

International Round-Up: State of the Refractive Market

Surgeons describe their country's current refractive situation.

Recently, *Cataract & Refractive Surgery Today Europe* contacted ophthalmologists around the world and asked them to report on the current refractive situation in their country. Each surgeon was asked to answer the following questions:

- 1) What type of practice has the majority market share in your country: premium refractive practices or chains?
- 2) Why do you presume the market is broken up that way in your country?
- 3) What is the role of the premium refractive practice in your country? How many patients can an ophthalmologist expect to treat in a year? Is the market flat, on the rise, or on the decline?
- 4) What advice can you offer to premium refractive surgeons in your country to differentiate them from a chain or another premium practice?

This refractive surgery analysis explores the dynamic between premium refractive centers and LASIK chains and how the circumstances differ between countries.

BELGIUM

(*Jérôme C. Vryghem, MD*)

1. Belgian ophthalmologists were involved in refractive surgery from the very beginning, thanks to the pioneering work of Luc Haverbeke, MD, who learned radial keratotomy (RK) from Svyatoslav N. Fyodorov, MD, of Moscow, and trained a lot of Belgian surgeons.

2. Because Belgians were among the first surgeons to use RK, they consequently manifested early interest toward the use of lasers. In 1993, the first laser centers emerged, all of which were owned and controlled by Belgian ophthalmologists, who by law are allowed to develop a private practice in addition to their surgical activities in the hospital.

In the 1990s, attempts to establish refractive centers in big university hospitals ended in disappointment because the structures could not survive financially. Except for one attempt by RealEyes in 2005, no external financial or commercial partners were involved in the creation of these centers. RealEyes' effort to build a center in Brussels ended in

bankruptcy 6 months later. No Belgian ophthalmologist agreed to practice at the center, which had not treated one single patient. Additionally, because L'ordre des Médecins, the governing body that regulates medical activities in Belgium, issued strict regulations as to medical publicity, RealEyes was unable to advertise. The L'ordre des Médecins has prohibited (1) doctors from advertising and (2) commercial companies from advertising on the doctors' behalf. This is why word-of-mouth recommendations are the most efficient way to attract new patients.

The situation experienced in Belgium contrasts with those of many other surrounding countries. In Holland, for example, ophthalmologists started practicing refractive surgery later due to their obligation to work in hospitals. LASIK chains appeared on the market before ophthalmologists had managed to organize themselves.

3. The current situation in Belgium is that only 150 of 1,000 practicing ophthalmologists are involved in refractive surgery. There are approximately 20 private refractive centers (six of which are owned by one surgeon) for a population of 10 million. Only two of these centers are equipped with a femtosecond laser. In most centers, there are five to 30 cooperating ophthalmologists. It is difficult to know the exact number of refractive surgeries performed each year in Belgium—I would guess between 20,000 and 30,000 per year.

The market is relatively flat right now. In earlier years, a lot of patients, especially from Holland, came to Belgium for their refractive procedure because of the lower prices and more extensive experience with refractive surgery. However, for the past 3 years, the number of patients from Holland has decreased because their refractive prices are now lower than ours.

For Belgium, there is no fear of LASIK chains taking over our market share; the legal circumstances make implementation of chains difficult. Premium refractive centers in Belgium are all professionally run—three have even obtained ISO certification in their pursuit of outstanding quality management.

4. The main advice I have for surgeons to differentiate their

practice from another or a local LASIK chain is to continually aim for top-level patient care, in terms of service and treatment.

FRANCE

(Damien Gatinel, MD, PhD)

1. In France, premium refractive practices have the large majority of the market share. Thus far, attempts to implement a LASIK chain have been unsuccessful, although there are rumors that Optical Express and Optimax, two UK-based LASIK chains, may try to establish themselves in the French market. Some itinerant laser platforms may be of interest for geographically isolated practitioners with little or irregular practice in laser refractive surgery.

