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## Set Better Goals by Predicting Cataract Surgery Volumes



By Maureen Waddle, Senior Consultant, BSM Consulting

Around this time of year, practices are setting budgets and goals for the next year. Typically, a growth percentage is applied, but how do practices know if that percentage is realistic or maybe not aggressive enough?

A quick assessment of the overall market area can help practices set realistic goals. In particular, knowing surgical procedure data can be quite helpful in planning for the future. Because cataract surgery is the most frequently performed procedure for ophthalmologists, this article focuses on predicting cataract surgery volume in your market area. Astute practices will use this type of data in their overall strategic planning process.

### Cataract Surgeries Prediction Formulas

The first step is to gather demographic information that includes population broken down by age. The more information you have about gender, income levels, and disease rates for the area, the better a practice might be able to hone its prediction. Even if a practice does not have its own detailed information, it is possible to use the national, broad-based information gathered through Centers for Medicare and Medicaid (CMS) statistics. This will provide a general idea of the cataract surgery volume for the market area.

To estimate total available cataracts per year in a given area, use the following ratios:

- Total population under 65 divided by 1,000 x 3.5+
- Total population 65 and older divided by 1,000 x 65

### Calculating Practice Market Share

Next, use current volumes from the practice compared against estimates of available volume in the area to calculate the current market share for the practice. Here is what a spreadsheet might look like for these calculations:

Age Range	Population	Cases per Thousand	Estimated Market Cases
65+	60,000	65	3,900
0-65	500,000	3.5	1,750
<b>Total Market Cataract Cases</b>			<b>5,650</b>
<b>Our practice this year</b>			<b>880</b>
<b>Market Share</b>			<b>15.6%</b>

Now that the practice's approximate market share is calculated, it's time to determine whether or not the practice's market share can be improved. Based on this analysis, the answers to these questions will help predict volume changes from year to year:

- What is a reasonable increase in market share over the next year?
- What does that equal in terms of surgical volume increases in the practice?
- What is the projected population growth rate and how does that impact the practice's numbers?
- Is it possible to foresee any opportunities or threats that will have significant impact on projected volumes?
- Are there any significant changes to the competitive environment this year (e.g., change in provider productivity, retiring providers, new providers)?

### Financial Impact

With the coming year's volume estimated, multiply the average collections per case by the projected surgery numbers to estimate surgical revenue potential for those procedures. This exercise will help in preparing revenue estimates for the practice budget for the following year.

### Better Plans and Decisions

Practice executives should take the time to develop a local market assessment to help identify opportunities and threats. This assessment will assist practice leaders: 1) estimate current and future surgical market share and volumes, 2) frame goals for growth in procedures and revenues, and 3) make better plans and decisions for the future of the practice.



**About the author:** Maureen Waddle is a senior consultant with BSM Consulting, an internationally recognized health care consulting firm headquartered in Incline Village, Nevada and Scottsdale, Arizona. For more information about the author, BSM Consulting, or content/resources discussed in this article, please visit the **BSM Café** at [www.BSMCafe.com](http://www.BSMCafe.com).