rethink eyecare
Integrated Health Solutions

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American Optometric Association
Are your eyes ancillary?

- Vision disorders are the 4th most common disability in the United States and the most prevalent handicapping condition during childhood. The majority of these vision problems can be prevented through early detection from routine and comprehensive eye care.

- Surveys show that of all the senses, vision is the sense that 9 out of 10 people fear losing most.

- Imagine the impact on your work day or your workforce with uncorrected vision problems.
Your Eyes and Eye Health are Essential

- Public health strives to protect and preserve the health and well-being of individuals and communities. This includes not only the length of life, but also the quality of life.
- “During a comprehensive eye examination, eye care practitioners can not only evaluate eye health, but also observe changes associated with health conditions like diabetes and hypertension. Frequently, these observations are made before other symptoms occur. Thus, eye examinations provide opportunities for early identification, referral and treatment of conditions which otherwise might result in more advanced conditions and or the need for more costly interventions. This is the essence of public health: Protecting, preserving and enhancing the quality of life.”

Melvin D. Shipp, O.D., Ph.D., Dr.Ph., Immediate Past President, American Public Health Association
Why do patients seek eye care?

The importance of vision and the impact poor vision has on those of us experiencing it drives many of us to see a clinician providing a great opportunity for early detection and intervention.

Common Drivers:

- Failed School Screening
- Poor school / job performance
- Inability to pass drivers license screening
- Presbyopia (age related blurred near vision)
- Fear of loss of vision
- Injuries and illness
Have you ever considered the ramifications of poor vision on your workforce?

- **Absenteeism**
  - Taking days off for initial and follow up visits for eye related conditions
- **Presenteeism**
  - Consider the affects of poor vision on daily job performance and productivity
- **Days out to care for family members**
  - Children with poor vision underperform in school and require significant additional resources and time often prompting parents to take additional days away from work

Proper eye care plays a key role in your healthy productive work force
How Eye Health and Vision Benefits are Currently Administered – The Current State of the Market

• Limited scope/benefit “Vision Plans” created a market in the “ancillary benefit” space
  • “Routine” Eye Exam
  • Materials Benefit

• Often these plans are not integrated with health plans
  • Creates an artificial separation between Eye Health and Vision benefits and a barrier to patients receiving essential eye care
  • Creates a barrier to data sharing and integration

• Vision Plans strength are in delivering discounted materials benefits
  • Eyeglasses
  • Contact lenses
    – Studies show that this may drive “utilization”, however fragmented utilization may INCREASE overall cost
How are eye care services delivered today?

Ancillary benefits

- Self selected “add on” to medical benefit package
- Typically administered by a “vision plan”

Offers only a limited subset of services including a “routine” eye examination and a discounted materials benefit (eyeglasses and contact lenses)

Integrated benefits

- Eye examination is a core component of the health benefit package
- Administered by health plan just like all other health care services

May or may not include a material benefit

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How are eye care services delivered today?

• Defining the problem
  • The current bifurcated delivery model causes patient confusion
    • Can they access the same provider for “routine” and medical eye care services?
    • Where do they get their “discounted” eyeglass benefits?
    • Do they equate that provider with the discounted material benefit and medical eye care services?
• Many patients are uninformed
  • If they have a vision plan, they feel that their eye care benefits are limited in scope to that which is covered by that limited benefit plan
• Self-selection
  • Only those who perceive a need will enroll
  • 1 in 4 employees choose not to enroll in their employers vision plan*

*Transitions Optical Study by Harris Interactive, 2010
Why integrate benefits?

