



Trends-in-Medicine

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SUMMARY

Slightly more than half the doctors questioned said there was a slowdown in refractive procedures in September after a strong summer, due to a variety of reasons, but mostly to the economy.

- ◆ Interest in wavefront remains high, and doctors are optimistic that it will continue to bring in patients. Wavefront procedures account for an average of 44% of procedures for these surgeons, and that is likely to increase to an average of 64% within a year.
- ◆ Procedure volume for October is looking better than for September, but a slowdown is likely again from Thanksgiving to the end of the year.
- ◆ Refractive surgeons may be busier for the rest of this year than in 2002, but part of this is likely to be due to implantable contact lenses, not LASIK.

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REFRACTIVE SURGERY UPDATE #2

Historically, there is a slump in refractive surgery (LASIK) procedures during the summer, followed by a pickup in the third quarter and then a slowdown again in the fourth quarter. This year, instead of a summer slump, there was a pickup in June-July-August 2003, which doctors attributed, in large part, to FDA approval of wavefront technology. However, sources interviewed in late August doubted that the increase would continue through the end of the year. To determine whether the summer pickup was a blip due to wavefront or a trend that will continue, 20 high volume refractive surgeons were interviewed in early October 2003 about their procedure volume in September and the outlook for the remainder of 2003.

Eleven of the 20 doctors reported a slowdown in procedures in September. An Illinois doctor was typical, commenting, "There was a slight dip in volume during the month of September." An Ohio doctor said, "We had a consistent upturn in procedures through August, but September was lower—yet at the same level as last year." A New Jersey doctor said, "There was a decrease in the number of procedures done in September this year. I am unsure of the reason, and the number has increased over last year in October. I think it is difficult to judge these things on a month-to-month basis. Looking at them on a quarterly basis is more reasonable. Wavefront has definitely given the practice a boost. Patients are talking and asking about it. We will see."

Refractive surgeons cited a variety of reasons for the September slowdown:

- **The economy.** This was the most common reason given for a slowdown in September.
- **The cost of wavefront technology.** An Oregon surgeon said, "Wavescan is too pricey."
- **Weather.** A Virginia surgeon said Hurricane Isabel caused a slight downturn in his September procedures.
- **Back-to-school season.** A California surgeon said, "Historically, we always see a slowdown in September due to back-to-school and parents wanting to get their kids settled...(But) this September is busier than last September. We attribute this in part to the increased consumer confidence level since wavefront approval."
- **Fear factor.** Concern over the risk of LASIK continue to haunt this technology.
- **Delayed summer slowdown.** An Illinois doctor said, "I tend to believe the dip in volume is related to a summer slowdown." An Ohio doctor said, "A delayed summer slowdown is part of it...and our summer marketing was sluggish."

Eight doctors reported September procedures were at least as brisk as in the summer months, and another doctor didn't notice a slowdown but said he was on vacation for half the month. A Missouri doctor said, "We've seen a steady rise in our refractive volume from 2Q03 to now...We attribute a significant portion of this to wavefront customized surgery, which we introduced to this area this past summer. Currently, we're using wavefront technology for almost half of our LASIK procedures...Our third quarter volume is historically strong." A Texas doctor said, "Volume wasn't down for my practice, but it was for the laser center. We emphasize quality and don't provide discounted prices, so we don't fluctuate significantly with the economy and world events." A California surgeon said, "We didn't notice a significant slowdown in September, but maybe that's because a certain insurance company is offering the procedure to its employees until November." A Michigan surgeon said, "I work at a university, where we are not dependent on high volumes, but we didn't have a slowdown in September."

The fourth quarter of 2003 has gotten off on a more positive note; October is looking better than September, some sources noted. A California doctor said, "October more than makes up for the slowdown in September. By mid-August, 90% of our available procedure times for October were booked." An Illinois doctor said, "We had a slight dip in September, but our 3Q03 stats still show a 25% increase over last year. Although the third and fourth quarters are traditionally lower, we still anticipate growth over last year's quarterly stats."

For the remainder of 2003, eight of 17 doctors commenting predicted a continued uptick in LASIK volume – at least until Thanksgiving -- but nothing dramatic. It also appears there will be the usual slowdown in December.

- A Midwest doctor said, "Because of flex spending plans, the fourth quarter is generally very busy, and we are already booking up. The outlook is good."
- A New York surgeon said, "Despite the economy and increased concern about the risks of laser treatments, I have noted increased interest lately, and I expect a slow increase for the rest of this year – through November."
- Another East Coast doctor said the third quarter has gotten off to a slow start, but he is more optimistic about the fourth quarter, commenting, "The fourth quarter is looking promising as patients realize the benefits of wavefront-guided custom treatments."
- An Ohio doctor said, "Our call volume is up. We're hoping that (Visx's) CustomVue will boost our numbers for the end of the year."
- A Texas doctor said, "We continue to increase our procedures every month."
- A Florida doctor said, "We've seen an upswing in interest and an increasing number of people doing (LASIK)."

