

# A Survey of Consumer Demand for Premium Cataract Surgery

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Since their introduction five years ago, presbyopia-correcting IOLs have created a new category within cataract surgery. The combination of greater visual functionality with the ability to charge an additional fee for the implantation of these lenses has given ophthalmology a new premium-level offering to consumers who are considering cataract surgery.

Historical data collected by Market Scope (St. Louis, MO) and others indicate that approximately 7% of cataract patients choose to “upgrade” to premium IOLs at an average out-of-pocket fee of \$2,284 per eye.

SM2 Strategic fielded a survey of cataract patients to determine awareness and willingness to pay for premium lens implants. Results from 279 patients who completed an online survey indicate that awareness of these new options is low. Once educated, interest is high, with the majority of consumers surveyed indicating they would like unaided vision for all distances. Nearly half (47%) are willing to pay at least \$1,000, with one-fourth saying “money is no object” when it comes to investing in improving their vision.

These data suggest there is a robust market segment for premium IOLs that is willing to pay once informed of the benefits. This segment is estimated at 20-30% of patients having cataract surgery, significantly higher than the current penetration being observed in the marketplace.

## Introduction

Cataract surgery has seen tremendous advances in the past 40 years, with numerous milestones being achieved following the advent of phaco emulsification for cataract extraction. Lenses have become increasingly sophisticated in terms of material (PMMA, then acrylic) and optical functionality (aspheric, toric, accommodating, and multifocal). Regulatory changes have created a “free market” environment for developers of new IOLs and the surgeons who use them with patients.

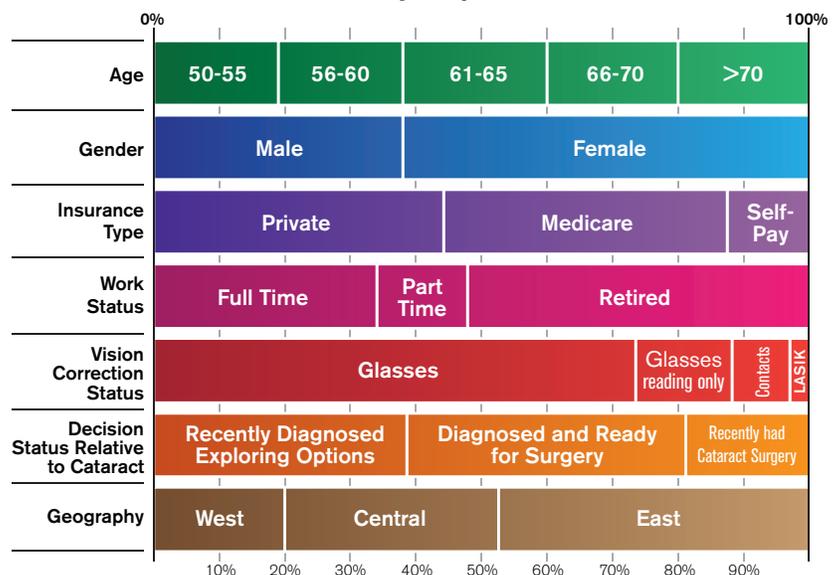
Today, the three leading ophthalmic surgical companies each offer a presbyopia-correcting IOL. One of these manufacturers, Bausch and Lomb Surgical (Aliso Viejo, CA) asked SM2 Strategic to conduct a survey of patients to bet-

ter understand demand for these lenses and price sensitivity among consumers. While premium IOLs offer consumers a promise similar to LASIK, the context of the decision is different: Patients diagnosed with cataracts are faced with the need to have surgery in order to correct a disease state. With a “when, not if” patient mindset, the decision to spend money on an elective component of a reimbursed “standard” procedure (with RLE as an exception) takes on a different tone and weight. This study attempted to capture current receptivity among consumers by asking them to tell us what they know about cataract surgery, these newer technologies, and their willingness to pay for them out-of-pocket.

## Methods

An online survey was developed in conjunction with the Vision Research Center (Philadelphia, PA), a leading healthcare market research firm. Participants were recruited using banner ads on the leading eye care portal www.allaboutvision.com, a site likely to attract the attention of cataract patients. Interested people were screened to limit respondents to those who were at least 50 years of age and had received a diagnosis of cataract. Survey respondents were further screened to ensure a mix by age, geography and type of insurance, as shown in Table 1.