Significant Cost Savings, Direct Provider Access, Better Patient Outcomes

• Can be achieved by adding optometry services to standard health plan coverage

• Optometry office visit costs are less than other medical service locations such as emergency rooms, urgent care centers and specialty physician offices

• The quality of eye care provided by optometrists is at the highest level
Appropriate use of comprehensive eye exams is estimated to result in over $2M in savings for an employer of 1,000 employees.*

<table>
<thead>
<tr>
<th>Disease Category</th>
<th>Disease</th>
<th>Number of Employees</th>
<th>Medical Savings</th>
<th>Productivity Gains</th>
<th>Total Savings</th>
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</thead>
<tbody>
<tr>
<td><strong>Systemic Disease</strong></td>
<td>Prediabetes</td>
<td>9</td>
<td>$21,176</td>
<td>$8,933</td>
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<tr>
<td></td>
<td>Diabetes</td>
<td>75</td>
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<tr>
<td></td>
<td>Undiagnosed High Blood Pressure</td>
<td>80</td>
<td>$34,572</td>
<td>$15,637</td>
<td>$50,209</td>
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<td></td>
<td>Diagnosed High Blood Pressure</td>
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<td>$108,518</td>
<td>$48,338</td>
<td>$156,856</td>
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<tr>
<td></td>
<td><strong>Annual Cost Avoidance Possible Through Comprehensive Eye Care</strong></td>
<td>416</td>
<td><strong>$224,932</strong></td>
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<td><strong>$297,840</strong></td>
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<td><strong>Eye Disease</strong></td>
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<td>Diabetic Retinopathy</td>
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<td>Increased Ocular Pressure</td>
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<td>Glaucoma</td>
<td>24</td>
<td>$20,641</td>
<td>-</td>
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<tr>
<td></td>
<td>Macular Degeneration</td>
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<td>$20,641</td>
<td>-</td>
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<td><strong>Annual Cost Avoidance Possible Through Comprehensive Eye Care</strong></td>
<td>172</td>
<td><strong>$414,458</strong></td>
<td>-</td>
<td><strong>$414,458</strong></td>
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<tr>
<td><strong>Vision Problems</strong></td>
<td>Trouble Seeing Up-Close</td>
<td>292</td>
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<tr>
<td></td>
<td>Trouble Seeing Far Away</td>
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<td>Eyestrain and Fatigue</td>
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<td>Headaches from Light and Glare</td>
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*Healthy Site Calculator based on 1,000 employees in Virginia. The calculator uses CDC disease prevalence and incidence rates, Medical Expenditure Panel Survey disease cost estimates, and various sources for productivity estimates and medical savings. Estimated productivity savings reduced by 50%. The calculator is available at: [http://www.healthysightworkingforyou.org](http://www.healthysightworkingforyou.org).
Eye care and the Emergency Department

- A significant percentage of patients seen in the ED could be treated outside the ED environment with no significant increase in morbidity or mortality.

- Non-injury related ocular ER visits comprised 51% of ocular-related visits.

- Only 3% of ocular-related ER visits required hospitalization.

- Of 560 visits to an accident and emergency department, 38% could have been managed by an optometrist outside a hospital setting.

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**Distribution of clinical conditions associated with ocular related non-urgent ER visits**

<table>
<thead>
<tr>
<th>Condition</th>
<th>Percent of Non-Urgent Visits (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conjunctivitis, unspecified</td>
<td>46.7</td>
</tr>
<tr>
<td>Blepharitis, unspecified</td>
<td>6.3</td>
</tr>
<tr>
<td>Severe Allergic Conjunctivitis</td>
<td>6.2</td>
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<tr>
<td>Atopic Conjunctivitis</td>
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<tr>
<td>Hemorrhagic Conjunctivitis</td>
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<tr>
<td>Hordeolum</td>
<td>3</td>
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<tr>
<td>Blepharitis, unspecified</td>
<td>2.7</td>
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<tr>
<td>Disorders of the Optic Nerve</td>
<td>1.8</td>
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<tr>
<td>Myrdiasis</td>
<td>1.5</td>
</tr>
<tr>
<td>Chalazion</td>
<td>1.5</td>
</tr>
</tbody>
</table>

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Changing Habits

• The Problem

Health Plan members frequently utilize emergency rooms and other non-optometric office settings for services that could and should be provided in an optometric office setting.

• The Solution

Redirecting this care to optometric practices produces significant savings for both the payer and patient.
The Proof: Cost Savings Studies

- AOA-sponsored studies were conducted by SCIO Health Analytics, a leading independent provider of healthcare data and analytics solutions for healthcare payers and providers.

- Enrollees in health and ERISA plans frequently utilize the emergency room setting for services that could be performed in an outpatient office setting.

