

Subject: New Advertising Campaign and Co-Management Fees

To: Co-Managing Doctors

July 1, 2003

The new VISX WaveScan™ technology offers the refractive patient a new plateau of visual precision never before attainable with standard Lasik technology. With the advent of this new technology we have made some new decisions regarding marketing strategy, pricing structure, and policy regarding co-managing doctors.

This new technology will come with a price. The VISX hardware was purchased several months ago at a significant capital outlay. Custom treatments will incur a significantly higher software card fee paid to the manufacturer for each procedure.

The new technology would normally allow for a significant increase in surgery fees. However, in order to be competitive in this rather depressed market, we are increasing the surgery fees for such procedures by our per-patient costs only.

Our marketing strategy and pricing structure has been totally redesigned. The great news is that we will have two plans that your staff can offer their patients, and the surgery fees for each plan is no longer dependent on the patients prescription. So, your patients will have a choice of the "Standard Vision Plan" which is basically our present surgery plan, and the "20/20 Precision Vision Plan" which includes our exclusive 20/20 Money Back Guarantee. There is now just one price for each plan regardless of prescription. We feel this new pricing plan will eliminate confusion, and give you the opportunity to concentrate on which plan will be best for your patients.

In an attempt to carry the idea of simplicity one step further, we are also changing our policy on co-management fees. Starting immediately, we will be paying a flat fee per eye regardless of the plan chosen and regardless of the discounts the patient is authorized. We simply can no longer pay a percentage of the fee when the difference in the two plans is all cost, and contains no additional profit. One co-management fee will also save time in administering the program.

**Effective today, our new co-management fee is \$375 per eye.** We realize this offers no monetary incentive to recommend the 20/20 Precision Vision Plan, but we know you will recommend it based on what will provide the best possible surgical outcome for your patient. The 20/20 Precision Vision Plan does require an additional commitment on the part of the patient however. In addition to the standard visits to the co-managing doctor, and the trip to Buckley Vision Institute on surgery day, the patient must also schedule a pre-surgery WaveScan™ testing visit at least one day prior to their surgery day, as well as a final 18 month follow-up visit at Buckley Vision Institute for the Money-Back Guarantee and Limited Lifetime Commitment to be valid.

In addition to that, patients whose vision is beyond 6 diopters of myopia and 3 diopters of astigmatism, or who are hyperopic, will only qualify for the Standard Vision Plan (SVP).

The new surgery fee schedule and pricing plan sheet along with the contracts for each plan is attached. I suggest you make copies of the plan sheet and provide a copy to your patients so they can compare the two plans and make a decision on which is best for them. Once they decide on

which plan they want, give them a copy of the contract for that plan, and have them **bring it with them on surgery day.**

Initially, and for some time to come, we will be offering a significant introductory discount on the 2020 Precision Vision Plan. I have attached our Pricing Plan sheet that you can show your patients. With this introductory discount, we are offering the 2020 Plan at a very competitive price. The corporate and occupational discounts also attached apply to both Vision Plans indicated on the pricing sheet.

As always, we appreciate your partnership with us, and the patient referrals you provide to us. We are very excited about our new 20/20 Money Back Guarantee and Limited Lifetime Warranty campaign and we look forward to a continued business relationship with you.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Van Dyke". The signature is fluid and cursive, with a large initial "J" and "V".

Jim Van Dyke  
Director of Marketing  
Buckley Vision Institute