

It is fair to say that the introduction and growth of optical coherence tomography (OCT) into mainstream independent practice has been one of the most significant events for the profession in the last decade.

OCT technology has marked a huge leap forward in the discovery and diagnosis of eye health at 'local' level. However, this equipment is not only expensive and complex, but commands a large footprint in terms of both space and time. So is the hype around OCT worthy and is there a strong enough commercial case for the use of OCT in every day practice?

To investigate whether OCT can generate solid returns we need to investigate OCT in three sections.

## Clinical

It must be said that this article is a commercial one and based on the financial viability of OCT. The clinical side is an entirely separate debate and has been and will continue to be widely reflected in the clinical pages of this journal. However, there are a couple of points to note.

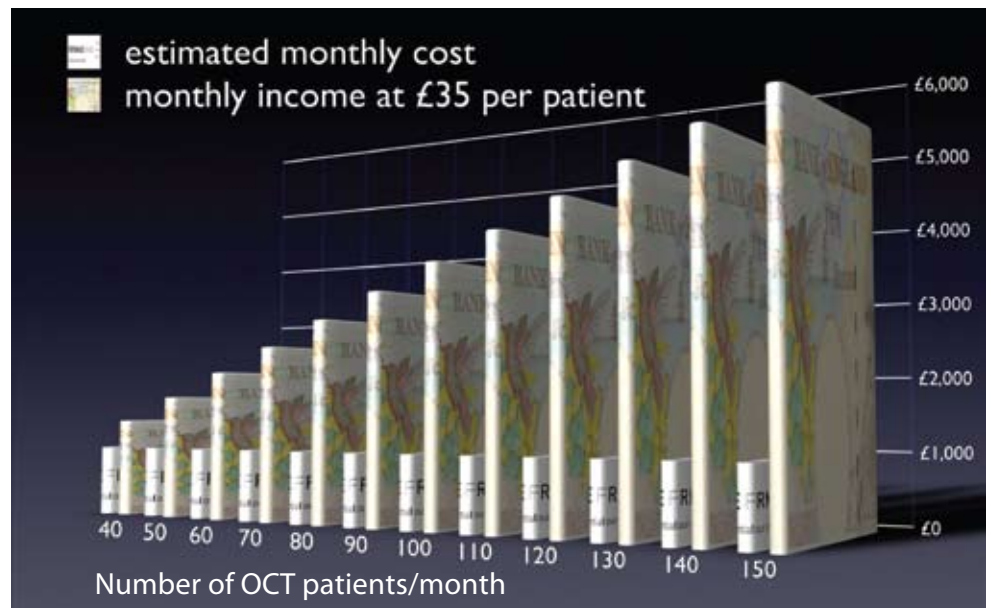
OCT offers accurate and repeatable information about the shape and thickness of a variety of structures in three dimensions and allows accurate screening and monitoring of changes over time. It may also display and transfer that information in a number of ways that both helps educate other staff and patients, but also allows good links with other professionals to be established. Eye health issues, such as the ability to differentiate between wet and dry AMD, monitoring drusen, assessing macular oedema, and evaluating glaucoma risk through the nerve fibre layer analysis and ganglion cell complex assessment, are all possible. Modern instruments offer information about the disc, the macula and retina and the anterior segment. Naturally there is a steep learning curve, but frequently this is no more complex than understanding that you are looking at the actual anatomy and ultra-structure.

This does not necessarily mean an optometrist reaches a full and accurate diagnosis each time, but maintains the ability to consistently recognise or monitor abnormalities, establish urgency of referral and provide ophthalmologists with good quality information. Such quality and accuracy can only enhance the respect other professionals have for your input and increase goodwill within the relationship.

With good training, regular use

# OCT pays its way

Stuart Burn shows what a significant impact OCT can make to your practice and revenue stream



**Figure 1**  
Estimated OCT returns

and a healthy referral relationship, the commercial viability of OCT is improved dramatically.

## Logistical

Building OCT into the fabric of a practice is, for me, the most challenging and interesting part of this puzzle. The reason for this is that there is no definitive right answer.

Each practice is individual and so you must make your own decisions on how to structure OCT in practice – where to locate it? inside or outside the consulting room? Who will operate the equipment? – optometrist or other staff?

Some believe that the instrument should be situated within the consulting room and operated by an optometrist to ensure quality, consistency and to avoid undervaluing the equipment's significance. These optometrists tend to place a high value on educating patients about their eyes and ocular health. OCT in the consulting room quite simply means the time allocated to the examination must increase. This in turn means fewer patients are seen, fewer patients means fewer dispenses and of course fewer spectacle sales is not good.

An alternative view is that more time spent with the patient results in higher value dispensing and of course if you simply don't have the space anywhere else then you're left with no choice.

Notwithstanding the space issue, where possible I would suggest keeping OCT out of the consulting room and training your other team members to use the equipment. This will allow the optometrists to concentrate on sight testing in a bid to maximise patient numbers and therefore maximise revenues. There will still be the requirement for an optometrist to scrutinise the images in time allocated somewhere else in the diary, but overall this is less time consuming.

The next question is how to build OCT into your systems and processes to allow for good throughput.

The first thing to say here is that the owner of the business must completely believe in OCT and its benefits for their patients. Without the 'buy-in' from the top then it will be difficult to train and motivate the team accordingly.

It's easy enough to add details onto your website, into your recall letters and in the practice itself, but, without the belief from your team, OCT will soon fall short of success. Take the time to train your non-clinical staff and show them typical images that you have seen in the first few weeks of ownership.

