

THE ORANGE COUNTY REGISTER

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Crystal clear decision

A Medicare rule change allows eyeonics of Aliso Viejo to sell its cataract replacement lens to seniors for the first time.

By **BERNARD J. WOLFSON** and **MAYRAV SAAR**
The Orange County Register

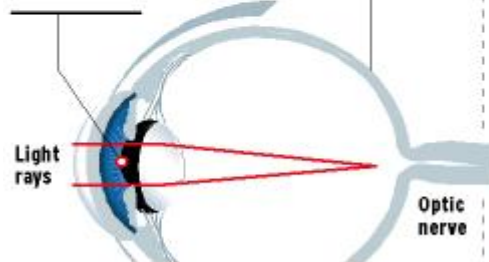
Replacing a cataract lens with a crystalens

Crystalens uses hinges that allow the lens to move to provide for near, intermediate and distance vision.

How the lens works

The lens changes shape, moving back and forth to focus light rays from objects near and far on the retina.

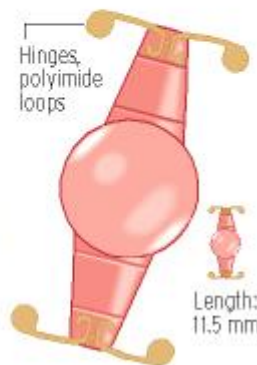
The retina converts the light rays to electrical impulses that are transmitted through the optic nerve to the brain.



Sources: C&C Vision; Robert Maloney, associate clinical professor of ophthalmology, UC LA; Lawrence Chao, associate professor of ophthalmology, UCI

crystalens

Intraocular lens AT-45 is a silicone lens that is 1.5 mm thick.



Chantal Lamers and Molly Zisk / The Register

Seniors with cataracts - and a little disposable income - now have access to a revolutionary lens that mimics the human eye and can help restore the vision of their youth.

Medicare, the federal health insurance program for people 65 and over, Tuesday threw out an obscure rule that barred beneficiaries undergoing cataract surgery from choosing crystalens, a technology launched 18 months ago by **eyeonics inc.** of Aliso Viejo.

The Medicare decision is a boon for eyeonics, which sold \$13 million worth of crystalens last year - all to people under 65 - and expects that number to multiply rapidly as the market expands to include people of Medicare age. It is also a windfall for the 400 ophthalmologists nationwide who currently implant crystalens, and for many more who will be trained to do so.

Seniors who are willing to spend up to \$3,000 on each eye can have a flexible lens implanted after cataract surgery that focuses just like the human eye, allowing them to see far, near and in-between, and to eliminate the need for reading glasses. Traditional cataract lenses - those covered by Medicare - are rigid and require

reading glasses.

"The key word is rejuvenation," said Andy Corley, chief executive of eyeonics. "Patients want to see young and they want to feel young, and crystalens helps provide that benefit. We're trying to help patients have a glasses-free lifestyle if they choose to."

Until now, eyeonics' potential market was restricted to the roughly 500,000 people under 65 who have cataract surgery each year. About 2.5 million Medicare beneficiaries also have such surgery, which means the potential market is now six times as big. Corley declined to say what percentage of those would have the inclination and financial wherewithal to choose crystalens.

But Dr. Gregg Feinerman, a Newport Beach ophthalmologist who offers crystalens implants for cataract patients, said he expects his volume to double with the ruling. "This is huge. We got 50 calls about this today," Feinerman said.

Medicare pays about \$2,000 for cataract surgery, and the patient pays the rest. Under the new ruling, the amount Medicare will pay stays the same. The difference is that patients can choose crystalens - which will cost them more.

Kathryn Tanquary, one of Feinerman's patients, had cataract surgery on her right eye last week and got a traditional lens covered by Medicare. It will cost her about \$1,500 out of her own pocket after Medicare pays its share. She returned to Feinerman's office Tuesday for surgery on her other eye, and became one of the first patients to get crystalens under Medicare. Tuesday's operation will cost her \$3,000 out of pocket.

But the money wasn't the point, said Tanquary, 76, of Whittier. She wanted crystalens.

