



# Trends-in-Medicine

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## SUMMARY

The recession continues to cripple the aesthetic laser business, with business down 40%-50%. While a few industry sources believe that business has hit bottom, doctors did not have any plans for big purchases. Rather, U.S. surgeons and dermatologists are making do with their current lasers, not buying new ones. Very few are even buying handpieces or other accessories. However, doctors from other countries were doing some shopping.

- ◆ Patients want procedures that are quick and cost effective. They are opting out of larger ticket procedures, and any money they are spending goes for Allergan's Botox, hair removal, or laser-assisted lipolysis (LAL).
- ◆ Technology is advancing only incrementally. The greatest interest was in fractionated CO<sub>2</sub> non-ablative devices and, to a lesser extent, laser-assisted lipolysis. Doctors are also interested in non-ablative therapy and minimally invasive devices.
- ◆ Future devices include radiofrequency and high-powered LED machines, although these are still in the early stages of development (and don't appear to work very well).
- ◆ Solta continues to lead in fractionated CO<sub>2</sub> devices, but doctors do not like disposables, and that may hurt Solta in the long term.
- ◆ Fat "melting" is gaining popularity as well as tightening without surgery and other procedures with minimal surgical intervention.

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## Trends-in-Medicine

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## AMERICAN SOCIETY FOR LASER MEDICINE AND SURGERY (ASLMS)

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This is a challenging time for cosmetic surgeons and laser companies, and the mood at ASLMS was somewhat downbeat. Doctors were shopping – at least a little – but generally for lower price-tag items. The biggest interest was in fractionated CO<sub>2</sub> lasers and devices to remove fat, but few, if any, solid deals were being made.

## THE ECONOMY

Most doctors said that the recession continues to hurt their practices, and they don't believe the economy has hit bottom yet. Only a few doctors interviewed said that they were planning to buy a laser, and those were general practitioners expanding their practices.

Comments about the economy and purchasing plans included:

- *California #1*: "The top players are not dropping prices but instead are increasing value for our patients. That means helping them get the most bang for their bucks, as in procedures that show the most improvement."
- *California #2, a plastic surgeon*: "Money is tight, and so I'm doing a lot of Botox (Allergan, botulinum toxin A) injections and not very many big ticket procedures."
- *New York plastic surgeon*: "For surgery, there has been a big drop (in volume), and people want less expensive techniques...In this economy, people want something quick and cost-effective."
- *Missouri*: "Business is down, and people are unsure. I consequently want to not extend myself because I don't know how long the downturn will last. It could be a couple of years before there is a turnaround."
- *Illinois*: "After we bought a Fraxel re:pair in December of 2007, we were going great guns, but we had a decline around September 2008, and we saw a 50% drop in laser procedures."
- *Ohio*: "There is still interest, but as homes are collapsing in value, we don't see a loosening up of credit...We aren't buying any new machines because it is such a major investment."
- *Massachusetts*: "I'm looking, but I doubt if I'll buy anything."
- *Louisiana #1*: "I'm looking around for an Nd:YAG machine. Let's see if I get a good deal. I won't buy unless I get a very good deal."

- *California #3*: “I’m looking at the smaller units. I’m a primary care doctor, and the big units are very expensive and aren’t going to fly. I’m looking at some of the smaller units, but I don’t know if they are going to be effective.”
- *Massachusetts plastic surgeon*: “There are a lot of non starters here – nothing that I’m planning to buy.”
- *Louisiana #2*: “Business from a year ago is flat. I’m concentrating more on dermatology, with less emphasis on aesthetics.”

A few companies insisted that business is starting to pick up, although none admitted to any sales on the floor at the conference. A company president was overheard asking his staff how leads were going, and he got a chorus of “Great!” One industry source predicted that the recession has hit bottom and that business is starting to pick up. Another industry source said, “Business was extremely slow in January and February, but it started picking up in March, and there are signs of hope. But business has been off significantly – around 40%.” A third industry official said, “December and January were the worst months in years, but doctors are feeling good about March. For doctors, practices are starting to pick up. At the end of the day, vanity is the ultimate end-driver and does not go away.”

Most companies, however, said that business has not yet hit bottom. One industry source said, “Traffic is slow, and no one is buying.”

*Asked how they are coping with the continuing recession*, doctors said that they are looking hard at what they spend money on, if anything. They also said that they want their patients to get the most value for their money. A California doctor said, “I want my patients to see good results. When I treat patients for stretch marks, for example, I tell them that we are both on a journey, and this may not work as well as you think or expect. I also don’t charge as much for a procedure like that...I am more selective. That’s why you see an increase in fractionated CO<sub>2</sub> devices, like Solta. My patients are very happy with the results.”

