



Trends-in-Medicine

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Quick Pulse

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LASIK UPDATE

Thirteen refractive surgeons were interviewed to check on LASIK trends in 2008.

LASIK procedure volume

For these doctors, LASIK procedure volume in 4Q07 was down an average of 2% compared to the same period in 2006. For all of 2007, LASIK procedure volume was down an average of 8% from the year before. Comments included:

- *Tennessee #1:* "We are down 12% for 2007. We are experiencing greater competition for those patients who know they want surgical vision correction. And while we used to be the only center with Intra-LASIK (LASIK with a flap made by an IntraLase femtosecond laser), now there are three (in our area). Also, surgeons are offering lens exchange with greater frequency, so this decreases the number of patients who get corneal procedures."
- *Tennessee #2:* "We are down 20% for 2007 because we are experiencing...the beginning of the depletion of the pool."
- *New York:* "We are down ~10% for 2007. More patients are choosing refractive lens exchange procedures."
- *New Jersey:* "We were probably up 5% in 2007 over 2006. We increased our marketing last quarter, basing it around the IntraLase, blade-free technology."
- *Florida:* "We were up about 5% in 2007, perhaps due to more advertising and search engine optimization."
- *California:* "In 2007, we were only two-thirds of our 2006 volume."
- *Texas:* "We were down 8% from the previous year. General LASIK trends are in decline."

Looking ahead, the **outlook is for a softer 1Q08** than in the first quarter of last year, down an average of 7%. For all of 2008, these doctors predicted an average 3% decrease vs. 2007. However, several surgeons who predicted flat to increased procedure volume in 2008 admitted their outlook may be mostly wishful thinking. A New Jersey surgeon said, "We are up about 10% (this quarter) because of our marketing of IntraLase." A California surgeon said, "The first quarter of 2008 looks good, but it is still less than (the same period in) 2005 and 2006...We have a bubble (slightly increased volume) because of increased marketing, but I think the impending recession will have a greater effect in the second half of 2008." Another surgeon said, "I'm trying to be optimistic that my volume will increase." A third surgeon said, "I think my procedure volume will increase due to new technology. I got a Ziemer femtosecond laser and offered special promotional pricing to introduce it."

Market competition

Competition definitely has heated up, sources agreed. A Tennessee doctor said, "One low cost center has greatly increased marketing both on the web and in print." A Florida doctor said, "I've seen others advertising with lower prices." Another surgeon said, "We are seeing more ads. Overall, the size of the pie is getting smaller, and there are more eaters." A fourth surgeon said, "There has been some increase in advertising by a couple of practices, and financing plans are getting slightly more competitive." Another source said, "We depend heavily on (financing)...And we are offering two years at 0% interest."

Impact of the economy on procedures

Doctors blamed the procedure decreases more on a shrinking patient base and increased competition than on economic issues – though two sources indicated financing may be getting a little tougher.

- *New Jersey #1*: "I can't say as I see much impact (from the economy or the housing/credit situation)."
- *Texas #1*: "The baby boomer population moving beyond the LASIK solution, presbyopic IOL alternatives, the economy, and the debt crisis are all contributing to lower (LASIK) demand."
- *New Jersey #2*: "I believe (the decrease) is because of the war (in Iraq), and people don't want to spend money on things like LASIK. And if they do decide to get LASIK, they will go to a big laser center that charges much less than I do...People don't want to spend money on elective procedures."
- *Tennessee*: "Maybe 5% of the drop is due to the housing situation, but this is not going to be a trend. When housing gets better, this 5% drop in LASIK will bounce up."
- *Texas #2*: "Maybe there is a slight decline due to the economic slowdown and credit available to the younger population...We believe the economic situation is affecting the younger population under age 35 more than the older, more affluent population."

Pricing

Pricing appears to be *starting* to soften. Though these doctors claimed their prices are holding steady, some reported that competitors have lowered their prices. A Tennessee surgeon said, "We are holding our price, but barely, amidst slashed prices by many competitors around us." A New Jersey doctor said, "I haven't changed (decreased) my fee – yet – but I have been offering special discounts for patients who have expressed interest in LASIK."

Surgeon practice changes

In response to this apparent slowdown – or fears of a slowdown – most LASIK surgeons are expanding their offerings, trying to attract patients for other procedures. Among the comments were:

- "We expect to do more FDA-approved monovision procedures and more refractive lens exchanges."
- "We need to diversify our portfolio in 2008 (i.e., offering a wider range of eye services). Living or dying on just this 'one main tree of LASIK' is no longer viable. 2007 represented a turning point in the U.S. LASIK market. It was just the beginning of the depletion of the (patient) pool."
- "I'll be doing more refractive lens exchange procedures and less LASIK, but I'm glad to see this development."
- "I'll be getting some new equipment this year, but it is not related to refractive surgery."
- "We are pushing general medical care to get more routine visits in to increase foot traffic and, hopefully, increase LASIK."
- "The business cycle stage suggests a re-emphasis. Our primary focus will be on cost-reducing supply agreements, operational efficiencies, less advertising dollars going to the broad market, and personalizing of the LASIK experience."
- "I'll potentially decrease my fee if my numbers stay low."
- "I may do more marketing."
- "We have increased our internet marketing."