2. To the French, any surgical procedure that is purely or partly aesthetic is perceived as having serious medical implications. As a result, refractive surgery has a stronger medical connotation (compared with its commercial connotation) here than it does in other countries; however, because the quality of public service in the French health care domain is often judged excellently, the general population is not reluctant to visit a public hospital or well-identified surgical center—even for refractive surgery. In the same vein, many patients in France are not seeking a refractive center with a sleek facility design and wealthy environment but rather one that boasts competence and seriousness. In France, an institution that is too commercial may backfire—or even be considered a handicap—when it is involved in medicine. Additionally, ophthalmologists are the only registered professionals who may prescribe spectacles and/or contact lenses.

Another important point to consider is that the lack of public advertisements (eg, TV, radio, newspaper) for refractive surgery—because they are illegal in France—leaves patients to (1) visit the center nearest to them or (2) depend on family, friends, or coworkers to suggest a reputable center. Therefore, most patients choose a refractive center based on word-of-mouth referrals, not because they see an attractive commercial spot. Internet can be a vehicle for patient recruitment—but there again, too much nonmedical communication can have its drawbacks and trigger suspicion.

3. The refractive market is somewhat flat right now, although activity seemed to be on a slow rise these last few months in France.

There is a large disparity in the number of patients a given ophthalmologist treats in a year. Well-recognized refractive surgery specialists may perform more than 1,000 procedures a year; however, general ophthalmic surgeons may only complete a limited number of cases, sometimes resulting in fewer than 100 procedures per year.

Additionally, other ophthalmologists are reluctant to perform refractive surgery at all—or still have preconceived, negative opinions about it—and may even discourage their

motivated patients from undergoing a refractive surgery evaluation. This mentality does not promote a healthy market.

4. Refractive surgery is not just about technology; it is also about pertinence of the indication and technical quality in the surgical execution. Quality of care must not be sacrificed to satisfy any quantitative objective. In a premium refractive center, the patient must receive thorough examination and detailed explanations from the surgeon who will perform the surgery, not a technician or other staff member.

Because refractive surgery is a service and not a product, it must not be banalized. As its name suggests, refractive surgery is a real surgical procedure—one that is in particularly high demand—that must be executed with perfection. No failure is acceptable in otherwise healthy ametropic eyes.

IRELAND

(Michael O'Keeffe, FRCS)

1. In terms of volume of procedures performed, the market in Ireland is now more than 50% dominated by LASIK chains. The market has been on the rise but with the economy on the decline, this may change.

2. Chains have mounted an aggressive campaign, and some are spending €1 million or more per annum on advertising, making spurious claims that the procedure is completely safe. One advertisement stated, "Come in with your glasses and leave with perfect vision." Chains advertise laser refractive surgery at a cheaper rate, although in some cases this is a marketing ploy known as *bait and switch*, where they offer advanced procedures and sell it to patients at more than double or triple the price they initially advertised.

At these centers, personnel other than the surgeon screen patients and perform follow-up visits. Many surgeons employed by LASIK chains in Ireland are migrants who are paid markedly reduced fees because many have no other means of employment or income.

3. Premium refractive clinics should play a major role in treating patients with refractive error; however, premium centers cannot compete with the LASIK chains in terms of volume or cost. So without large patient volume and with the lack of funds to advertise, premium refractive centers are at a disadvantage. In a typical premium refractive center, the surgeon himself performs the assessment, the surgery, and the follow-up. One advantage of this setting is that surgeons also perform other ophthalmic medical and surgical procedures, meaning that patients have additional options from which to choose. The market has been on the rise, but again the state of the economy may negatively influence this change.

4. Premium refractive surgeons should inform the public and their patients that they are qualified ophthalmic surgeons based in Ireland. It is important for the patient to know that the surgeon performs the preoperative assess-

ment, the surgery, and the postoperative follow-up. This is in contrast to surgeons in the chain setting, who may see the patient only the day before or the day of surgery. Many of these surgeons perform only refractive procedures and therefore many no longer assess patients with other eye disorders or perform any other eye surgical procedures. Therefore, premium refractive surgeons are the most qualified to treat postoperative problems and decide who should undergo surgery, and what is the best or most appropriate procedure for the patient. Additionally, they should highlight the fact that they have clinical independence and are less likely to subject themselves to commercial pressures.

