



Huge declines in price as competition heats up in Vancouver's booming laser-surgery market

Heather Kent

The advertising is everywhere. It covers downtown billboards, buses and bus shelters, it's on the radio and television, and it's in the glossy city magazines. Aggressive marketing, it seems, goes hand in hand with British Columbia's booming market for laser eye surgery, which is enjoying an estimated annual growth rate of 100% across North America.

Ophthalmologists estimate that 20 000 people who want to give up their glasses will undergo laser eye surgery in BC this year alone. This compares with a total of about 30 000 people between 1990 and 1997.

Nowhere are the signs of the boom more apparent than in the Vancouver *Yellow Pages*, where exuberant advertisements for the city's 9 clinics are displayed. They are supplemented by "talking" *Yellow Pages*, which offer free videos, educational seminars, assurances about the safety of laser procedures and information about the cost. Dr. Perry Maerov, a North Vancouver ophthalmologist who has practised laser eye surgery for 7 years, says physicians initially relied on word of mouth to attract patients but "advertising and price bring patients in now. Patients look at it as a commodity rather than a medical or surgical procedure — it's strictly price driven."

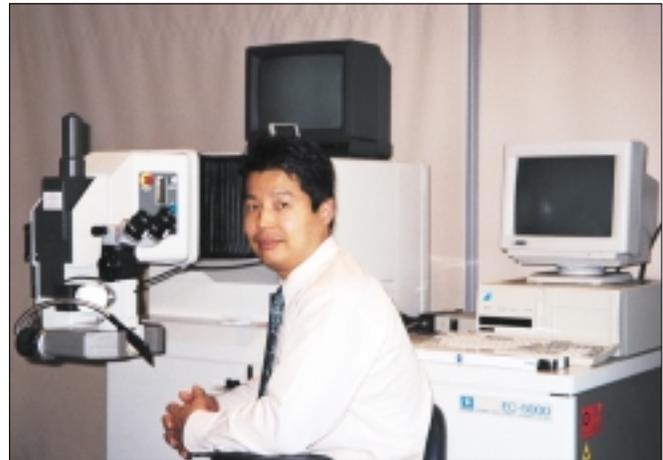
And that's a problem for Dr. Simon Holland, another longtime practitioner. "Patients have to recognize that this is surgery, not a product," he says.

Dr. David Lin, who in 1990 became one of the first laser eye surgeons to set up shop in Vancouver, strongly favours word-of-mouth testimonials over advertising. "If your patients are happy and having good results, you don't need to market," he says. "Patients ultimately go by what a fellow patient has undergone."

Is the market becoming saturated? "Absolutely," says Maerov. "For someone to break in now would be difficult."

Lin agrees: "If I was opening a clinic today, the only thing I could offer is price."

However, Dr. Hugo Sutton, medical director of the Vancouver-based Lasik Vision Corp., is optimistic about room for growth. The company, which operates 11 clinics across Canada, expects to open its first outside Canada (in Washington state) later this month. He says that fewer than 2% of Canadians who are candidates for laser eye surgery have had the operation. "I don't think the market is anything like saturated, given what the public will be wanting." But he agrees that price is the main criteria for "people on the street."



Dr. David Lin: 40% of his laser surgery patients come from outside Canada

Cost cutting has been the key to staying competitive, which means fees have dropped significantly in recent years. The Lasik Vision Corp. now charges Canadian patients (Cdn.)\$999 for LASIK (laser *in situ* keratomileusis) surgery for both eyes, down from \$4800 in 1997 and \$2995 in 1998. For American patients, the price is (US)\$999. When the company first cut its price to \$1498 last year, says James Watson, the vice-president of marketing, business "doubled overnight." Many clinics now offer bank-supported financing plans to help patients cover the cost.

Price is such an obvious driver in this area of medicine that the company's mission statement (www.lasik-vision.com) stresses that its goal is to provide quality care "at the least possible cost."

In an Aug. 9 press release, Lasik Vision Corp. said the company performed 8906 paid laser procedures during its second quarter this year, up from 1826 performed in the same period last year and a 75% increase over its first-quarter results.

