

Get Into the Game

STAAR Surgical's President and CEO advises cataract surgeons to adopt an elective refractive procedure to supplement their practices' profitability.

BY SARA E. SMITH, MANAGING EDITOR

As the line between cataract and refractive surgery blurs, cataract surgeons may need to adopt an elective refractive method to complement their practices and in order to improve their profitability in today's ophthalmic market. *Cataract & Refractive Surgery Today* asked David Bailey, President and CEO of STAAR Surgical Company (Monrovia, CA), to share his opinions on the state of today's industry, its trends, the direction of the market, and STAAR's place in it.

CROSSING THE LINE BETWEEN CATARACT AND REFRACTIVE SURGERY

A big factor in today's ophthalmic market, according to Mr. Bailey, is the number of baby boomers requiring cataract surgery. The upsurge coming in the next few years is likely to exert intense pressure on the Medicare system to continue reducing surgeons' reimbursement for cataract surgery procedures. "The increase in the number of cataract surgery procedures coupled with a likely decline in reimbursement rates will motivate cataract surgeons to discover a method to turn a standard cataract procedure into essentially an elective, added-value course of action," Mr. Bailey told *CRSToday*. "The [Centers for Medicare & Medicaid Services'] recent rulings on multifocal and toric IOLs allow ophthalmologists to up-sell a covered device, which, compensates for their reduced Medicare reimbursement associated with conventional cataract surgery."

The potential downside to up-selling devices such as toric and multifocal IOLs relates to the technology's not meeting patients' expectations. Mr. Bailey believes it is important to find a balance between meeting or indeed exceeding patients' desired outcomes and up-selling a product. Current multifocal technology, in some instances, does not meet patients' heightened expectations in terms of their postoperative outcomes. Due to such shortfalls in results, these patients may feel the technology does not merit its up-sell. In comparison, he said that toric IOL technology provides predictable results and exceeds patients' expectations. Furthermore, if a toric IOL needs repositioning, Medicare covers that additional procedure. In contrast, there is no such compensation when ophthalmologists perform a secondary surgical intervention in an eye with a multifocal lens.

LASIK HITS ITS LIMIT

Mr. Bailey believes that, to some extent, LASIK's explosion in volume about 10 years ago was due to the reduction in cataract surgery reimbursement. Some ophthalmologists stopped performing cataract surgery or significantly reduced their number of cataract procedures in order to pursue an elective refractive procedure. "Just as the increase LASIK volume was in some part driven by the need to improve practice profitability, so will the elective intraocular procedures, whether ophthalmologists choose to implant a toric or multifocal IOL," Dr. Bailey stated. "LASIK has been used very broadly, and, despite advertising and the introduction of custom LASIK technology, the market appears to no longer be growing. I believe surgeons, in some instances, have pushed LASIK to its limits, and now they need to consider and select the right technology for the appropriate candidate."

HERE AND ABROAD

International ophthalmologists use phakic implants to a greater extent than US ophthalmologists perform LASIK, according to Mr. Bailey. He thinks that phakic IOLs will eventually be at least as popular in the US as they are internationally. His belief is based on the fact that the technology in general exceeds patients' expectations and represents good business for the doctor. "I think the reason US surgeons have not yet adopted the use of phakic IOLs to the degree they have internationally is because they haven't had access to them as long as international doctors," Mr. Bailey explained. "Furthermore, many US surgeons have invested so much in LASIK that they view phakic implants as a potential threat to their refractive surgery investment." If a US surgeon encounters a patient who has moderate-to-high myopia, however, he is likely a much better candidate for a phakic IOL than for LASIK. Currently, surgeons in the US are using phakic IOLs as a niche product. "Our challenge as a company is to position phakic IOLs not as a threat but as a complement to the LASIK practices and as a technology that should be chosen in many more cases," he said. "As we know, 'word of mouth' recommendation, from satisfied patients, is a key factor that drives overall patient referrals into a practice. Given the excellent clinical out-

(Continued on page 75)

(Continued from page 73)

comes with the Visian ICL [STAAR Surgical Company], there is no better way to increase the word-of-mouth recommendation.”

NEW TORIC COMPETITION

STAAR's toric IOL received New Technology IOL status in the late 90s, but this designation has since expired. Approximately 10% of STAAR's unit volume for IOLs in the US is generated by the company's toric IOL, a lens that continues to sell at a premium price. “Now, with Alcon [Laboratories, Inc., Fort Worth, TX] in the toric market, coupled with the [Centers for Medicare & Medicaid Services'] ruling, I think two things will happen,” Mr. Bailey explained. “First, the market demand for toric IOLs is will increase and be driven by improved visual outcomes, the pass-through billing opportunity, and the recent market entry by Alcon. Estimates are that about 40% of the 2.9 million patients that will undergo cataract surgery per year are potential candidates for a toric IOL. Second, STAAR may risk losing some toric market share based on relative cataract market share and market coverage versus Alcon. But overall, we see significant growth potential for this product.”

According to Mr. Bailey, the companies that do not have a toric IOL may lose market share to those that do, because ophthalmologists are constantly looking to increase product volume and procedural value in their practices.

FOCUS ON THE FUTURE

To help mitigate the risk of losing toric-IOL market share to Alcon, STAAR will develop its toric IOL on a collamer platform, a move that will significantly enhance the company's ability to compete in this segment. With an accelerated regulatory strategy, STAAR plans to have the new version of its toric IOL available within 1 year, Mr. Bailey said.

“There is a growing opinion that the future of refractive surgery is inside the eye, rather than on its surface, with improved postoperative quality of vision being the driver of this change,” he stated. “With this belief central to our thinking at STAAR, we are focused on extending and enhancing our implantable portfolio in both the cataract and refractive segments.”

The company is looking to expand approvals and applications for its Visian ICL in many areas with a belief that this will further strengthen its position in the refractive marketplace. In the cataract surgery segment, the company is making improvements to its IOLs and injector systems that will be introduced across the cataract product range, such as the recent US introduction of the aspheric collamer IOL. ■

David Bailey may be reached at dbailey@staar.com.