



Trends-in-Medicine

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Quick Pulse

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LASIK UPDATE

Fourteen refractive surgeons and the CEO of a refractive surgery company with multiple centers were interviewed to get a look at LASIK volume in early 2007. They reported that LASIK procedure volume is holding relatively flat. For the first quarter of 2007, procedure volume for these doctors is:

- Up an average of 3% compared to 4Q06.
- Up an average of 2% compared to the first quarter of 2006.

LASIK bookings for April and May appear to be more of the same:

- Up an average of 2% compared to the same period last year.
- Flat compared to the first quarter of 2007.

Interestingly, no doctors reported any impact on procedure volume or future bookings due to the recent stock market volatility. Among surgeon comments were:

- *Missouri*: “We saw a slight pickup at the beginning of the year. January was warm, but February was cold, and March was warm. Gas prices came down in January, and the warm weather seems to have brought some patients out. Maybe they didn’t have to buy a new coat, so they bought LASIK instead.”
- *Florida #1*: “We are up because of word-of-mouth and happy patients.”
- *Minnesota*: “We might have picked up because of some increased marketing.”
- *California*: “We are usually busier at the end of the year because of flex spending.”
- *Texas*: “It’s a purely seasonal trend for the most part.”
- *Florida #2*: “We aren’t seeing much forward movement. It’s pretty much the status quo.”

Market Scope’s Dave Harmon pointed out that when making quarter-to-quarter comparisons, it is important to remember that seasonal trends in LASIK procedures have been changing. The percent of procedures done in the first and second quarters has been increasing slightly over the last several years, and the percent done in the last half of the year has been declining. He attributed this to two things:

1. **Flex spending accounts** can now be spent in the first quarter of the year; they no longer expire on December 31st. He said, “It used to be that people lost the money if they didn’t use it by the end of the year, and now they can wait for the first quarter to use it.”

2. **Medical savings accounts** have become much more attractive. Harmon said, “These don’t expire, and I think that has some implications on the timing. I think people might look at them when they do their taxes, which is a first-of-the-year type of thing, and that may help spending on LASIK in the first quarter.”

Most doctors said that their prices for LASIK have not changed in the past three months, but two raised prices, one is doing less discounting, and another may raise prices soon.

- A New York surgeon said he raised his prices 5%.
- A Florida doctor said, “We raised our price by \$100 across the board for all procedures, as we have added an IntraLase (femtosecond laser) to our practice.”
- An Illinois doctor said, “We have been discounting less and are no longer offering two-year free financing – only one-year free financing.”
- A surgeon said he has ordered Ziemer’s DaVinci femtosecond laser and plans to raise prices when that is operable.

Half of the surgeons said that they have an LCA-Vision LasikPlus in their area, and those centers currently use a variety of advertising methods: radio, newspaper, and direct mail. One source reported LCA-Vision has also started email campaigns.

Doctors generally said it is too early to see how the new TLC consumer marketing model is working. One source reported a TLC center in his area has started a new radio advertising campaign. Another source predicted, “I think TLC’s focus on getting prices down is a mistake. They need to do more direct-to-consumer advertising and more print and radio advertising, but lowering prices is not the answer.” A TLC doctor said he is re-thinking his new low-pricing plan with TruVision; his volume has increased, but he doesn’t think he is making any more money for the extra work. He plans to do a thorough review of the cost-effectiveness of this soon and will then make a decision about whether to continue with it.

None of these sources feels threatened by either of these chains. They recognize them as competitors but are not specifically counter-marketing against them.

