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What Sets Us Apart?

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BY ROCHELLE NATALONI, CONTRIBUTING EDITOR

Section Editor:

Shareef Mahdavi
Pleasanton, California

Editorial Advisors:

Matt Jensen
Sioux Falls, South Dakota

James D. Dawes
Sarasota, Florida

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Premium Practice Today is a monthly feature section in **CRST** providing articles and resources to assist surgeons and their staff in the pursuit of premium practice development to facilitate exceptional experiences for patients and business success.

What Sets Us Apart?

One of these things is not like the others.

BY ROCHELLE NATALONI, CONTRIBUTING EDITOR

You are what you charge for. This is the single most compelling statement from The Experience Economy, the best-selling textbook on the shift from services to experiences as a way of increasing value—real and perceived—to fuel growth in our nation's economy. As many of your ophthalmic colleagues state in this month's column, refractive surgeons have historically undervalued their services to consumers. They are singing my song, and it has been my singular mission to help you see that patients are indeed willing to pay for services and procedures that are not covered by insurance. We only have to look across the way to see how other specialists, especially cosmetic dermatologists and plastic surgeons, have done a much better job building and preserving value for their services.

The sidebar is particularly noteworthy: Strathspey Crown (in which I am an investor) is serving to unify specialty doctors who have private-pay procedures as their common ground. In my view, doctors have been systematically divided and conquered by forces outside medicine in ways that have been hugely detrimental to the relationship between a doctor and his or her patient. It is about time that an organization has emerged that seeks to reverse this trend and put doctors back in control.

—Section Editor Shareef Mahdavi

Since the dawn of refractive surgery, ophthalmic surgeons who depended at least partially on out-of-pocket payments had to establish fair yet competitive pricing and have a system in place to ensure timely compensation. As the business of performing elective ophthalmic surgery evolves, cataract and refractive surgeons can look to cosmetic surgeons, aesthetic dermatologists, maxillofacial surgeons, and others to learn how to flourish in the self-pay environment.



Marguerite McDonald, MD, of Ophthalmic Consultants of Long Island, New York (www.oci.net/physicians/oci-mcdonald-old.htm), a laser vision correction pioneer, points out that, despite similarities to other lifestyle-

enhancing specialists, “ophthalmic surgeons know that what sets them apart from aesthetic dermatologists, cosmetic surgeons, and others who depend primarily on self-pay patients is that in ophthalmology—with procedures such as LASIK, premium IOL surgery, and laser cataract surgery—the end result is always a functional benefit. In other self-pay scenarios, more often than not, the benefit is purely cosmetic. Obviously, she clarifies, there are exceptions such as reconstructive plastic surgery; however, even in many of those cases, the outcome provides an aesthetic as opposed to a functional fix. Whereas, even in the case of purely elective

ophthalmic procedures, surgeons have the privilege of doing more than simply making the patients look better; they have the privilege of making them see better. This distinction, stresses Dr. McDonald, is invaluable. “What we do alters the function of the eye, not the appearance of the eye, so LASIK and premium IOL surgery do not meet the definition of cosmetic surgery,” she says. “We allow them to see better and to function better, which has repercussions in every aspect of the patient's life.”



Marketing and advertising tend to tout refractive surgery's ability to provide 20/20 visual acuity, but Daniel S. Durrie, MD, director of Durrie Vision, Overland Park, Kansas (www.durrievision.com), points out that

that is counterproductive, because “this surgery is about so much more than what people see on an eye chart. It's about how they function in their environment. We make a point of asking people what they are able to do now that they couldn't do before their surgery. I've had professional baseball players who were able to eliminate errors and increase their batting average and surgeons who could go from the microscope to grabbing a tool from the instrument tray without the need of a surgical loupe. I've had soldiers write to me saying they were able to save their troop because they saw something critical, and I've had a

police officer tell me he was spotting for a sniper in a dark ally and was able to tell the sniper, 'Don't shoot that guy,' because he could see so well. These are all people whom I operated on who are able to function better professionally because of elective surgery."



