

Key Updates:

- LCA-Vision, d/b/a LasikPlus and Joffe Medicenter, <u>has agreed to pay</u> \$1.25 million to settle the Federal Trade Commission's (FTC) allegations that it misrepresented the price of eye surgery to entice prospective customers.
- According to the FTC's allegations, only a small percentage of patients qualified for the promotional rate.
- In addition to the monetary fine, the clinics are prohibited from misrepresenting the cost of surgery or omitting restrictions on advertised services.

Lasik's TV, radio, direct mail, and internet advertising campaign focused on promotional pricing of \$250 or \$295. Advertisements emphasized the \$250 cost by directing potential customers to the 250lasik.com website. Many of the advertisements provided no information about eligibility, while others used general language like "restrictions apply" or "see website for details," which was displayed in print that was significantly smaller than the \$250 or \$295 headline and was not provided until well after the website visitor was invited to schedule a "free consultation."

According to the FTC, consumers did not learn the true cost of the Lasik procedure until they had invested time and energy in sitting through full-dilation eye exams and completed required in-person consultations; further, multiple previously unknown factors influenced eligibility and price. For patients with less than near-normal vision, the company reportedly typically charged between \$1,800 and \$2,295 per year. The advertisements also failed to inform patients that the promotional price was only for one eye.

Moreover, the FTC asserted that only 1.3% of patients actually received promotional prices for the service, even though 6.45% of patients qualified for the promotional rate. Staff were allegedly instructed to inform customers that the pricier laser surgery choices were safer and more successful.

LCA-Vision agreed to settle the complaint by being transparent in future advertisements about the average cost per eye its clients pay, as well as any conditions attached to any advertised discounts. With the FTC's <u>focus</u> on protecting consumers' pockets in a challenging economy, the agency will continue to scrutinize pricing claims.

Authors



Jason S. Howell

Partner
JHowell@perkinscoie.com 206.359.3134



Wonji Kerper

Associate WKerper@perkinscoie.com 206.359.3795



Nathan W. Kosnoff

Discovery Attorney NKosnoff@perkinscoie.com 206.359.6673

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