

Various factors should be considered when structuring fees for Corneal Refractive Therapy in your practice. Professional services, COGS or cost of goods (Paragon CRT lenses), competitive positioning against other corneal reshaping modalities (such as Lasik) and the economic profile of your patient base should be part of the fee-structuring equation.

Professional Service Component

The enclosed reprint emphasizes the professional services side of your fee structure and is very applicable to Paragon CRT. It is your expertise and skill that differentiate you from your competition. This is especially true with Corneal Refractive Therapy. Do not sell yourself short.

If you are using corneal topography, it should be reflected in your fees. Corneal topography provides valuable information for fitting and a visual appreciation of the applied technology for the patient.

Perceived Value of Result

Lifestyle benefits

Remember to consider the perceived value of the lifestyle improvement to the patient. Corneal Refractive Therapy can change how a consumer conducts their daily activities and give them more freedom to pursue these activities without the hassles of traditional daytime vision correction. Visual freedom is valuable and should be taken into account when you consider your fee.

Competitive Positioning

When reviewing your competition consider the following:

- ◆ Do you want to offer the therapy for more or less than your competitors?
- ◆ Are you looking for *high volume at a lower price* or *low volume at a higher price*?
- ◆ Are you entering the market as the pricing leader?
- ◆ Are you entering low, intending to raise fees at a later date?

Also determine where you want your price point relative to the average price for laser surgery. In the case of Corneal Refractive Therapy, you are providing a similar result.

Financing Programs

If offering a financing program, such as the CareCredit® option described later in this section, you may want to consider the costs to the practice when establishing your global fee in anticipation of significant usage of the time payment program.

Global Fees

You will want to consider setting a global or comprehensive fee for the initial therapy or first year of Paragon CRT. Fill in the following to help guide you:

	Practice Cost	Patient Fee	Expected Profit
Initial exam and evaluation			
Corneal Topography (if applicable)			
Diagnostic fitting and dispensing visit			
First follow-up visit			
Subsequent follow-up visits (# of visits X fee per visit)			
Paragon CRT lenses - primary pair	\$175*		
Paragon CRT lenses - spare pair	\$87.50*		
Totals			

* Reflects current suggested retail price; actual cost may vary.

After Year One

Your patients will want to know what their financial commitment is after the first year. You should determine your ongoing or renewal fee based on your COGS, the annual examination and follow-up visits if needed. Annual replacement of Paragon CRT lenses is recommended. If the patient has used their spare pair, that should be replaced as well. For marketing purposes, you will want to combine your professional services with the cost of lenses to determine the fee for year two and beyond. It is wise to advise the new patient what to expect in annual fees so there are no surprises.

Cancellation Policy

You should establish a cancellation policy in the rare event that a patient should decide that Corneal Refractive Therapy is not for them. You must determine how much of the fee you will reimburse.

Many patients who are interested in Corneal Refractive Therapy may find the cost hard to handle all at once. And, though Corneal Refractive Therapy is worth a significant fee, practitioners and their staff, especially those not involved with refractive surgery, sometimes have difficulty presenting this premium price to patients. Price may become a barrier to patient acceptance of Corneal Refractive Therapy. Or, the practice may anticipate objections, prejudge patient's response and not present the option. One way to make it easier for the practice to position the cost and make Paragon CRT more affordable for the patient is to offer financing programs that benefit both.

Paragon has researched several options. Our research led us to CareCredit®, a company already well known by refractive surgeons and others in the medical community. CareCredit has over 30,000 practices enrolled and is the nation's largest provider of interest free financing plans having financed over a million patients.

Grow Your Acceptance of CRT Through Interest Free Patient Financing Plans

**Remove
cost as a
barrier**

Practices that offer interest free financing have effectively removed the price barrier when choosing the Paragon CRT option. The removal of this barrier not only increases treatment acceptance, it eliminates the need for costly in-practice billing. On average, every time you direct bill a patient, you wait 72 days before you're paid. That's 72 days of managing accounts receivables as well as printing and sending statements. CareCredit transactions are automatically deposited into your account in two business days without recourse to you if the patient defaults on payments. Affiliation with Paragon Vision Sciences entitles you to free enrollment in this practice-building program.

The CareCredit program is simple:

- The patient immediately signs up in office by phone, fax or Internet. This process takes about five minutes.
- The patient has the option of three no-interest plans of 3, 6 or 12 months
- The Practice fee is as follows:
 - ◆ 5% if financed for 3 months (\$300 minimum procedure fee financed)
 - ◆ 6.9% if financed for 6 months (\$700 minimum procedure fee financed)
 - ◆ 9.9% if financed for 12 months (\$1,000 minimum procedure fee financed)
- The Practice receives money within 48 hours via electronic deposit.
- The patient remits payments directly to CareCredit
 - ◆ Patient receives monthly statements
 - ◆ Monthly payments are a minimum of 3% of amount financed (i.e. \$30 for \$1000 financed)
 - ◆ A balloon payment for unpaid balance is due at the end of interest free period or
 - This balloon may be converted to a time-payment plan with interest based on CareCredit current rates and terms

CareCredit also has an extended payment plan with a minimum of \$1500 financed. More specific information on the CareCredit program is included in this binder. Contact CareCredit at 1-800-300-3046 extension 215 to learn more. CareCredit will take it from there.

There are other financing alternatives available to you and credit card acceptance is also an option. *When selecting a financing company be sure to inquire if their program is with or without recourse to the practice.* If the program is with recourse, the financing company will come back to your practice for payment if the patient defaults. Research your options carefully and choose the program that works best for you and your patients.