William Fishkind, MD, of Fishkind, Bakewell and Maltzman Eye Care and Surgery Center, Tucson, Arizona (<http://eyestucson.com/our-doctors/william-j-fishkind-md-facs>), notes the ironic twist:

"We as physicians have been uniquely unsuccessful at explaining to people just how life changing what we do is." As tough as it is to convey the magnitude of laser refractive surgery's benefits—and its equivalent financial value—the challenge is even greater for premium lens and laser cataract surgery, he says. "We are seeing cataract and refractive surgery and laser all melding into one grab bag of procedures," he explains. "Now, we are dealing with people who are losing vision, and if they don't do anything about it, they are not going to be able to function in society, so they are more willing to undergo surgery. These patients have the potential now to see better than they ever did or at least since they were 45 years old. They just have to get over the impediment that it's going to cost more money and that Medicare and insurance are not going to pay for it. For some reason, it's a tough sell. To perform this surgery successfully, it takes a lot of machinery. It takes a lot of surgical skill. It takes a lot of follow-up. It takes all these things to give a good result, and all of this has monetary value. We have to sell patients based on the fact that it has monetary value. For some reason, eye surgeons aren't so good at this."



Along those lines, says Jay S. Pepose, MD, director of Pepose Vision Institute, St. Louis (www.peposevision.com), ocular surgeons have done themselves a huge disservice. "As a profes-

sion, we haven't appropriately valued what we do with respect to the degree that we improve our patient's quality of life," he says. "It's as if a lot of us are almost embarrassed to ask people to pay out of pocket. Many are still in that insurance mindset. They undervalue what it took to get to the point where we are able to offer these services with confidence: the training, experience, etc. It's like the anecdote where someone sees Picasso on the beach and asks him to draw their portrait. The artist draws the portrait on a napkin and hands it over. The man asks, 'How much,' and Picasso says, '\$10,000.' The man says, 'That's ridiculous. It only took you 15 minutes,' and Picasso replies, 'No, it took me my whole life and 15 minutes.'"

Part of the problem, says Dr. Pepose, is that corporations tried to market refractive surgery as a commodity.

"Functional vision is not a widget; it shouldn't be about shopping for the best price," he argues. "I always tell my patients, 'If you were shopping for a parachute, you wouldn't look for the cheapest one.'"

MORE ALIKE THAN DIFFERENT

For the most part, surgeons interviewed for this article say there are many benefits inherent to learning from their peers in other specialties that offer elective surgery. "I think we're more alike than many of us realize," says Dr. Durrie (see *Growth Equity Firm Is Bullish on Self-Pay Specialties*). Among the most worthwhile lessons, physicians say that charging appropriately—and unapologetically—for services that need to be repeated or fine-tuned is justified. Patients need to understand that, as the eye ages and technology evolves, additional procedures may be necessary or helpful and that there will absolutely be a charge for those future interventions should they opt for them.



"When I look at these other specialties, the take-home message for me is that it's OK to charge for your services," says veteran cataract and refractive surgeon David Dillman, MD, Dillman Eye Care Associates, Danville, Illinois (www.dillmaneyecare.com). "I've been in practice for 33 years and doing refractive surgery since 1985. Patient expectations and even surgeon expectations are so much higher than they were 30 years ago, but the cost of [satisfying] those expectations is so much higher, too. If you're going to try to establish and meet extremely high expectations, you've got to be willing to pay the price to get there, and for the most part, that's just technology. Somebody has to pay for the technology. Plastic surgeons and cosmetic dentists are not afraid to pass those costs on to the patient to help them reach those expectations."



William J. Lahnert, MD, medical director and director of laser vision services, Center for Sight, Sarasota, Florida (www.centerforsight.net), says, "I have never understood why ophthalmologists have not learned from our cosmetic colleagues. [The latter] know that, if you provide a cosmetic procedure that is of value to patients, they will find a way to pay for it. I have never seen cosmetic dentists or plastic surgeons offering discount facelifts or veneers. Why ophthalmologists have fallen into this trap continues to mystify and disturb me. The first example of this was in the early 2000s when we saw 'discount LASIK' practices. This ended up being a complete failure and diminished the perceived value of LASIK, which is the most successful elective surgery ever performed on humans."

