



Optometry Australia's Health Policy Platform 2017-18

Objective

Optometry Australia's health policy platform presents an opportunity for the optometry sector to advise the Commonwealth Government on key programs to help support community access to primary eye health and vision care services.

Our policy platform focusses on four key tenets:

1. Optometry as the foundation for primary eye care
2. Optometry care for Australians aged 45-64
3. Optometry for rural Australians and Indigenous Australians
4. Optometry for people in home and community care

These recommendations to Government outline in our platform are aimed at supporting the delivery and accessibility of primary eye health care for all Australians.

About Optometry Australia

Optometry Australia is the national peak professional body for optometry, and represents the largest community of optometrists in Australia. Since 1918 we have united the sector to make Australia a world leader in the delivery of vision and eye health services and patient care.

Our focus is to lead, engage and promote the profession of optometry, optometrists and community eye health.

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Australians need optometry services more than ever

More Australians visit an optometrist than any other non-medical health professional with over 12 Australians reporting a long term eye-condition¹. Over 5,000 optometrists provided over 8.6 million primary eye and vision care services in 2016².

An ageing population and increasing prevalence of chronic disease mean the need for timely and affordable access to primary eye care is vital for all communities. The National Eye Health Survey, the first nationwide Australian population-based survey, found that there is still an unmet need for eye care services in Australia.

The survey found that in 2016, more than 450,000 Australians were living with vision impairment or blindness. The survey also found that more than half of people surveyed were unaware that they had an eye condition. Refractive error was the cause of almost two thirds of vision impairment for Australians, which for most cases, could be treated with prescription glasses³.

Challenges for optometry

Cuts to Medicare rebates

Medicare rebates for optometry services were frozen from November 2012 to December 2014, reduced in 2015 and then further frozen until July 2020, which threatens the long-term sustainability of primary eye care.

Timeline of events

November 2012	Medicare rebates for optometry last indexed before the freeze.
May 2013	Gillard Government suspends MBS indexation until 1 July 2014 to align indexation with 2014-15 financial year.
May 2014	Abbott Government announces freeze on indexation for MBS and DVA rebates for optometry services until 1 July 2016. Abbott Government extends the allowable time period to access a comprehensive eye health examination from two yearly to once every three years for patients less than 65 years of age.
December 2014	Abbott Government announces an extension of the freeze on MBS rebates for optometry by another two years until 1 July 2018.
January 2015	Five per cent cut to MBS rebates for optometry services commenced.
May 2015	Turnbull Government extends the rebate indexation freeze until 1 July 2020.

Due primarily to the indexation freeze and the five per cent cut on the MBS rebate for optometry services that came into effect from 1 January 2015, Optometry Australia estimates that Government investment into primary eye care through Medicare has decreased by over \$103 million since 2015⁴.

¹ ABS (Australian Bureau of Statistics) 2012. Australian Health Survey: First Results, 2011–12. ABS cat. no. 4364.0.55.001. Canberra: ABS

² Medicare Australia. Analysis of Medicare Statistics. Accessed online: http://medicarestatistics.humanservices.gov.au/statistics/mbs_item.jsp

³ Centre for Eye Research Australia. National Eye Health Survey Report 2016. Melbourne

⁴ Optometry Australia. Analysis of Medicare statistics. 2017. (Unpublished)

These cuts to the MBS and the longstanding freeze on rebates pose a threat to optometry service delivery, patient access and population eye health, where the impact is being disproportionately borne by those already experiencing socio-economic and geographical disadvantage.

For those optometrists who provide the majority of their services to patients heavily reliant upon bulk billing to access care (e.g. people on low incomes, rural Australians), the ability to charge patients a fee greater than the amount they will be rebated through Medicare is not an approach they can rely upon, given the circumstances of their patients. This is threatening the sustainable provision of optometry services and patient access, particularly in communities with high levels of social disadvantage, and in some low socio-economic and rural and remote areas of Australia.

New graduates entering the health work force

Optometry Australia has previously cautioned that a system of universities introducing courses based on demand and has the potential to lead to an over-supply of optometrists entering the health workforce. There are presently five entry-level optometry courses in Australian universities, with a sixth under consideration. Optometry Australia does not believe there is a short or medium term shortage of optometrists entering the workforce, and increasing the number of graduates could exert an unsustainable pressure, with a widening gap between demand and increasing supply in the long term.