Who wants laser eye surgery? The market is driven by a diverse mixture of Canadians and foreign visitors, especially Americans and Asians. Forty percent of Lin's patients come from outside Canada, while most of Maerov's are Canadians. In some months, more than 50% of Sutton's patients are Americans; most are from Washington state, but some come from as far as California, Oregon and Idaho. They are lured across the border by the attractive exchange rate and cheaper surgical fees, as well as by the



fact that the Vancouver doctors have more experience with the surgery than their American counterparts. Sutton says the high volume of surgery in Vancouver allows clinics to charge less, and “we have more advanced equipment than [is allowed in the US].”

With people rushing to get rid of their glasses, how have local optometrists been affected? Many patients undergoing laser eye surgery are comanaged by optometrists, and they often supply reading or sunglasses to these laser-surgery patients. Sutton thinks the entire optical industry is feeling the impact of laser eye surgery and optometrists are

quires monitoring because of the large numbers of people undergoing it, because it is a constantly evolving procedure, because it involves no certification or training, and because there have been complications.”

Holland says there should be “close follow-up in the first week following surgery and for a minimum of 3 months afterwards.” He maintains that the complication rate for LASIK surgery is small — about 1%. However, Van Anandel points out that with the number of patients growing, the number of complications is “bound to grow.”

The latest wrinkle for laser eye clinics is a toxin that is suspected to have caused diffuse lamellar keratitis (DLK, or “sands of the Sahara syndrome”) in some patients who received LASIK surgery in BC. Although it is often asymptomatic, the infection can cause hazy vision, intolerance of bright light and eye pain. DLK can be treated effectively if it is detected early after surgery. In a press release, the college said the cause is “strongly suspected” to be a toxin from deposits that can form on the lining of pipes used in sterilization systems.

Holland found an 18% incidence of the complication in 38 patients treated over a recent 4-month period, and notified the BC college. As a result, the BC Ministry of Health is conducting a surveillance program with the BC Centre for Disease Control and the province’s 9 laser-surgery clinics in an attempt to determine the cause. Most of the clinics have seen “at least one case,” says Dr. Shaun Peck, acting provincial health officer. The bacteria have also been reported in clinics in Calgary, Montreal and across North America, says Van Anandel.

Meanwhile, Van Anandel says patients should ask questions if they are considering laser eye surgery and they should read their consent forms carefully. “I certainly expect physicians to sit down and provide significant information to patients,” he says. This information includes the college’s recent news release on the outbreak of DLK. In a case of buyer beware, “physicians have an ethical responsibility to make sure the patient is beware.”

The college said it issued a press release on the DLK issue in order to remind patients that who were contemplating LASIK refractive surgery that the procedure “is not free of significant risk, and a good result cannot be guaranteed.”

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Lasik Vision Canada now charges \$999 for LASIK surgery involving both eyes, down from \$4800 in 1997 and \$2995 in 1998.

just part of that picture. “Ultimately, it will have an effect on the entire optical industry, not just on optometrists. Optometrists are still there checking people’s eyes and I think there will always be lots of work for them. If there is a change in that, it will be in reducing the absolute dependency on glasses and contacts. This will have more of an effect, eventually, on the optical industry rather than on optometrists’ workloads.”

Although laser eye surgery may seem like a heaven-sent opportunity to work outside of the Canada Health Act, it also has a downside: complications are possible, and so are lawsuits. Dr. Morris Van Anandel, a registrar at the College of Physicians and Surgeons of BC, notes: “What we are dealing with here is a new procedure that is so popular the cart gets before the horse.” Normally, he points out, the testing of new medical procedures would be dealt with “in a very small and gradual fashion, where little kinks would be ironed out and the procedure would eventually become state of the art.”

Dr. Paul Courtright, director of the BC Centre for International and Epidemiologic Ophthalmology, would like to see more stringent follow-up of laser-surgery patients. “Some system for routine, independent outcome assessment should be required. LASIK is a procedure that re-