A few doctors were shopping, and those were mostly from other countries. A dozen South Koreans were at the Palomar booth looking over StarLux handpieces. A prominent Chinese doctor from that country’s biggest laser center said that Chinese hospitals will probably buy another 20 of Candela’s GentleYAGs this year due to the growing population. A Swedish doctor said he was getting a good deal from Lumenis on a fractional CO<sub>2</sub> laser after a bad experience with Reliant last year, “We bought a Fraxel and had to pay tens of thousands of dollars for upgrades and then on top of that disposables. Lumenis will buy that machine and put the money toward our new machine.”

### FRACTIONATED CO<sub>2</sub> LASERS

Fractionated or fractional CO<sub>2</sub> devices are the future, according to most doctors. The leading manufacturer is Solta (a combination of Thermage and Reliant), with its Fraxel re:pair, followed by Lumenis’s Deep FX and Active FX devices. Other fractional CO<sub>2</sub>s include Lasering’s Mixto, Sciton’s Affirm CO<sub>2</sub>, EclipseMed’s SmartXide Dot CO<sub>2</sub>, Alma’s Pixel CO<sub>2</sub>, Lutronic’s Mosaic eCO<sub>2</sub>, and Quantel’s ExelO2. There are also fractional versions of other types of lasers, including Sciton’s 2940 nm ProFractional, Palomar’s 2940 StarLux, and Lutronic’s Mosaic. Doctors like Solta, although several said they don’t like the company’s disposables, saying that it unfairly adds extra cost. One California doctor said, “Although I don’t like the disposables, the company is very good and is very receptive to feedback. I’ve been using it for six years, and it’s come a long way in safety and efficacy.”

Although doctors agreed that this is a potential area for growth, they differed on how well the technology works. They said patients like the shorter recovery time, but patients also may not get the results they envisioned. Some doctors are waiting for more proof that fractional ablation and resurfacing really work.

In the next few years, advances will be in smaller handpieces, which will allow doctors to go in smaller areas such as the nasolabial folds or corners of the eyes.

Comments about fractionated CO<sub>2</sub> devices and companies included:

- *West Coast*: “We have 15 devices in our office. For CO<sub>2</sub> Fraxel repair, I really like Solta.”
- *California*: “Solta is very good. It is a company with a lot of science. However, the stamping mechanism isn’t as good as Lumenis’s.”
- *Illinois #1*: “Not everyone wants surgery. They want less invasive ways, and the question is: Can there be a match of benefit and cost? Sciton is a solid workhorse; it’s the Cadillac of laser systems and is at the forefront of CO<sub>2</sub> technology. Lumenis costs a lot but has great customer service.”
- *Missouri #1*: “People who normally would have gone ahead and bought one of these devices are backing away. You don’t know what the demand is, and it’s a fairly expensive procedure. They work to some extent, but we don’t quite know what the results will be.”
- *Illinois #2*: “The Fraxel re:pair and the Lumenis Deep FX are the best fractionated CO<sub>2</sub>s. There is little difference in the end result; the only difference is in the physics of the CO<sub>2</sub> beam.”
- *Missouri #2*: “Clearly, laser lipolysis and fractional ablation – resurfacing – are the hot topics.”

- *Louisiana:* “I have an old CO<sub>2</sub> unit and an Alma Pixel Omnifit handpiece to go on it. It is more economical and gives a nice response.”

### NON-ABLATIVE DEVICES

Doctors were interested in non-ablative lasers. A New York plastic surgeon said that non-surgical fat melting technology is useful for some, but he insisted it is not a replacement for liposuction, “I’ve seen a big drop in surgery. People want less expensive techniques and less invasive techniques.”

### DISPOSABLES

Companies that sell disposables, such as CoolTouch, argued that they add value to doctors’ practices. CoolTouch president Nina Davis said, “Disposables are important. We have one-use and multi-use disposables, and they are priced comfortably. We guarantee five uses. We feel that they do add value because you know that you’re going to get a new tip and safer laser lipolysis.”

However, doctors don’t like disposables and unanimously criticized them. One said, “A lot of companies are coming late to the science, with less expensive systems. Right now, anything with consumables or disposables is on the outside looking in. No one wants it, and customers resent it.” Another doctor said, “We bought a Fraxel and had to pay \$50,000 for upgrades, and then on top of that, disposables. They took our entire profit, and then some.”

### LASER-ASSISTED LIPOLYSIS (LAL)

Chasing fat is “the next big thing,” according to one doctor who was looking at the Sciton ProLipo device. LAL uses a YAG laser fiber in a cannula to break down the membranes of the fat cells, transforming them into an oily substance that is removed with low-pressure suction. The procedure is considered to be less traumatic than traditional liposuction, with less bruising, quicker recovery times, and less blood loss. However, one plastic surgeon warned, “There can be just as much, if not more, swelling, but the result is smoother (than liposuction). Low level laser energy is supposed to stimulate collagen production and result in skin tightening. Many devices use a 1064 wavelength and an Nd:YAG pulsed laser. Disadvantages include the machine’s cost and learning curve.”

