



Trends-in-Medicine

October 2007

by D. Woods and Lynne Peterson

Quick Pulse

Trends-in-Medicine has no financial connections with any pharmaceutical or medical device company. The information and opinions expressed have been compiled or arrived at from sources believed to be reliable and in good faith, but no liability is assumed for information contained in this newsletter. Copyright © 2007. This document may not be reproduced without written permission of the publisher.

Trends-in-Medicine

Stephen Snyder, Publisher
2731 N.E. Pinecrest Lakes Blvd.
Jensen Beach, FL 34957
772-334-7409 Fax 772-334-0856
www.trends-in-medicine.com
TrendsInMedicine@aol.com

LASIK UPDATE

Thirteen refractive surgeons and the CEO of a refractive surgery company with multiple centers were interviewed to get a look at LASIK volume for the second half of 2007. On average, these doctors estimated that LASIK procedure volume was *down* 5% 3Q07 compared to the same time last year, but without one surgeon who reported a 50% drop in business, procedure volume was *flat* vs. 3Q06. Comments included:

- *California*: “It’s been a slow year for LASIK – only about half the volume of 2006. It’s been steady throughout the year, but we tend to be busier at the end of the year as people use their flex spending.”
- *Pennsylvania*: “Basically procedure volume is flat this quarter compared to 3Q06, although it is slowly and surely increasing because of our new marketing. We hired a person a year ago, and it’s kicked in.”
- *Minnesota*: “We are up about 15%, but it is hard to know why. There are no local factors that we can obviously tell.”
- *Missouri*: “We are still flat compared to the same period last year...Most practices are down about 4%-5%, so I’m pleased with our current status.”

Sources said that neither the nation’s housing mortgage crisis nor the current credit crunch is having much impact on patient interest in refractive surgery yet, and most said LASIK financing does not appear to have been affected so far. However, some doctors are seeing hints that an impact could be felt soon.

- *Minnesota*: “It’s been a good year so far, but consumer confidence is just starting to fall.”
- *Missouri*: “Surprisingly, we have not felt the fallout from the mortgage crisis. Our lender is more conservative than the better known lenders. That means our approval percentage was lower as credit ratings had to be higher. Therefore, I don’t think we have been affected as much with the decreased liquidity.”
- *Ohio*: “I think (housing and credit) are having an impact. We are in a very depressed city.”
- *California*: “Our (financing) terms haven’t changed, and it does not appear to be tougher (to get patients financed). I don’t think the economy is hurting business.”
- *Pennsylvania*: “The economy is not a problem. I’m in an area where the percentage of people who go to college is lower than the average, and people do not have a lot of disposable income, but I do a lot of implants, especially multifocal lenses. Americans have plenty of money. Also, we offer *no interest* for 18 months, and that works very well.”

- *Midwest:* “It seems that financing is still similar.”
- *Texas:* “We believe the impact is real, making more consumers decide to defer or simply cancel LASIK. Despite the good economic growth in the stock market, there is definitely greater stock market volatility, leading patients to be wary of the future. In addition, lower consumer confidence and the ripple effect of the sub-prime mortgage scandal are tightening debt access by the less affluent (young) consumer.”

However, some doctors are reporting declining LASIK procedure volume due to increased competition, mostly from more surgeons doing the surgery. Comments included:

- *California:* “There is more competition from other LASIK surgeons.”
- *Canada:* “More people in our area are doing lasers.”
- *Ohio:* “The industry has changed. LASIK is now a commodity. Inexpensive centers are the only practices that are seeing (volume) numbers increase, although by a very small percentage.”
- *Maryland:* “Have you heard about Orthokeratology (OrthoK or vision shaping)? It is a new non-surgical way to eliminate glasses and contacts that, when halted, returns the eye to its natural state. It is now FDA-approved. Not a lot of people are aware of it, but it will get more and more popular and will really start to bite into the LASIK market share.”

Doctors are not optimistic about any real pickup in refractive procedure volume in 2008. A Missouri doctor said, “I think the market will be flat for several years. The baby boomer population has moved past the sweet spot for LASIK. The leading edge age of the boomers is 61, the average age is 52, and the trailing edge is 43. The new average age for LASIK is 39, so the boomers have passed through the LASIK market and are moving towards the presbyopic IOL market.” A Pennsylvania doctor said, “I think I might have had more business if I had a femtosecond laser. Two people here (in my town) have them. I’ll probably get one in the next 12 months. I’m still considered the best guy, but I think my volume might have gone up more if I had one.”

Doctors said that an average 20% of their refractive procedures are now PRK, which is comparable to the same time last year. While some doctors are doing more PRK procedures, others are doing fewer, and over the next 6-12 months sources believe PRK is likely to stay at that level (~20% of procedures). A source said, “Attention towards ectasia drives us to be more conservative. Also, increased comfort with haze/MMC (mitomycin C) has driven some to be more aggressive about ABMD (anterior basement membrane dystrophy) identification.” Another said, “We have a new femtosecond laser, and so I’ll probably do fewer surface treatments.” A West Coast doctor said, “We are doing less PRK than usual because the IntraLase (femtosecond laser) allows us to do more cornea/ high myopia cases.” A Texas doctor said, “I was

100% PRK last year. We acquired an IntraLase, so now I’m 50% IntraLase and 50% surface.” Another doctor said, “My PRK percentage may increase slightly due to lower risks on former RK (radial keratotomy) patients, or patients having some elevated risks with LASIK, as indicated on corneal topography measurements. PRK is still less expensive than the ICLs, so price will remain a factor for ICL growth, and PRK will continue to have a niche in the market.”

Only one surgeon has raised his LASIK price in the past three months (and that was just \$25), but a few said they have added or increased the surcharge for femtosecond use. The CEO said, “We don’t feel the downward pressure as in years past.”