**Table 1: Survey Respondents Profile (N=279)**



**Figure 1: Consumer Perceptions**

The Importance of Vision (N=279)	
	Top 2 Box Score
I believe that the health-related choices I make now are likely to affect me for the rest of my life	95%
My vision is the most precious of my senses. Having crisp, clear vision at all distances is extremely important to me	93%
Looking and feeling young is important to me	58%
Perceptions of Cataract Surgery (N=279)	
	Top 2 Box Score
Most people who undergo cataract surgery will still need to wear glasses	54%
Most people who undergo cataract surgery will be able to see clearly at all distances – near, far, and in between – with no need for glasses	20%

The survey generated a baseline measurement of awareness and perceptions about cataract surgery as well as willingness to pay more for advanced options. Following a brief description of the benefits of a Crystalens® implant, survey takers were then assessed on their interest in not wearing glasses following surgery and how much they would both *expect* to pay and be *willing* to pay for this type of outcome. The entire data set was collected in the first quarter of 2009.

**RESULTS**

**Function Outweighs Aesthetics**

Consumers were asked to state their level of agreement with various statements regarding the importance of vision. Nearly all respondents place high importance on their vision and the impact of health care choices. Specifically, 93% either agree or totally agree (known as a “top two box score” on a five-point scale) that having clear and crisp vision at all distances is extremely important, with 95% similarly stating that the choices they make regarding healthcare decisions will have a life-lasting impact. By contrast, the perceived aesthetic value of a vision-improving procedure does not carry nearly as much significance, as only half of consumers (57%) agreed that looking and feeling young is important. See Figure 1.

The implication for surgeons is significant in how

they communicate benefits of premium IOLs to patients, as this finding contradicts the conventional wisdom that premium IOLs will appeal to the vanity of aging baby boomers who just simply don’t want to grow old. Appealing to the ability to have great vision at all distances far outweighs changing one’s appearance in the minds of people who have been diagnosed with cataracts and are considering their options.

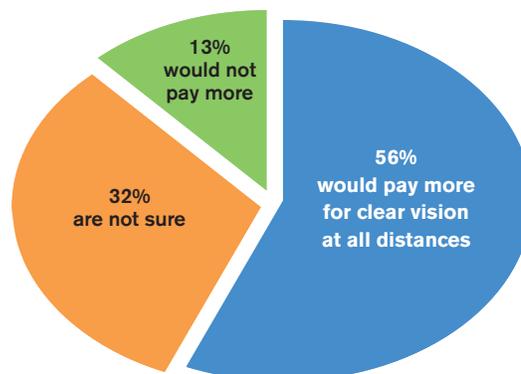
**Having Cataract Surgery Means Still Needing Glasses**

The majority of survey respondents believe they will need to wear glasses following cataract surgery (Top two Box Score of 54%), while only 20% agreed that they would be able to see clearly at all distances. These data points (also shown in Figure 1) illustrate the need for much more education in creating awareness for the newer technology IOLs. The value of such efforts can be seen in the following section relating to patients’ desired outcomes.

**Desired Outcome for Most Means Glasses Free**

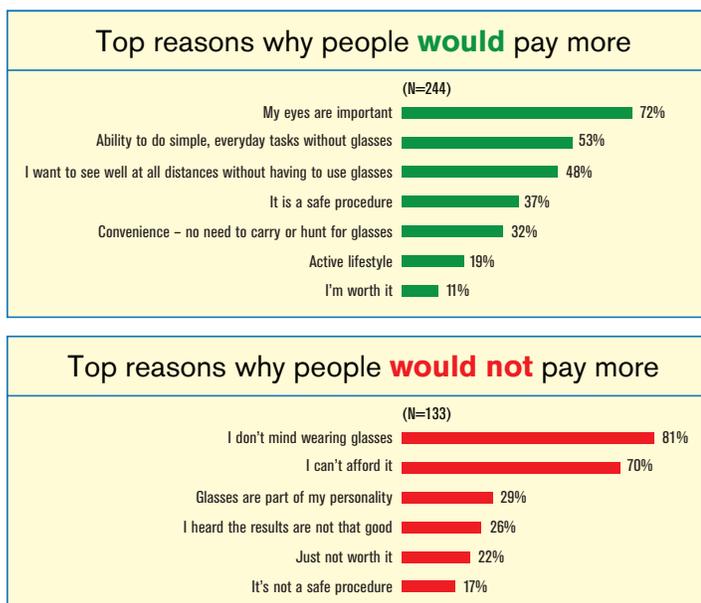
When forced to choose between two statements: one offering all distance vision with an associated extra cost, and the other offering clear distance vision and the need for reading glasses with no cost, a slight majority (53%) chose the first statement.

