

# FAMILY WEALTHREPORT

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## Family Offices, Medicine And Medical Advancement - Part Two

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*The rising cost of healthcare in the West – and in some other regions – is an oft-stated point, and this is an investment area that high net worth individuals and their advisors examine. It is also an issue for HNW individuals and their families – wealth doesn't respect aging or the march of time. Because of their wealth, HNW families are in some ways better placed to access best-in-class treatments .*

*Steven Abernathy, who counsels affluent families on multi- generational wealth management strategies and corporate retirement plans, [has already addressed](#) some of these issues here at Family Wealth Report, and he does so again in this article. The editors of this news service are pleased to share these views and invite responses. They don't necessarily endorse all views of guest contributors.*

*Steven founded the Abernathy Group II Family Office in 2010.*

As populations age around the globe, healthcare models struggle in an attempt to control the increasing costs of healthcare.

Economists agree, if there isn't a radical shift, at some point, the healthcare systems in place today will become insolvent.

The US Healthcare System, which funds obligations defined by Medicare and Medicaid, is predicted to go broke as early as 2026, as cited by Politico. Out of the G7 countries, the US spent the most - a whopping 16.6 per cent of its GDP according to the UK's Office for National Statistics. Can healthcare's ever-increasing costs be avoided to preserve much-needed resources for future generations?

One potential solution is innovation within preventative care which stops maladies before they occur. Preventative medicine is a completely different construct when compared to today's healthcare model.

For example, today, the US spends more than \$23 billion dollars every year on birth defects. Three out of every 100 infants have defects, affecting more than 120,000 infants each year. And that does not count the potentially significant costs, and hardships incurred, over the rest of the natural life for those with birth defects. What if a large percentage of birth defects could be prevented before they happened?

Egg freezing and in vitro fertilization may offer our civilization the opportunity to prevent a goodly percentage of infant maladies before they occur.

As medicine advances and costs drop, the method in which specialty treatments are marketed, delivered, and priced, is poised for evolution. Women around the globe from many income brackets are waiting to start families and are employing egg freezing and IVF when genetic challenges may be suspected.

What's the holdup? In many cases, it's cost prohibitive. The overall cost of IVF today is high around the globe. However, it is likely to drop over time given: 1) social conditions; and; 2) the reduction of physician's mark up as technological advancements create more affordable alternatives. As costs are predicted to come down - perhaps significantly -more physicians are likely to become familiar with the IVF cycle.

Dr Bat-Sheva Lerner Maslow, the reproductive endocrinology and infertility specialist at Extend Fertility, an egg freezing service based in New York City, shared a few of the many benefits of IVF beyond creating life. "Egg freezing at the optimal stage is likely to deter increased costs later down the road. If a young woman employs the egg freezing model, she is likely to be successful conceiving with her first cycle. Women who are older are likely to require multiple cycles."

Multiple cycles cost money—each time the process begins a new, it's a new billing cycle.

Today, the national average cost of a full cycle of IVF is \$10,000-\$15,000 in the US. One mother shared her story in *Forbes*. Costs in the UK, as reported by the NHS, are similar. Now, this does not include medication which will be another \$2500-\$5,000 per cycle. It also does not include an additional egg transfer cycle which averages \$10,000-\$15,000. And it does not include annual storage which averages \$800-\$1,200 in New York City. These costs vary greatly by region. According to Dr Maslow, when the process begins at the optimal time - this brings the likelihood of a successful implantation up and the costs down. Extend Fertility has reduced the cycle cost to \$5,000, the egg freezing substantially, and the re-implantation costs by 20 per cent. However, the cost of medication is the same.

There is an important preventative benefit, and a significant cost benefit related to stopping birth defects before they happen. Genetic disorders and chromosomal disorders are scanned and diagnosed before implantation takes place. Pre-implantation genetic diagnoses, particularly if both parents may carry mutations for cystic fibrosis, Tay-Sachs, spinal muscular atrophy, or sickle cell anemia, will create substantial cost savings. More importantly, incalculable life-long benefits for both mother and child are realized when maladies as previously mentioned are avoided. The best part is that today, this is a reality...a Pre-Genetic Diagnosis or PGD lab, could create probes and identify, within the embryo, which genes will be transferred, thereby preventing potentially painful, costly, and life-threatening diseases.

Given the potential cost-saving application over time, egg freezing and IVF could evolve into the standard of pre-emptive medicine to control birth defects and inherited diseases. Naturally, it remains controversial, as do many early-stage medical innovations.

Egg harvesting and subsequent egg freezing, increases the chances of successful IVF. By preserving eggs, a woman hedges her risk against future infertility. The earlier she begins, the more likely she is to be successful in the future. The goal is to increase the potential of the fetus' overall health as much as possible. Pre-implantation - genetic testing is becoming more the standard over time, as "The number one cause of failed IVF is an abnormal chromosomal count," says Dr Maslow.

Another of IVF's advantages is a lower incidence of multiple births, prematurity, and long term health complications. "When there aren't multiple births, the pressure of more than one embryo in utero decreases the likelihood of complications. However, there are many things that can't be found with a chromosomal test, so it isn't entirely perfect," says Dr Maslow.

Infertility doctors are highly paid. This is poised to change in the future as the process of egg freezing and storage becomes less expensive. Technology is making egg freezing more cost-effective and the IVF process less costly. It is also improving the patient experience - which is no small thing.

During the last 15 years, it seemed as if there was little effort allocated to the patient's overall experience during the IVF process. Today, many specialists have recognized the client experience is a choice: the spending is discretionary. Therefore practitioners are compelled to focus on providing a satisfying and warm client experience if they are to prosper. The best clinics are doing just that. It's easy to see the shift in overall patient experience by reading website reviews: consumers turn a critical eye to specialty medicine and review it as they might write about any other type of service business.

Egg freezing and IVF offer the possibility of avoiding costly likelihood of numerous birth defects including: Cystic Fibrosis, Duchenne, Muscular Dystrophy, Huntington's disease, and BRCA I and II among others. As technology continues to lower costs, the global opportunities in this specialty are worth noting. There may be investment opportunities worth considering in: fertility clinics, egg storage, screenings, and other components of the process.

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