Our position is that the Federal government should consider a mechanism for monitoring, reviewing and potentially, capping numbers of entry level courses if supported by the data.

Health Workforce Australia data for 2015 shows that in 2015, there were three new registrants for every one optometrist who did not renew their registration. There were 285 new registrants in 2015, and the optometry workforce continues to grow, increasing by 354 practitioners since 2013.⁵

Current Government reviews which impact the optometry sector

MBS review

Optometry Australia welcomes and is actively participating in the MBS review, which will include a review of services provided under the Optometric Benefits Schedule. MBS optometry items are associated with item descriptors that control their use in practice and Optometry Australia has a deep understanding about how these items are used. A systematic review allows us to examine whether the items are doing all that they can to support eye health needs, to identify where they could serve the community better or address potential gaps, and to address ongoing areas of concern or ambiguity for optometrists providing the services.

It is imperative that any measures arising from reviewing MBS optometry services do not negatively impact patient access to primary eye care.

Proposed reforms to Private Health Insurance

We welcome the Turnbull Government's establishment of the Private Health Ministerial Advisory Committee. Optical items represent a significant proportion of benefits paid for patient claims across the private health care industry, second in volume only to dental services.

Optometry Australia feels that private health cover benefits should be provided based on principles that ensure patients and providers are treated fairly and that the products and services supplied are in the best interests of the patient. Any regulatory improvements which make it easier

⁵ NHWDS Data Tool and Resources: National Health Data Set Optometry 2015. www.data.hwa.gov.au.

for consumers to understand their policies and better access their ancillary cover is welcomed by the profession. However, reforms should not impose unnecessary administrative burdens or complications for optometrists, or interfere in the clinical relationship between patient and optometrist.

Review of the Veterans' Affairs dental and allied health programs

Optometry Australia is pleased the Government is actively reviewing the Veterans' Affairs dental and allied health programs, inclusive of optometry services, and believes there are opportunities to streamline and enhance how the clinical optometry and optical appliance elements of this program work to meet the needs of our veteran community. While we appreciate the need for programs to be cost-efficient, it is imperative that the review considers measures with very modest associated costs that can improve veterans' access to needed care, support better health outcomes, and, ultimately, reduce the need for further medium term investment. We consider the investment in primary eye care to be low in cost with overwhelming positive health outcomes.

While Optometry Australia recognises the challenges in funding primary health care, access to optometric care is a key component of an effective, efficient and sustainable eye care system and vital to maintaining vision and eye health for the millions of Australians who experience eye and vision problems.

Summary of our recommendations

Optometry as the foundation for primary eye care

1. Optometry Australia calls on the Government to stop the freeze on Medicare rebates for optometry and reinstate annual indexation of the MBS consistent with CPI, to adequately and fairly reflect the increasing cost of providing optometric clinical care.

Optometry care for Australians aged 45-64

2. Optometry Australia believes all patients between 45 – 64 years of age should be able to access a Medicare rebate for a biennial comprehensive eye health examination with an optometrist, as was the case prior to December 2014. This is based on empirical evidence and best practice for the early detection of eye disease and prevention of vision loss and blindness.

Optometry for rural and remote Australians and Indigenous Australians

3. Optometry Australia calls on the Government to secure triennial funding of the Visiting Optometrists Scheme which has been supporting eye health in rural and regional areas for over 40 years.

Optometry for Australians in home and community care

4. Optometry Australia calls for the current loading available for domiciliary services provided under Medicare to be reviewed, to reflect the true cost of delivering optometry services in residential aged care and in the home.

Optometry for all Australians

Optometry Australia calls on the Government to stop the freeze on Medicare rebates for optometry and reinstate annual indexation of the MBS consistent with CPI, to adequately and fairly reflect the increasing cost of providing optometric clinical care.

We estimate that reinstating indexation for MBS rebates for optometry would require an additional \$32.685 million over 3 years (based on 2.5% inflation).

Current OMBS fees are not proportionate to the cost of providing optometric clinical care.

The extension of the freeze on patients' Medicare rebates to 30 June 2020 announced in the 2016-17 Federal Budget is extremely disappointing for patients and optometry practices. This comes on top of decades of inadequate indexation, a lengthy freeze on rebate indexation since 2012, and a five per cent reduction in patient rebates for optometry services that came into effect in January 2015. Increasingly, we are seeing patients facing higher out of pocket costs from visiting their optometrist.