Tanquary's left eye was still blurry and dilated from her surgery on Thursday, so she's not yet sure how she will adjust to her new lens. But she said she's considering replacing the lens in her right eye with a crystalens, too, now that she knows she can.

The old Medicare rule, which eyeonics opposed for years, prohibited doctors from charging Medicare patients for crystalens. And it barred the patients themselves from paying for it, even if they wanted to. The problem - a largely bureaucratic one - was that crystalens treats two conditions at once, one covered by Medicare and the other not.

The covered condition is cataracts, and the uncovered one is presbyopia - a common age-related hardening of the eye's natural lens that impedes close vision and requires the use of reading glasses. Ophthalmologists who contract with Medicare agree to treat cataracts at a set rate, and the federal agency considered it a breach of that contract for them to accept more money for it - even if they were treating another condition at the same time.

"I couldn't touch it," said Feinerman. "If Medicare got wind of it, they'd take away my (right to treat Medicare patients), and that's about 40 percent of my income. It wasn't worth it."

In its fight to change the rule, eyeonics contacted U.S. Rep. Christopher Cox, R-Newport Beach, who waged an aggressive lobbying campaign with Medicare on the company's behalf.

"This is a big victory for Medicare patients, who will no longer be barred from receiving the best technology," said Cox, adding that Medicare will apply the new rule when similar situations arise. "It is also a victory for the many innovative citizens of Orange County who create and develop new devices and therapies."

Corley acknowledged that he had contributed to Cox's congressional campaign, though Cox said he wasn't

aware of the contribution and that it had nothing to do with his actions on behalf of eyeonics.

Corley said crystalens was making a big difference in the lives of people who have had it implanted.

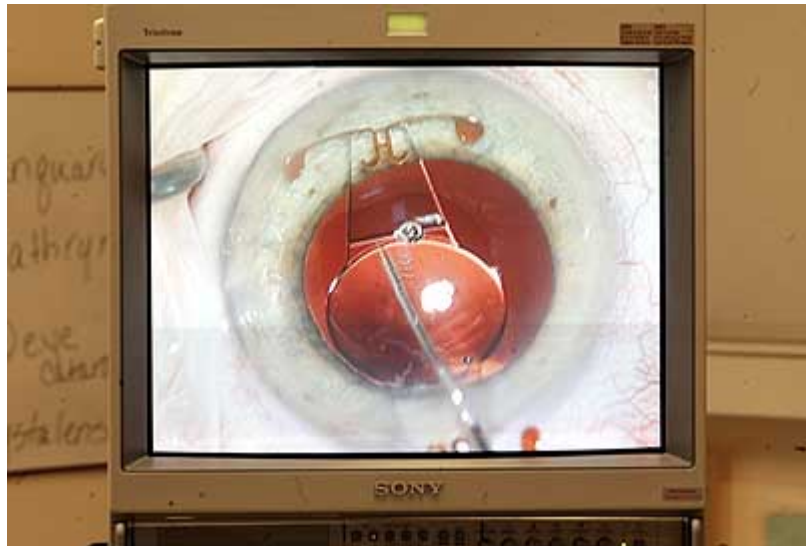
"When you talk to our patients, they'll tell you about their vision, but if you allow them to ramble on unencumbered, they'll start to tell you how they feel," Corley said. "Your eyesight is incredibly valuable to the quality of life."

Those sentiments were echoed by Gary Tosti, a 57- year-old Mission Viejo resident who had crystalens implanted in his right eye Tuesday, one week after having it done in his left eye. Tosti said colors are much brighter and he no longer has to stick his face an inch from the newspaper in order to read it.

"It's a miracle. I've gone from 20/2000 to almost 20/20 in 20 minutes," he said. "So there you go. It's a godsend. I really believe that."

SURGERY: Eyeonics' Dr. Gregg Feinerman implants a crystalens in Kathryn Tanquary's eye Tuesday.

PAUL E. RODRIGUEZ, THE ORANGE COUNTY REGISTER



EYEONICS INC.

What it does: Maker of crystalens

Headquarters: Aliso Viejo

CEO: Andy Corley

Revenue: \$13 million in 2004

Employees: 85



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