# PROJECT PROPOSAL: AI-Powered "Patient Concierge" for Med Spas

**Vertical:** Medical Aesthetics (Med Spa)

**Status:** Revised Strategic Roadmap (Post-Due Diligence)

**Date:** February 14, 2026

## 1. Executive Summary

This proposal outlines the development of a **HIPAA-Compliant AI Patient Concierge** designed specifically for the $25 billion medical spa industry. Unlike generic chatbots, this system is engineered as a "digital employee" that captures leads, screens patients for contraindications, and acts as a 24/7 front-desk safety net.

**The Pivot:** Following rigorous market validation, this proposal shifts from a "low-end, self-serve tool" to a **"Compliance-First Infrastructure Play."** This pivot addresses the three critical risks identified in due diligence:

1. **Regulatory Reality:** Med spas are HIPAA Covered Entities. We will launch as "HIPAA-Compliant by Design" to capture the premium segment and avoid existential legal risk.
2. **Integration Barrier:** Direct booking is gated by Practice Management Software (PMS) enterprise tiers. We will launch with a "Lead Capture Wedge" (Smart Voicemail + Web Concierge) that requires *zero* integration to deliver value, while pursuing official partnership status for Phase 2.
3. **Competitive Consolidation:** With Weave acquiring TrueLark, we differentiate through **Vertical Depth**—specifically, deep knowledge of aesthetic treatments (e.g., "Can I drink alcohol after Botox?") that horizontal competitors cannot match.

**Market Opportunity:** The U.S. med spa market is valued at **$25.28 billion (2025)** with a CAGR of **14.9%**.1 81% of these businesses are single-location 2, suffering from a 22–47% missed call rate that costs them ~$400,000 annually in lost revenue.

## 2. The Problem: The " leaky Bucket" & The Compliance Gap

### 2.1 The Revenue Problem

* **Missed Revenue:** A single missed call in this vertical represents a potential loss of **$500–$2,000** (LTV of a Botox/Filler patient).
* **Staffing Crisis:** Front desk staff turnover is high (30%+). Human receptionists cost $45k–$55k/year.3
* **After-Hours Void:** 47% of booking requests occur outside business hours.4 Existing answering services ($250–$500/mo) are generic call centers that cannot answer clinical FAQs (e.g., "Does Morpheus8 hurt?").

### 2.2 The Compliance Trap (Critical Correction)

* **HIPAA Status:** Med spas administering prescription neuromodulators (Botox) and dermal fillers are classified as **HIPAA Covered Entities** because they provide medical services.5
* **The Gap:** Most "wrapper" AI startups ignore this, creating a massive liability risk. By securing Business Associate Agreements (BAAs) and insuring against liability, we create a defensible moat against low-end competitors.

## 3. The Solution: "Aesthetics-Native" AI Agent

We are building a **Patient Concierge**, not just a chatbot. It uses Agentic AI to reason through workflows, screen patients, and capture intent.

### 3.1 Core Product Pillars (Revised)

1. **HIPAA-Grade Security:**
   * **Architecture:** Zero Data Retention (ZDR) policy for LLM processing.
   * **Vendors:** BAA signed with Azure OpenAI Service (not standard OpenAI API) and Twilio.7
2. **The "Wedge" Feature: Smart Voicemail & Lead Capture:**
   * *Problem:* PMS integration (Boulevard/Vagaro) is gatekept.
   * *Solution:* We issue a dedicated forwarding number. The AI intercepts missed calls, transcribes the voicemail, analyzes intent (Booking vs. Spam), and **immediately texts the patient back** to capture the lead.
   * *Value:* Solves the "missed call" problem on Day 1 without needing an API key from the spa's software.
3. **Clinical Guardrails (The "Air Canada" Defense):**
   * Strict RAG (Retrieval-Augmented Generation) limits. The AI will *never* generate medical advice (diagnoses, post-op instructions) dynamically. It will only retrieve approved static PDFs or standard operating procedures (SOPs).
   * **Liability Shield:** Explicit disclaimers ("I am an AI assistant") in every chat to comply with **California SB 942** and **EU AI Act**.8

## 4. Strategic Roadmap: The "Wedge" Strategy

We acknowledge that "30-minute self-serve setup" for full booking is technically impossible for most SMBs due to PMS restrictions.10

### Phase 1: The "Lead Capture" Wedge (Months 1-4)

**Goal:** Speed to Revenue & Trust Building.

* **Features:**
  + **Smart Voicemail:** AI listens, transcribes, and text-backs missed callers.
  + **Web Concierge:** Lead capture bot trained on the spa's specific price list and FAQs.
  + **Escalation:** "Human Handoff" protocol for any medical questions.
* **Tech Hurdle:** None. Works with *any* spa regardless of their software (Zenoti, Boulevard, Vagaro).
* **Pricing:** £199/month (Text only).