ITALY

(Roberto Pinelli, MD)

1. My impression is that refractive surgery has not reached its potential yet in Italy (and maybe in other European countries also). Italian ophthalmologists interested in refractive surgery work either in hospital settings or in small private practices. Therefore, their attention to refractive correction is only part time. This mentality has to change, which is the main reason why I founded the Italian Refractive Surgery Society (SICR).

The main goal of the SICR is to provide instructional courses in refractive surgery and spread reliable information to patients, who are often overloaded with wrong information and stereotypes about refractive surgery. Our patients' strongest desire is to see without glasses or contact lenses. Refractive surgeons should approach their patients differently than traditional ophthalmologists, both from a communication and psychological point of view. They should be able to provide their patients with professional and human satisfaction by (1) maintaining competence in different surgical approaches, such as corneal and intraocular surgery, (2) listening to the patient and his feedback, and (3) providing the patient with a surgical option that fits his ocular and lifestyle needs.

2. In my opinion, it is not accurate to say that the refractive market is growing or declining. Instead, it is better to say that there is great potential for the refractive market because many people worldwide are affected by vision defects and are waiting for our help and experience.

Cultural and commercial situations are different in every country, and they are influenced by the behavior of their inhabitants. We apply this concept to the way we approach our patients at the Istituto Laser Microchirurgia Oculare (ILMO) in Brescia, Italy. Of course patients need expert surgeons who can provide them with the care they desire; however, they also need sensitive individuals who can talk with them and explain what they need to know. Our staff at the ILMO consists of 20 people who work together to walk

patients through this informational process. We have found that our patients enter surgery with a feeling of trust and happiness for both the surgeon and our surgical center. The surgeon as well as other staff members should talk with the patient before surgery, reiterating information and providing the patient with more security and happiness before and after surgery.

3. We give our patients an extraordinary gift: the return to natural vision. This is a positive and favorable period for refractive surgery because we can offer patients a better quality of life with prostheses and treatments that correct visual problems.

The number of patients an Italian ophthalmologist can expect to treat in 1 year depends on the structure he manages. If refractive surgery is a full-time activity and different customized treatments are offered, it is possible to treat a significant number of patients. Practices offering only refractive procedures, such as the ILMO which schedules 40 to 60 patients per day (1,500–2,000 surgeries per year), are slowly developing in Italy.

Negative refractive cases portrayed by the media or patients who have experienced refractive complications are not adequately counterbalanced with fair information about the great opportunity refractive surgery offers. The refractive market is increasing. We are in fertile ground, not just in Italy but worldwide, and we should be able to dedicate ourselves to this field with passion. I would like to see more ophthalmologists undergo refractive surgery because it would mean that they trust in what they do. It will also influence patients and offer them more reassurance that refractive surgery is safe. We need to knock down the barriers between refractive surgeons and patients. This is the message I believe in.

4. Ophthalmologists are expected to gain expertise, undergo continuous training, and share knowledge with international colleagues. It is also important to put aside our own egos as surgeons and learn to better identify with the patient. Updating our surgical skills to include LASIK, phakic IOLs, lensectomy, scleral approaches, and bilateral surgeries is also of primary importance. As new refractive techniques become available, we should also learn those.

We believe that time devoted to a patient before and after surgery is our best investment; the more time we spend with patients and the more we understand them, the better the outcome will be.

RUSSIA

(Yuri Kishkin, MD)

1. LASIK is the most popular refractive surgical procedure in Russia accounting for 80% of all refractive procedures. PRK, phakic IOL implantation, refractive lensectomy with IOL implantation, and intracorneal ring implantation account for the remaining 20%. In Russia's private refractive

TAKE-HOME MESSAGE

- The state of the refractive surgery market varies from country to country; several are experiencing a downturn in volume due to a weak economy.
- Private clinics can distinguish themselves from chains by offering personalized, competent, customized service.

clinics, we are able to perform refractive lensectomy, and therefore the percentage of cases in which we use LASIK is less than 80%.

2. LASIK has shown the highest postoperative UCVA, low complication rates, and fast functional and visual rehabilitation. Compared with phakic IOL implantation, the cost of LASIK is rather low.

3. Although I do not know the exact number of patients who undergo refractive surgery in Russia each year, I would say that the number is approximately 40,000 to 50,000. A refractive surgeon may expect to perform 200 to 1,000 surgeries per year. Refractive surgery is developing very fast. We recently opened five new clinics in larger cities all over Russia. There are approximately 30 excimer lasers in Moscow alone.