GROWTH EQUITY FIRM IS BULLISH ON SELF-PAY SPECIALTIES

The editors of *Premium Practice Today* are not the only ones who think that cataract and refractive surgeons have a lot in common with plastic surgeons and dermatologists. Strathspey Crown, LLC, Newport Beach, California (strathspeycrown.com), and its founder, Robert Grant, think so, too. The growth equity firm sprang up recently with the goal of commercializing technology and services in the self-pay sector of health care and essentially moving things along a little more efficiently.

"The specialties that we are focusing on provide life-enhancing as opposed to lifesaving benefits: refractive ophthalmology, dermatology, plastic and aesthetic surgery, cosmetic dentistry, sports medicine, and sleep disorders," says Mr. Grant. "By working closely with physicians in these specialties, we can develop more rapidly technologies that will benefit patients and have significant life-enhancing benefits. The physicians actually work with us to decide which products we are going to license and how we're going to go to market with those products, and we have specialty physicians who are tops in their field to help us make those key decisions."

Mr. Grant explains, "Products that have a medical need but also have a lifestyle benefit attached to them are having a hard time getting approved by [the] FDA right now, because [the sponsors have] to show comparative effectiveness. However, for something like laser cataract surgery, it's not necessary to show comparative effectiveness, because the product is not approved by [the Centers for Medicare & Medicaid Services] for reimbursement. One of the things

that we're doing as a firm is working to make that clearer."

"All of our products, of course, will still have to be FDA approved just like any other product to prove their safety and efficacy, but we do not have the same restrictions around The False Claims Act because there's no government payment," Mr. Grant says. "As soon as there's no government or third-party payment involved, then you have a lot more freedom to partner with physicians. If patients are willing to pay for something, [their access to a product should not be restricted] simply because the government doesn't want to pay for it —if it's not going to end up paying for it anyway."

He says that one of the big advantages of Strathspey Crown's business model is that all of these different specialists can learn from each other. "The physicians in the lifestyle specialties essentially face many of the same issues and challenges," Mr. Grant says.

Strathspey Crown is bullish about the self-pay sector of health care. "When you're in a consumer economy and a consumer health care space and when doctors and companies can work closely together, then it really benefits the patients," he comments. "We believe that a unique partnership with doctors puts us in a position to provide a great benefit to those patients for both their outcomes as well as their experience[s]."

Robert Grant may be reached through Jenna Mons, the director of Strathspey Crown LLC, at (904) 343-3449; jm@strathspeycrown.com.



With respect to charging appropriately for services, Dr. McDonald points out, "We have a lot to learn from dermatologists and plastic surgeons. With every word and every gesture, we're essentially apologizing when patients need to pay us more to come back and get something repeated. Dermatologists don't apologize every time they have to charge patients for Botox [onabotulinumtoxinA; Allergan, Inc.]. Plastic surgeons don't apologize every time a patient needs a tuck and a snip. We have to get over our fixation with providing repeat treatments or enhancements for free or at a discounted rate." According to Dr. McDonald, this is especially true now that more procedures that will need to be repeated are in the pipeline or coming to market such as conductive keratoplasty (CK) and optimal keratoplasty or Opti-K. "CK is resurfacing with the help of cross-linking, and

Opti-K [NTK Enterprises, Inc.] requires repeating every 18 months." Opti-K is a form of laser thermal keratoplasty for the treatment of presbyopia; unlike CK, it leaves the corneal endothelium intact.



Interestingly, says Peter S. Hersh, MD, of the Cornea and Laser Eye Institute-Hersh Vision Group, Teaneck, New Jersey (www.vision-institute.com), cosmetic surgeons and dentists have adapted far better to the self-pay environment than ophthalmologists, despite the fact that laser refractive surgery and premium lens procedures bring enormous benefits to the day-to-day function of the patient. "These procedures allow patients to do things that they would otherwise have difficulty doing or perhaps not be able to do at all," he says. "Surgeons who do refractive

“The advent of laser refractive surgery was the sea change that energized self-pay procedures.”

