



Trends-in-Medicine

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by Lynne Peterson

Quick Pulse

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LASIK UPDATE

At the American Academy of Ophthalmology meeting in October 2005, refractive surgeons and industry sources reported that they were seeing a slowdown in LASIK volume. To see if this trend was continuing, 12 ophthalmologists (refractive surgeons) and an industry expert were interviewed about the latest trends in refractive surgery volumes. Doctors indicated that LASIK procedure volume has picked up slightly from the summer/early fall slump but is tracking down a little from the same period last year. The outlook for all of 2005 is for procedures to be flat to down slightly from 2004.

LASIK procedure volume appears to be rebounding somewhat from the low levels of the last three months (August-September-October). With one exception, doctors estimated that LASIK procedure volume for the next three months – November and December 2005 plus January 2006 – will be **up an average of 2% compared to the previous three months**. The exception was a doctor whose current three month volume is more than double the previous three month period. Yet, doctors reported wide differences from practice to practice and even within practices. For instance, some surgeons said they saw a pickup in November, and others said there was a pickup in October and a falloff again in November.

- **Up – California:** “We are seeing a pickup in interest and consult bookings in November and December.”
- **Up – Missouri:** “(Procedure volume) is starting to increase now as we get to the end of the year. We are finding a dramatic boost to volume with more aggressive marketing of CK for near vision...We are predicting the typical cyclic increase in refractive volume for Q4. There is always a kick from patients giving gifts and putting charges on their medical savings plans.”
- **Up – Florida:** “We are seeing a bit of a rebound.”
- **Up – Minnesota (the exception):** “Our volume for August to October was 57 eyes. This is almost 100 eyes less than November to January...We experienced a big slowdown in September, but it picked up in October. November is again slow, but December is looking better than November.”
- **Up – New York:** “We are seeing a spike in patients wanting (LASIK) done this year (November and December) for their FSA (Flexible Spending Account) 2005. This is unusual because in recent years this has abated, with most FSA activity at the start of the year.”
- **Flat – Illinois:** “We are about even for November to January with August to October, and this is usually our busiest time of the year. We need more advertising to boost volume.”

LASIK procedure volume for November-December-January is expected to be **down an average of 2% compared to the same period last year.**

- **Down – New York:** “As it stands now, we will be down about 10% compared to last year.”
- **Down – Florida #1:** “Our numbers are down about 10%, which I think has to do with the hurricanes, as they did touch South Florida a little. Also, the economy may be a little tighter.”
- **Down – Minnesota:** “Our volume for November-December-January should be about 150 eyes, and that is about 50 eyes less than the same time last year.”
- **Down – Missouri:** “We are down 7% over (the same period) last year.”
- **Up – Ohio:** “Year-to-date last year we were about 3% higher than this year...We are on track for 411 eyes in November-December-January, compared to 339 for the same period last year.”
- **Up – California:** “September 2005 was down 33% compared to September 2004. October was down 10% compared to October of last year. However, I anticipate that November and December will exceed the same period last year.”
- **Up – Texas:** “Our volume should be up 5%-10% over the same period last year.”
- **Up – Florida #2:** “We are definitely up from last year. And we expect some positive advertising that should bring in some more patients.”

Dave Harmon of Market Scope (www.mktsc.com) is also picking up a wide assortment of signals about the November-December-January period. He said, “It’s a really mixed message. Some doctors say they are doing well, and others report that procedure volume is still down. As an example, I spoke to two surgeons recently, and one high volume surgeon said he is off 20%, while the other said his volume is looking pretty good and that January is already booking up. At the surgeon level, there are always some whose experience is contrary to general market trends, but right now, volume changes are widely varied and it is difficult to identify an overall trend. Widespread deviations generally indicate a flat market.”

Surgeons predicted that year-to-year overall LASIK procedure volume will be **down an average of 3% for 2005 vs. 2004.** Harmon is estimating that this will translate into 1,418,000 procedures this year. He had been expecting 1,450,000 procedures in 2005, but at the end of last month he lowered that forecast. He said, “Falling consumer confidence due to high gas prices and concerns about jobs have reduced demand for LASIK in the third and fourth quarters. I expect the fourth quarter to be flat compared to last year, or even down a little.”

- **Down – California:** “Even though November and December are looking very strong, I expect all of 2005 to be lower than all of 2004.”

- **Down – New York #1:** “The year as a whole is slower than last year, particularly because of a slow summer and a slow pickup in the fall.”
- **Down – New York #2:** “I expect 2005 to be down 10%-15% from 2004.”
- **Down – Minnesota:** “We will probably do about 150-175 fewer eyes in 2005 than in 2004.”
- **Flat – Missouri:** “We see this leveling off for the full year, and we don’t expect to see much volume growth... We are doing more than 70% of our 2005 procedures as CustomCornea Wavefront procedures at a premium cost. And our overhead is lower for CK and CustomCornea now – since the initial investment in the equipment is paid – and, thus, our profits are up despite the flat growth.”
- **Flat – Florida:** “Since the spring and summer were strong, we should end up in 2005 at a similar number to 2004.”
- **Up – Illinois:** “2005 will be up about 15% compared to 2004.”

Doctors who are not already seeing a pickup in LASIK volume expect that to happen in the first quarter of 2006. They offered a variety of reasons for the slowdown, including gas prices, the economy, and lack of consumer confidence. Sources had few suggestions for boosting volume, but a few mentioned more advertising and new technology.

- **Texas:** “Certainly, procedures should pick up after the first quarter of the year – if gas prices go down – and maybe sooner.”
- **Ohio:** “There should be a pickup in the first quarter of 2006. Consumer confidence and the economy seem to be the problems.”
- **Minnesota:** “We typically have a very busy January, and it is looking that way for January 2006. February 2006 should be pretty good, too. (But) we need more people to call all year round for consultations to boost volume.”
- **New York:** “I believe fear of economic slowdown are common, especially among medical center employees who hear about hospital bankruptcies. Hospitals are a major employer in New York City.”
- **Florida:** “New technologies, if anything, help LASIK volume because they bring patients in with questions. As for IOLs, I’ve been very happy with Alcon’s ReStor IOL.”