We then asked a slightly different question, focusing mainly on their willingness to pay more. A similar majority (56%) indicated they would pay more for clear vision at all distances, while 13% indicated they would not. One third of respondents (32%) were not sure. This last group likely does not have enough familiarity with the concept and benefit of premium IOLs to make an informed decision (see Figure 2).



**Figure 2: Willingness to Pay More (N=279)**

**Figure 3: Freedom From Glasses is Important**



**Reasons For and Against Paying More**

Based on their response to the question shown in Figure 2, survey respondents were then asked to select from a long list their reasons for the answer they chose. Those who were not sure were asked to list reasons both for and against paying more, as shown in Figure 3. People who said they are willing to pay more or were unsure (n=244) place great importance on their vision (72%), want the ability to do with everyday tasks without glasses (53%), want to see well at all distances (48%), and believe the procedure is safe (37%). Consistent with the earlier section on the importance of vision in their lives, reasons such as active lifestyle (19%) or because “I’m worth it” (11%) receive much lower scores. Indeed, freedom and functionality are the key drivers for people’s willingness to pay more.

On the other side of the equation, those people that said they wouldn’t pay more or were unsure (n=133) indicated they simply don’t mind wearing glasses (80%), feel they cannot afford it (70%), or believe that glasses are part of their personality (29%).

**Price Sensitivity for Premium IOLs**

We then exposed consumers to the following statement regarding the Crystalens and likely benefits to the patient:

*Crystalens® is an IOL (intraocular lens) that not only corrects your cataracts, it gives you back your full range of vision – allowing you to see near, far and everywhere in between. In fact, many people who choose Crystalens*

*hardly, if ever, need glasses or contacts again.*

Next, we asked how much they expected something like this to cost them out-of-pocket and how much was “too expensive” in terms of their willingness to pay.

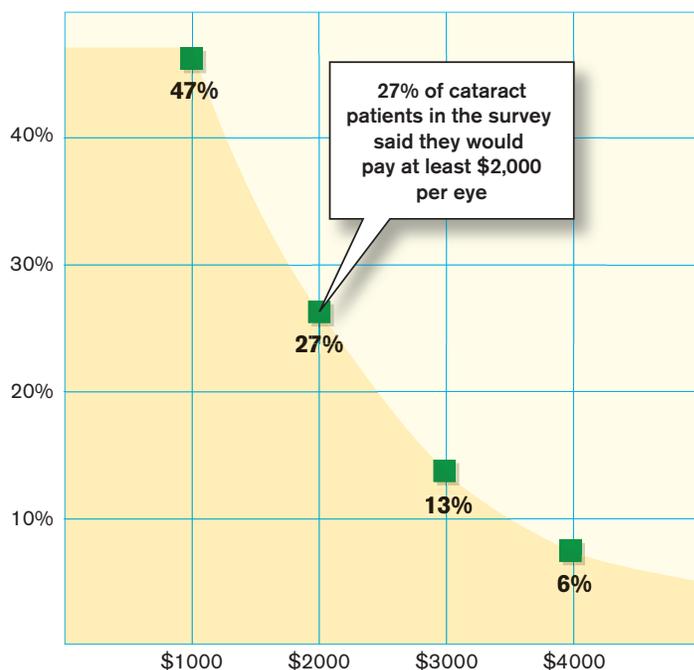
The first question was designed to be “open-ended” with respect to expectations of cost. Nearly two-thirds (63%) indicated they thought the Crystalens out-of-pocket cost would be less than \$1,000 per eye (weighted average of \$687).