—Peter S. Hersh, MD

surgery say LASIK patients are among the happiest patients in all of medicine. They say that, other than giving birth, it's among the happiest days of their life. So clearly, the kinds of things that we're able to do with our techniques and technologies today have superlative outcomes for the patient." Even so, he pointed out, it is not uncommon to see surgeons offering free enhancements for life or other counterproductive, profit-draining incentives. "We are so used to dealing in general ophthalmology with Medicare and private insurance companies that we are uncomfortable addressing the issue of self pay with patients and setting appropriate prices."

Dr. Hersh adds that the advent of laser refractive surgery was the sea change that energized self-pay procedures. "Laser refractive surgery was and is a procedure that had such good results and such great patient benefits that both surgeon and patient know its value, and also it had never been within the standard insurance system, so there was never an expectation on the side of the patient that it should be," he says. "It becomes more complicated with lens refractive surgery, because you're combing the types of procedure, whereas with LASIK, from day 1, patients knew that insurance didn't cover it."

In addition to implementing strategies to charge appropriately for procedures that are not covered by Medicare or private insurance, ocular surgeons need to move away from the practice of offering free or reduced-rate enhancements. Dr. Durrie explains, "Refractive surgery has only been around for 35 years, so we didn't do a very good job of anticipating what was going to happen down the road. Dentists, plastic surgeons, and dermatologists knew that, not only should they not overpromise that people wouldn't need surgery in years to come, but they even put it in their business plans that they would charge them again. For ophthalmologists, it was common practice to say, 'If you need more surgery down the road, we'll do it for free.' Now, people are coming back with these lifetime guarantees that were given in some of the more commercial laser centers and saying, 'Take care of my presbyopia.

You promised me,' even though, realistically, patients probably knew that it wasn't going to last forever." Still, he adds, in the end, it's the physician's responsibility to educate patients properly.

CONCLUSION

Dr. Durrie says, "One of the problems is that, 20 years ago, we didn't talk to people about presbyopia. [Now,] there are people out there telling their friends not to have LASIK, because they had it 20 years ago and now it wore off."



R. Bruce Wallace III, MD, Wallace Eye Associates, Alexandria, Louisiana

(<http://wallaceeyesurgery.com/index.cfm/doctors/bwallace>), says he is careful never to overpromise. "We are one of the investigative

sites for a new lens that is being developed," he says. "We spend a lot of time on the research end of this, so we are quite aware of the fact that there is always an evolutionary pattern to any medical concept or treatment, and I think patients understand that things are not going to be the same 20 years from now. There's always going to be improvement. I think that, the same way they realize that there are improvements with automobiles and cell phones, there will be improvements with the technology and treatments used in their surgical procedures."

Dr. Durrie adds, "I constantly have to re-educate people that LASIK didn't 'wear off.' It's that they got older, and they have presbyopia. When you explain it to them, they understand it, but I think that, as lifestyle surgeons, similar to our peers in cosmetic and plastic surgery, we need to do a better job of talking about what's going to happen down the road." ■

David Dillman, MD, may be reached at (217) 443-2244; dadomer@aol.com.

Daniel S. Durrie, MD, may be reached at (913) 706-4285; ddurrie@durrievision.com.

William Fishkind, MD, may be reached at (520) 299-5779; wfishkind@earthlink.net.

Peter S. Hersh, MD, may be reached at (201) 692-9434; phersh@vision-institute.com.

William J. Lahners, MD, may be reached at (941) 925-2020; wjlahners@centerforsight.net.

Marguerite McDonald, MD, may be reached at (516) 593-7709 ext. 222; margueritemcdmd@aol.com.

Jay S. Pepose, MD, may be reached at (636) 728-0111; jpepose@peposevision.com.

R. Bruce Wallace, III, MD, may be reached at (318) 448-4488; rbw123@aol.com.