- A Michigan doctor said, "There is likely to be some increased awareness and interest in refractive surgery...due to approval of the Bausch & Lomb wavefront LASIK procedure."
- A California doctor said, "I expect wavefront to continue to drive volume, and I anticipate that 4Q03 will be significantly ahead of 4Q02 and on a par with 2Q03."

Three other sources expect a pickup in procedure volume for the rest of 2003, but they believe it may be due to *non-LASIK* procedures.

- A Missouri doctor said, "We anticipate steady growth through the end of the year. In addition to wavefront, this year we also plan to introduce the **implantable contact lens** (ICL). An FDA Advisory Panel just recommended approval of this technology, and we anticipate starting these procedures in 4Q03. Considering that there are many people who will benefit from ICL surgery who are not candidates for laser refractive surgery, we anticipate that the introduction of the ICL technology and the continued interest in wavefront will more than compensate for the usual winter decline in refractive surgery volumes."
- A California doctor said, "We also have a clinical trial of an **insertable contact lens** that we launched in April (2003) for patients who are outside the range for LASIK...This is continuing to keep our procedure volumes up. We perform several different procedures, so we can choose the best procedure for each patient. While 80% of our patients are LASIK candidates, there are about 20% that require something other than LASIK. Surgeons offering only LASIK tend to have their volumes suffer more than ours. Our fourth quarter is historically within 5% of our volumes in the other quarters. Overall, we have a steady volume."
- A Midwest doctor said, "There is likely to be some increased awareness and interest in refractive surgery with the upcoming approval of phakic intraocular lenses."

Six doctors predicted demand for LASIK would be weak for the balance of this year, and two had no comment. An Oregon doctor said, "The outlook is dismal. The second half of the year is going much slower than the first half." A Minnesota surgeon said, "Usually this time of year is slower than the first half of the year." A Virginia doctor said, "We are projecting to be ahead of last year, but we still expect a slight downtrend in the fourth quarter as in previous years. We're actively trying to change this downtrend by analyzing it closely." A Michigan doctor said, "I think the rest of the year will be slow, particularly because of the uncertainty of the economy." An Ohio doctor said, "We anticipate a good month in October, but November and December are usually slower, especially with our big national meeting (the American Academy of Ophthalmology) in November, and the holidays in December."

There are signs that the first quarter of 2004 will get off to a good start in terms of procedure volume, one doctor noted. He said, "Phone calls are already starting to come in, with people making inquiries to reserve flex spending money for next year. It could be another strong first quarter!"

Sources remain enthusiastic about wavefront, and most expect the technology to continue to bring in patients. Currently, sources estimated that they are doing wavefront-assisted LASIK for an average of 44% of their patients. A New York doctor said, "Fifty-four percent of my procedures today are wavefront, which is limited by cylinder, hyperopia and pupil size." A Virginia surgeon said, "Last month, it was 95% of eligible candidates, and the prior month 65% of eligible patients." An Ohio doctor said, "Nearly 100% of those who meet the approved indications are getting wavefront procedures, and that is about 44% of the total." A Michigan doctor said, "The laser I use, the Bausch & Lomb Technolas 217, was just approved by the FDA on October 10, 2003, for wavefront ablation for up to -7 diopters of myopia and up to -3 diopters of astigmatism. This range covers about 90% of LASIK eyes. Some patients will not fall into that range, and none of the hyperopic patients can be wavefront treated with current lasers. It is also not yet clear how much benefit there is to wavefront ablation in patients with low higher order aberrations. It does appear that standard LASIK induces some aberrations, so wavefront may potentially benefit most patients."

Within a year, sources predicted that an average of 64% of their LASIK procedures would be wavefront-assisted, though several doctors said their estimate was based on the assumption that the FDA would approve expanded indications for wavefront. A Missouri doctor said, "I expect the percentage increase next year will be determined by the FDA expanding the refractive range for wavefront surgery. If we get broader astigmatism and myopia correction along with hyperopia and mixed astigmatism, it will be available to all our LASIK patients...The higher myopes will more likely be having ICL surgery next year as this will give them a safe and accurate way to improve their uncorrected vision without worrying about the cornea becoming too thin with LASIK surgery." A New York doctor said, "Assuming cylinder gets increased by the FDA, 75% of procedures could be wavefront-assisted. Without new labeling, 54%. I am using CustomCornea on all patients for whom it 'fits.'" An Ohio doctor said, "This time next year—if there is further FDA approval – it is likely that more than 60% of procedures will be wavefront-assisted." A Michigan surgeon said, "One year from now, I will use wavefront for about 70% of LASIK procedures." A New Jersey doctor said, "About 50% of eligible people are choosing wavefront at present. I believe that will increase to 80% in a year."