4. I think it is important for surgeons to upgrade their equipment in a timely fashion. I would also recommend that surgeons be attentive to their patients, which should boost the rate of patient satisfaction.

SPAIN

(Angel López Castro, MD)

1. The majority of the refractive market in Spain is in the hands of surgeons who practice in refractive clinics and not the LASIK chains. However, these clinics are not necessarily premium refractive practices because they often lack the newest technology normally found in premium centers. Some refractive centers in Spain are just that—a center where a series of partners share a laser. In some instances, only one surgeon owns the center.

2. I presume that the market is broken up as it is because the Spanish mentality is more focused on confidence and knowledge of the surgeon who will perform the operation and less on the brand. Nevertheless, younger people are more influenced by marketing and advertising, so LASIK chain brands (there are only two in Spain) are also popular with that population.

But changes happen over time, and the mentality of our patients may fluctuate.

For the time, it is true that there are more refractive clinics than there are LASIK chains, which are still not widespread in Spain.

3. The role of the premium clinics, more accurately referred to as *ophthalmologists' clinics* in Spain, is to offer the patient a differentiation in technology, service, and cus-

tomization by the doctor. The No. 1 goal is to treat the patient and provide them with a refractive correction that is best suited for their needs.

An ophthalmologist can treat 5,000 or more patients in 1 year, but in Spain it is more likely that he will treat an average of 600 patients per year. Some surgeons at the top clinics treat 1,000 patients or more per year; however, the Spanish refractive market is undergoing a huge recession, influenced by our economic crisis. Compared with last year, we have experienced approximately a 50% reduction in the number of refractive procedures performed across the country.

4. I think that it is important to invest in state-of-the-art technology. A surgeon should also offer personalized treatment to his patients and integrate internal marketing within his own database.

UNITED STATES

(John A. Vukich, MD)

1. Independent surgeons do the majority of refractive procedures performed in the United States—62% in the first quarter of 2008, according to MarketScope.¹ This statistic has held constant for the past 3 years, and the influence of corporate and institutional centers has similarly held steady over this time.

2. In some respects, this seems to reflect the maturation of the LASIK market in general. The meteoric growth of LASIK observed between 1999 and 2001 brought a wave of corporate investment that was lured by high profit margins and the perception of a huge, untapped market. The invisible hand of free market economics brought price into play and the inevitable arrival of discount centers. Although there is no doubt that price can drive part of the patients' decision-making process, the perception of quality and individual attention are also strong motivators when choosing a refractive center. Corporate centers peaked at 38% of LASIK procedures in the United States in 2007, and that number appears to be relatively stable at 35% of the procedures in the first quarter of 2008.¹

3. What we are currently observing in the United States is a new trend of increasing prices. Average fees for LASIK increased \$83 per eye during the first quarter of 2008 when compared with the same quarter last year,¹ which is somewhat the result of new technology. Custom LASIK now commands 57% of the market,¹ and IntraLase (Advanced Medical Optics, Inc., Santa Ana, California) is used in 48% of cases. New technology and the perception of a better procedure are things patients understand and seem to be willing to pay more for. No one wants to overpay, but quality and individual attention have value. Patients are willing to factor this into their assessment of value.

4. All of the factors I just described paint a picture that is

COVER STORY

encouraging for the premium independent provider in the refractive market. Patients are shopping more than ever; however, price is only one of many factors that shape their decision. We are entering a phase in which the patient experience starts with the Internet. Everything from the first mouse click on your Web site to the way the phone is answered influences patient perception.

Marketing remains as important as ever, but we have to rethink how to best reach the next wave of patients. The challenge to existing premium practices is not necessarily competing with corporate centers but with other local providers that embrace—and do a better job executing—the retail nature of refractive surgery. Perhaps the biggest challenge to all providers of refractive surgery is the vulnerability of elective procedures to the general economy. The current forecast for the LASIK market in the United States calls for a 13% decline in LASIK procedures, which is based on weaker consumer confidence and unfavorable economic conditions. This will surely test the resolve of all providers. ■

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