Hypothesis: Significant cost savings can be achieved by redirecting or diverting non-emergent eye care services from emergency rooms to optometric practices.
SCIO Health Analytics Research Study Design

• Analyzed 4 years of paid claims data encompassing over 161 million member months (2006-2009)

  • ICD-9 codes for eye diseases filed by an ED or PCP used to identify approximately 0.5 million patient encounters where the condition could have been managed in an office setting by an eye care specialist

  • Further comparison was made of diagnoses filed by the ED or PCP as compared to diagnoses filed by an eye care specialist during follow-up visit within 14 days of the initial ED/PCP visit
Cost Savings: SCIO Health Analytics Study

• Providing care in the right setting
  • Diverting non emergent eye care services from the ED to the primary eye care setting results in potential savings of $0.114 PMPM

This represents a potential savings of more than 90%!

• Providing the right care the first time
  • 75% of the time, there was a clinically significant change in the diagnosis when care was first delivered at the ED or PCP and then followed up by a visit to an eye care specialist
Patients seeking eye care at inappropriate settings are often misdiagnosed and prescribed the wrong drugs, resulting in wasted costs and unacceptable quality of care.

In these cases, follow-up care by an eye care professional is necessary to correct the diagnosis and re-prescribe the correct medication.

Overall Potential Savings (from ER Diversion, correct diagnoses, correct prescriptions)

$0.181 per member per month
Cost Savings: Florida ER Diversion

Conducted by Health Care Management Decisions, Inc.

- An analysis of hospital emergency department discharge data from all payer sources during state fiscal year 2009-2010

- The study identified 108,786 cases of eye care provided at emergency departments of hospitals that could have been treated by a Florida Doctor of Optometry

- A total of $120,201,922 was spent on those cases, representing a cost per case of $1,105.

- If those cases had been treated at an optometrist’s office instead, it is estimated that the cost would have been less than 10% of that total (less than $12,000,000 total)

  This 90% savings would represent well over $100 million in savings
Cost Savings: Florida ER Diversion

- Of the 108,796 total cases that could have been treated by an optometrist, 32,093 were Medicaid (29.5% of all cases)
- Total related Medicaid costs were $27,342,670, representing a cost per case of $852
- If those cases had been treated at an optometrist’s office instead, it is estimated that the cost would have fallen in the 12% to 13% of the total range ($3.2 million to $3.5 million)
- This approximate savings of 87% or more would represent approximately $24 million or more in savings for the Medicaid program
The Solution

• Mandates of the Affordable Care Act
  • Improved Efficiency and Quality of Care
  • Increased Access
  • Decreased overall Cost

• Optometrists offer:
  • Better Outcomes and Improved Quality of Care
  • Direct Provider Access
    – OD’s provide 70% of ALL eye care services in the US
    – They are present in over 6,500 communities
    – In just over ½ of those communities, they are the ONLY source of eye care services
  • Cost Savings

Integration of benefits is best for payers, purchasers, and most importantly patients!
Optometrists: Doctors on the Frontline of Eye and Vision Care

- Primary Eye Care
  - The current strain that health care costs place on the economics of any business is well documented
  - Health reform demands:
    - Higher quality care
    - Increased provider access
    - Decreased overall cost

- Optometrists broaden the reach of primary care
  - Health reform is putting increased pressure on an already strained primary care system
  - Optometrists perform primary eye care services each and every day in the United States
Gaps in Care = Opportunity for Improvement

• Opportunity to improve HEDIS scores for diabetics
• Opportunity for early detection and treatment of disease
• Reduce total ER spend (and overall claim costs)
• Improve Patient Outcomes
• Reduce administrative costs and complexity
• Improve employee productivity

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Join the growing employer and payer groups who are rethinking eye care and embracing our comprehensive and integrated model:

- General Motors
- Chrysler
- United Autoworkers Trust
- Shore Health System
- Geisinger Health System
- GroupHealth (Washington and Idaho)
- BCBS
  - Iowa
  - Kentucky (Anthem)
  - Minnesota
  - Missouri (Anthem)
  - North Carolina
  - Rhode Island
  - Texas
  - Washington (Premera)

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