### Phase 2: Deep Integration & Voice (Months 5-9)

**Goal:** Retention & Moat.

* **Action:** Apply for **Official Partner Programs** with Boulevard and Vagaro.12 This unlocks the Enterprise APIs required for real-time calendar read/write.
* **Features:**
  + Real-time appointment booking (inserting into the calendar).
  + **Agentic Voice:** Full 2-way voice conversations (using retell AI or similar HIPAA-compliant stack).13
* **Pricing:** £499-£799/month (Voice + Booking).

### Phase 3: The Clinical OS (Months 10+)

**Goal:** Expansion.

* **Features:** Automated pre-treatment screening (e.g., "Are you pregnant or breastfeeding?" checks before booking) and post-care follow-up automation.

## 5. Competitive Analysis & Defense

The market has consolidated. Our primary competitor is no longer other startups, but the platforms themselves.

| **Competitor** | **Status** | **Weakness** | **Our "Bulletproof" Advantage** |
| --- | --- | --- | --- |
| **Weave + TrueLark** | **Dominant Incumbent** 14 | Expensive (~$500+), slow to setup, generic dental/medical focus. | **Aesthetic Specialization.** Our AI knows the difference between Dysport and Botox. We focus solely on high-margin aesthetic leads. |
| **Arini / Dental AI** | **Expanding** 15 | "Dental-First" DNA. Workflows (insurance, hygiene) don't map to Med Spa (cash-pay, aesthetic). | **Cash-Pay Workflows.** We optimize for upselling and membership conversion, not insurance verification. |
| **Generic Wrappers** | **Commodity** | **Non-Compliant.** Using standard GPT-4 APIs violates HIPAA. High hallucination risk. | **Liability Protection.** We sell safety and compliance as a feature. |

## 6. Financials & Unit Economics (Recalibrated)

We have adjusted margins to account for higher compliance costs and "Voice AI" volatility.

* **Pricing Model:** Hybrid Subscription.
  + **Base:** £299/month (Includes Web + SMS Lead Capture).
  + **Voice Add-on:** +£0.20/minute (Pass-through cost + margin).
* **Cost Structure (Per Customer):**
  + *LLM Inference (Text):* ~$5/mo (GPT-4o mini via Azure).
  + *Telephony (Twilio):* ~$30/mo.
  + *Compliance Overhead:* ~$20/mo (Amortized legal/insurance).
* **Unit Economics:**
  + **CAC:** Estimated $500–$800 (via Community Seeding/Agencies).
  + **LTV:** $10,000+ (30+ month retention expected due to high switching costs of integration).
  + **LTV:CAC:** ~12:1 (Healthy).

## 7. Legal & Regulatory "Bulletproofing"

To prevent the "Air Canada" liability scenario 16:

1. **Transparency:** The AI will introduce itself: *"Hi, I'm the AI Assistant for. I can help with booking, but for medical advice, I'll connect you to a nurse."* (Complies with **CA SB 942** effective Aug 2026 9).
2. **Indemnification:** Terms of Service will explicitly state the AI is an *administrative* tool, not a clinical one. The Med Spa retains liability for final medical decisions.
3. **BAA Chain:** We sign a BAA with the Spa; We secure BAAs from Azure and Twilio.

## 8. Conclusion: The "Conditional Go" Execution

This proposal is no longer a "tech wrapper" play; it is a **vertical SaaS infrastructure play**. By respecting the regulatory complexity of the medical space and bypassing the initial integration hurdles with a "Smart Voicemail" wedge, we can enter the market faster than competitors waiting for API access.

**Immediate Next Steps:**

1. **Legal:** Engage counsel to draft BAA and Terms of Service.
2. **Tech:** secure Azure OpenAI instance (for HIPAA compliance).
3. **Sales:** Target single-location spas using *non-integrated* software (paper/Google Calendar) or those frustrated with Boulevard's lack of phone support, pitching the "Smart Voicemail" wedge.

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