

**RANK: 5**

Revenues in 1998: \$101,768  
Revenues in 2002: \$2,575,570  
Revenue growth: 2,430.8%

# Medicard Finance up on surgeries

Quick growth in cosmetic procedures opens doors for local financing firm

Jonathan Graham

**M**edicard Finance Inc., which offers loans for non-essential surgeries, is riding a building wave for cosmetic surgery and privatized medicine.

Since 1995, the demand for cosmetic surgery in North America has increased 35 per cent, says Medicard, which has provided cash for many patients to foot their bills.

Loans are provided in about 20 minutes and have a limit of \$10,000. Interest rates on the loans vary from 9.95 per cent to 21.95 per cent. Loan lengths usually run about 48 months, but can be stretched to 60 months.

Ann Kaplan has been Medicard's president and CEO since the company was founded in 1996. She acknowledged that over the past five years, she has learned from her mistakes.

"I do believe we can expand too rapidly and lose focus of what we do well," said Kaplan, noting her goal now is steady growth. "Always stay with what you have and try to make it better."

Despite a brief aborted attempt to enter the U.S. market, the home market is where Medicard's focus has stayed. At one time, the firm was examining entry into both U.S. and South Korea, but has since decided that a more stable, stay-at-home strategy is what the company needs.

"When you're doing something that does well, you tend to want to grow," Kaplan said. But she sounded the age-old warning, "If it ain't broke, don't fix it."

The decision to pull out of the U.S. came just three weeks after entering the mammoth market. Kaplan said it became readily apparent that the U.S. market did not have the same qualities as the Canadian one. Citing higher debt levels among U.S. consumers, Kaplan added that the U.S. applicants were not of a sufficient standard for Medicard.

The company decided that it would be better to take a small loss quickly than compound the size of the error over a few years. Kaplan pulled the plug and returned all the operations back across the border. "It just made more sense to stick with what we do well," she explained.

As for South Korea, Kaplan remains in touch with her contacts there and said that the door may still be open. But before she decides to leap across the Pacific, she said Medicard must have a local presence there.

"Unless you have someone based there you can trust, you don't expand your product," Kaplan said.

Medicard has been able to mine its niche



Cashing in: CEO Ann Kaplan's Medicard Finance lends patients money for surgeries

because of its tight focus on medical procedures, said Kaplan.

Because banks offer many loan services, a loan application becomes a drawn-out process during which the banks try to sell other products and services.

"They discuss all your banking needs," Kaplan said. "The only focus we have is on the medical sector and the growing need for funding procedures."

Medicard also maintains a tight relationship with cosmetic surgery companies. It holds an annual conference and show in Toronto that attracts 15,000 people, and cosmetic surgery companies advertise Medicard's services on their Web sites.

The Rai Clinic, a large cosmetic surgery clinic in the Lower Mainland, noted its relationship with Medicard is strong. According to Leah Eckford, an assistant at the Rai Clinic, Medicard has been used for several years and ensures that the clinic is paid immediately for its services.

"We find it's really nice and easy to work with," Eckford said.

Eckford added that Medicard used to charge a fee for clinics to use its services, but recently stopped the charges as new competitors started to enter the market.

The fee was a brief policy, Kaplan said. Medicard services include a third-party collection program called Medicollect, the loan program Medicard, a credit card program, and a tax benefit program that allows clients to

write off their surgeries through Medicard. The company's focus is on the high-income areas of Ontario and B.C., but Kaplan emphasized that Medicard is a national company, registered in every province.

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