The devices are for smaller areas of the body that cannot be reached with traditional liposuction, such as saddlebags, knees, and arms. They are designed for people who want to get rid of less fat than traditional liposuction (around 5 pounds on average). Doctors were mixed on the results, but they agreed that it’s the next big thing in aesthetic lasers. A New York plastic surgeon said, “It is not a replacement for liposuction. There are millions of people who don’t want surgery but want something like the effects of liposuction. That said, fat melting, as it’s called, will be extremely popular

– more than that, it’ll be huge. It’s tightening the skin without surgery and with little downtime and minimal surgical intervention. There are some convincing data that it shrinks and smoothes the skin.” A California doctor said, “I’m not going to do liposuction; I’ll have the plastic surgeon come in and do it. Some of the general practitioners have gotten into Smartlipo (Cynosure), and I think that’s a mistake. And Cynosure marketing to non-core doctors is a big mistake.” A Missouri doctor said, “I have to see how well it works. I’m still not convinced, and I’m hearing a lot of promises from the manufacturers.” In fact, several other doctors questioned the value of devices that only show incremental, if any, results.

### Laser-Assisted Lipolysis

Company	Laser	Wavelength (all Nd:YAG)
CoolTouch	CoolLipo	1320 nm
Cynosure	Smartlipo MPX	1064 nm, 1320 nm
Fotona	Fotona XP-2 Focus (XP-2)	1064 nm
Lutronic	AccuSculpt	1444 nm
Osiris Medical	Lipotherme	980 nm
Palomar	SlimLipo	924 and 975 nm
Sciton	ProLipo PLUS	1064 + 1319 nm
Syneron	LipoLite	1064 nm

### SPECIFIC COMPANIES

Doctors cited a large number of excellent laser companies, including Solta, Sciton, Palomar, Lumenis, Cynosure, Cutera, and Candela. They said the most innovative companies are Cutera, Palomar, and Solta. Following are comments doctors made about the various companies:

- **Coherent:** “A solid company with good customer service.”
- **Iridex:** This company is popular with smaller practices. A Florida gynecologist said that he is happily using an Iridex machine to do hair removal, skin rejuvenation, and varicose veins. Another doctor said that the company has great service and overnights any needed parts.
- **Lumenis:** “Costs a lot but great customer service.”
- **Sciton:** “A solid workhorse – the Cadillac of laser systems at the forefront of CO<sub>2</sub> technology.” Another doctor said that Sciton’s combination therapy using a light peel combined with the technique of poking holes in the skin was a good idea. A third doctor said that Sciton has a niche in ERB and YAG lasers.
- **Solta:** “Really listens to the customer.”

Doctors said that they don’t like Alma lasers, complaining that the company uses misleading advertising. One doctor said, “Alma uses misleading photographs. They’re just bad. The object is to show cellulite improvement, but nobody is doing a good job on spot reduction of cellulite yet. I’ll go further.

There is no effective treatment for cellulite.” Doctors also gave thumbs down to Syneron. One surgeon said, “You can’t politely print what I think about Alma and Syneron.”

#### **INTERESTING TECHNOLOGY AND NEW COMPANIES**

Only a few new technologies were mentioned at ASLMS, including radiofrequency (RF) devices and high-powered LED devices, which one doctor said “will be competing with lasers five to 10 years out.” A plastic surgeon said, “There is biological effect with LED, but no one has been able to get a clinical home run by amplifying that biological effect. It is not clinically useful in most or even all patients. RF is the same. The consistency of results is a problem. Generally, if you have 90% to 95% results, that’s good. If you have a 40% response but you can tell on whom it can work and on whom it won’t work, that’s useful. But if you don’t have any idea what the response will be, that’s a problem.”

Zeltiq and LipoSonix (neither has an FDA-approved product) were mentioned as interesting laser companies. Zeltiq uses cooling, not heating, to induce fat atrophy; fat cells are programmed to die. A New York plastic surgeon said that Zeltiq’s device avoids the need for a thermal effect, so it is “a very cost effective, one-hour treatment.”

LipoSonix is more thermal and really stimulates the skin, with the best skin-shrinking abilities. UltraShape’s Contour/ver2 system is less effective than LipoSonix but has the most clinical exposure. A surgeon said that all three were too small to use in “big suction, but they can work to make skin smooth and tight in a way that is impossible to get any other way...Patients like the idea, and it can be used after liposuction, as a complementary procedure, not as a replacement.” Another doctor said, “Whoever wins the market will be whoever gets to market first.” No doctors interviewed were ready to buy, however.

One doctor said that Lutronic has an interesting “fat-melting” laser that will be launched soon.