This is where the clinical benefits need to be fully explained to the team so they understand that the practice is serious about eye health, looking for



early diagnosis of a wider range of eye conditions and in some cases even save a patient's sight. Even the most curmudgeonly should be able to see the clear benefits of such equipment.

Decide your target market. Are you looking to offer this to all or just to those that fit certain criteria – over 45s, smokers, significant family history and so on? Many practices look to offer the scan as an 'upgrade' within a tiered sight testing system – gold, platinum and so on. They therefore look to convert patients to the higher test fee which includes OCT.

Other practitioners start with a 'comprehensive eye examination' which includes OCT for all. You then have the option to remove the OCT should price become an objection. Many optometrists have found that it is easy to enable NHS patients to upgrade and see the tangible value, but the harder aspect is persuading private patients to upgrade their eye examination and many now simply increase their fee to accommodate OCT and perform it on all private patients.

Your location, competition and patient demographic will provide pointers here as to which route will best suit your practice.

Decide your price per patient. As above, there are pointers in terms of location, competition and demographic, but ultimately as the practice owner your opinion counts and you must ensure your practice believes in and provides a clear message regards overall patient care and health.

Monthly payment schemes such as Eyeplan are also very useful as it is often much easier raising a monthly charge from say £8 per month to £11 per month and including your OCT as part of the plan. Of course these schemes can also be created in house and usually help to 'soften the blow' when it comes to fees.

It is also imperative you monitor the number of scans per week or per month. You need to know the numbers and income OCT is generating.

A good practice will therefore spend time training and re-training to ensure staff are well versed in the benefits of OCT and are comfortable talking to patients about price and value. By monitoring the number of patients scanned and noticing how your staff perform, it is easy to see what and who is working well with OCT.

Developing OCT into the fabric and routine of a practice is probably the most challenging element and a mastery of this area will transform the returns that can be made.

## Commercial

The return on investment for an OCT is hugely important. The equipment is not cheap and very few can afford an OCT to gather dust in the corner.

I would almost always recommend financing the acquisition. It's hard to imagine a case where spending £30,000 to £60,000 in cash and waiting months or even years to recover your outlay being good business sense.

Financing over 3-5 years will take the sting out of the purchase and allow you to make a return from day one. Additionally, it is simple to demonstrate that if you can achieve your target numbers, waiting for the instrument to drop in price means you are likely to lose money every month waiting.

A good finance scheme will also ensure VAT is spread for those who can or wish to reclaim VAT under *de minimis*. Additionally, there has also been a noteworthy change to tax allowances, with the annual investment allowance (AIA) increasing to £250,000 from January 2013 (for two years only). This is the highest the AIA has ever been and provides an excellent opportunity to maximise tax relief from investing in OCT.

In terms of income generation, charge per patient and throughput are the two driving factors here. It is very simple, the bigger the numbers the more profit you make and there are a few factors to consider.

The first is the size of your patient base and the number of days a week eye examinations are performed. In general, a practice testing two days each week is unlikely to make OCT sustainable. The focus should be on increasing patient numbers and sight test days, not purchasing an OCT.

Those testing at near full capacity for four or more days per week are likely to be able to make a good return from OCT. Those testing six days or more can generate significant additional income.

Patient charges for OCT vary considerably around the country, but a broad average of £35 per patient is about right. Based on 100 patients a month this provides £3,500 of income each month.

Cost and specification for OCT also varies a great deal, but leasing over five years will usually give monthly costs of around £600-£1,200 per month. On this basis, practice profit would be £2,300 to £2,900 per month or £27,600 to £34,800 per year, which is certainly a sizeable boost when margins are being squeezed in most other areas.

One hundred patients per month is a good target for many practices, but I have seen 150-200 in busy practices with well trained staff and several large practices performing over 400 a month.

Based on the same £35 per patient, break-even for OCT is circa 18-35 patients per month and I would suggest this is achievable for the vast majority of practices testing for four days.

The relationship between the charge per patient and numbers per month is critical in maximising your returns and there is no harm in experimenting with charges for the first few months to get it right for your practice.

Notwithstanding the obvious potential for income, another significant advantage is the differentiation from other practices and in particular from your multiple competitors who, to date, have not embraced OCT and whose business models do not lend themselves to a range of examination charges and upgrades.

There can be a tendency to under-price patient fees, usually because the optometrist/owner, however experienced, frequently under-estimates the cost of their time. Good training, support, systems and processes help you to correctly price the OCT scan and in so doing become valued by staff and patients alike.

There is much to consider when looking at OCT with commerciality being just one facet. However, if this area is dealt with objectively there is no reason why OCT cannot make a very substantial impact to your bottom line. ●

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## TOP 10 TIPS

- Build OCT into the everyday routine of the practice
- Ensure you are testing at least four days week
- Believe in OCT as a diagnostic tool and its benefits for your patients
- Ensure you and all your team are trained and feel comfortable discussing the benefits of OCT
- Locate the equipment outside the consulting room
- Monitor the number of scans performed and even reward achievements
- Encourage and develop links with hospitals and local ophthalmologists
- Hold an open day with local GPs, encourage them to visit and demonstrate the benefits of OCT. Stay in touch with them thereafter
- Finance the purchase - a five-year term allows a return from day one
- Ensure you get the best tax and VAT advice to help minimise the cost and avoid costly VAT mistakes