The second question was designed to establish a tolerance for what people would actually be willing to spend by asking them to indicate the threshold at which the out-of-pocket portion for such a procedure would be considered too expensive. As shown in Figure 4, approximately half of consumers in the survey (47%) would be willing to pay at least \$1,000 per eye. More than one-fourth would pay at least \$2,000 per eye. Thirteen percent would spend at least \$3,000 per eye, and 6% indicated they would spend at least \$4,000 per eye. These findings suggest that innate interest (based on a two-sentence description) is high and will likely increase as patients go deeper into the education process (e.g., a full consultation).

**Impact of Economic Factors**

Wanting to assess how decisions around cataract surgery would be impacted by the current economic climate, we asked the following question:

**Figure 4: Amount Patients Are Willing to Pay**  
Percent of Patients at Each Threshold (N=279)



**Table 2: Impact of Economic Factors** (N=279)

I'm willing to pay a little more out of pocket for some advanced options	44%
Money is no object as far as my eyes are concerned	26%
I might pay more money out of pocket but it will be tough to convince me	12%
I am going to make my decision strictly based on what my insurance will cover	18%

*Overall, what impact will economic factors (your current income, money markets, etc) have on decisions regarding your options for cataract surgery?*

Consumers were asked to choose from among four possible responses (as shown in Table 2) to give us a sense of the relationship between economic factors and their decision making regarding Premium IOL technology. One in four (26%) indicated that money is no object as far as their eyes are concerned. While nearly one in five (18%) stated they would make their decision strictly based on their coverage, more than four in five (82%) said they at least would consider paying in light of current economic factors.

#### **Impact of Age, Insurance, Net Worth**

With several exceptions, cross-tab analyses yielded very few differences among sub-groups with respect to their interest in premium IOL technology.

There was a clear line at 65 years of age in expectation of out-of-pocket costs. Of those younger than 65, nearly two-thirds (62%) expect the cost to be between \$1,000-\$3,000, while 62% of those older than 65 expected the cost to be zero.

Combining the two “negative” choices from the question shown in Table 2 allows us to form a resistance metric, with 30% saying they either would not pay more or be tough to convince. In the sub-groups, resistance was relatively lower among private insurance (24%) and higher among Medicare (33%) and self-pay individuals (52%). Resistance was much higher among those with household net worth above \$2 million (38%) and below \$250,000 (39%) than those whose net worth fell in between (range of 8-10%).

#### **Summary**

This survey was conducted in the first quarter of 2009, during a period of economic upheaval and uncertainty in the minds of consumers and physicians alike. The survey results make clear that consumers who are in the decision

process regarding cataract surgery are largely unaware of the new premium IOL technologies and, once briefly educated, express interest in paying for greater benefits.

There was strong consistency across the various ways we investigated the elective component, with approximately half the sample wanting clear vision at all distances and willing to pay (53%), agreeing they would pay more to see with no need for glasses (53%), and willing to pay at least \$1,000 per eye (47%). Similar consistency was seen around not being willing to pay, with 13% saying they would not pay more and 19% saying they would make the decision based on what is covered.

As a result, it is reasonable to expect that 20-30% of current cataract patients are willing to convert to a premium implant. The current single-digit rate is a result of low awareness and lack of understanding of the benefits of the technology on a widespread basis. With growing awareness and acceptance (as well as improving technology), the penetration rate can be significantly higher.

#### **Discussion**

The premium IOL is an elective component to a well established surgical procedure. Unlike what is experienced in the aesthetic category, patients in this survey place higher value on *what they see* versus *how others see them*. In other words, it's the lack of seeing well that makes people feel old, not the wearing of glasses themselves.

This survey also underscores that cataract patients need to be segmented by level of interest as determined in the initial discussions regarding surgical options. Practices should be careful to never pre-judge or exclude someone based on demographic characteristics. Instead, all patients should be briefed on the new technology without prejudice, followed by questions to assess lifestyle as well as personality (e.g., Dell Index).

There is a strong need for education at the practice level to build awareness as well as perceived value for these offerings among the cataract patient population, a expanding range that now includes fifty-somethings and eighty-somethings.

Leading with messages based on the conventional “aging baby boomer” messages of looking, feeling and staying younger will not have nearly as much impact or positive influence on the patient's decision making process. Instead, physicians and their staff need to focus on functional vision and the ability to perform everyday tasks better.