at home, physicians are the common link to the elderly in both those venues.

"Physicians see the need [to keep people healthy], more than anybody," explains Jack West, founder of Country Place Living, an assisted senior-living residence that has focused on rural communities. "And physicians are in the prime position to see that this need is met, because they are altruistic by nature, and they're trying to do good things for people and keep them healthy."

### **Assisted living opportunity**

Why focus on rural communities? West and company president and COO Cynthia Gartman explain that the elderly in rural America have deep roots, and if they have to leave the community to find retirement housing in larger cities, the loss is a significant one to the community. "The elderly generally hold the financial assets in the community," says West. "Helping them remain in their home town keeps those assets in the local banking community."

Gartman adds, "The elderly make up a vast portion of the healthcare demand in rural America. If your seniors leave, the doctors in these rural marketplaces often close up shop and move to larger towns, which leaves no place for the young people in these towns to have their children treated. And if the young people move, soon enough you have nothing left of your small, rural town. So, our strategy is as much about saving our communities as it is about serving our seniors."

Country Place Living also works closely with local physicians when gauging the need for assisted living facilities in a particular area. “Physicians know the need,” West emphasizes. “The hospitals and the physicians can help us define the service area, so that we can make an informed decision about the need and the economic viability of the venture.”

### **Aging in-house**

Founded in 1987, Preferred Healthmate, Inc. has grown to be one of New Jersey’s largest home healthcare providers. In an effort to reach more communities in need of home healthcare services, the company created Home Health Mates, a regionally-based service provider.

“People are living longer, and they are demanding to stay at home,” says Jonathan Herman, CEO for Home Health Mates. “And even though the industry has become very popular in the last couple of years, the peak revenue years are probably still a good 10 to 15 years away. We’re excited about that, and we’re looking for potential franchisees who see the longer-term opportunity.”

Herman says physicians are a natural match as franchisees with Home Health Mates. As evidence, he points to the company’s business model, which not only encompasses non-medical, companion-type care, but is broad-based in that franchisees offer medical nursing staffing as well. “One of our requirements is that our franchise locations must have a registered nurse on staff,” he explains. “The DNA, the roots of our company, are in the medical and nursing field. That’s where we excel, and that’s what physicians understand. And having a physician owning a franchise lends a lot of credibility and a lot of comfort as well.”

### **Important considerations**

Making any type of investment decision requires careful consideration; becoming a franchisee requires nothing less. For physicians considering an assisted living franchise, West says their most important decision will be hiring a director to run the residence. “Don’t go it alone,” he cautions. “It’s not a complex business, but it is a fully regulated business that deals with people’s lives and their well-being. It’s our belief that the way you approach that is with good consultants, and good partners.”

One thing that won’t be foreign to many physicians when it comes to the home healthcare industry, says Herman, is that it never really closes. Like an old-fashioned diner, it’s open 24 hours a day. “People need care; people always get sick,” he explains. “You have to know that getting into this business will require your time, your energy, and your devotion. We’re looking for people who want to make a difference; who want to provide better care for people. And who will lead this business not only with their head, but their heart, too.”

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