The costs of delivering eye care, including the costs of running a practice, continue to rise yet the Medicare rebates for optometry services remain frozen. Estimates drawn from comprehensive analysis of practice running costs, suggests that the actual cost of providing a comprehensive optometric consultation would be \$95.00⁶. The patient rebate under the OMBS for these consultations is currently \$66.80.

For a comprehensive eye health examination, Optometry Australia estimates the current rebate is \$14 less than what it should be if fair indexation had been applied (in line with CPI each year) since 1998⁷. Modelling by Optometry Australia estimates that practice incomes associated with Medicare rebates will be \$9,282 less per full time optometrist in 2016 than they would have otherwise been due to the cuts in the OMBS rebate and the ongoing freeze on indexation⁸.

With less income and increased operating costs, optometrists are effectively being left out-of-pocket while providing the high-quality eye care our communities need unless they are able to pass the cost to patients. In areas where high proportions of the community have low incomes this is often simply not possible – patients can't afford an out-of-pocket expense. This creates an unsustainable situation – patients can't afford out-of-pocket expenses, yet optometrists can't sustain viable practices on bulk-billing alone with reducing patient rebates and increasing clinical costs. A survey of our members showed that 28% of respondents noticed a decrease in health care card holders and children under 16 years seeking eye care⁹.

The freeze puts at risk the sustainability of some optometry practices and outreach services such as the Visiting Optometrists Scheme, particularly those in rural areas and in areas of social disadvantage. A survey of practice owners by Optometry Australia showed that more than a quarter of respondents believed long term implications of the freeze may result in the closure of their practice.

⁶ Based on modelling undertaken by Kilham Consulting. (Commissioned by Optometry Australia) 2015. Unpublished.

⁷ Optometry Australia. Position Statement - Remuneration for sustainable primary eye care. September 2014

⁸ Optometry Australia. Analysis of OMBS expenditure based on the optometry workforce EFTO 2013-14. (Unpublished)

⁹ Optometry Australia. Member survey report, August 2015 (Unpublished)

Optometry care for Australians aged 45-64.

Optometry Australia believes that all patients between 45 – 64 years of age should be able to access a Medicare rebate for a two-yearly comprehensive eye health exam with an optometrist, as was the case prior to December 2014. This is based on empirical evidence and best practice for the early detection of eye disease and prevention of vision loss and blindness.

We estimate that allowing access two-yearly eye exams for patients aged 45-64 would require \$23.37M million funding over 3 years (based on 2.5% inflation).

As part of the 2014-15 budget, the Federal Government announced changes to the frequency with which patients considered 'asymptomatic' would be able to access a Medicare rebate for a comprehensive eye health examination, including extending the allowable time period to access a comprehensive eye health examination from two yearly to once every three years for patients less than 65 years of age.

We are greatly concerned that this change has the potential to affect the numbers of people accessing preventative comprehensive eye health care

The prevalence of most preventable or treatable eye conditions increases exponentially after the age of 45. Best practice, and empirical evidence demonstrates the need for regular eye health examinations for the prevention and early detection of eye diseases for people aged 45-64.¹⁰ Optometry Australia and numerous international optometric and ophthalmic bodies recommend at least biennial comprehensive eye health examinations for middle-aged patients, regardless of whether or not they are currently experiencing obvious symptoms of eye and vision problems.¹¹

Research shows the rate of undetected ocular disease at a population level can be significant, with many ocular diseases typically not showing any symptoms in the early stages of the condition, including glaucoma, diabetic retinopathy, age-related macular degeneration and cataract.¹² Increasing age, diabetes and never having had a previous eye examination are all predictors of undetected ocular disease. Denying asymptomatic patients a Medicare rebate for regular two yearly eye health examinations, puts them at risk.

The progressive nature of ocular disease and its impact on vision should lend itself to establishing criteria that encourage timely access to preventative eye care for people who reach an age where the risk of eye and vision problems rapidly increases rather than discouraging regular care. The rate of vision loss from potentially preventable eye conditions trebles for each additional decade after 45 years. In 2009 there were an estimated 575,000 Australians over the age of 45 with some form of vision impairment or blindness. This is expected to increase to over 800,000 by 2020.¹³

With close to 80% of vision problems avoidable or treatable with early detection, the rate of return on investing in primary eye health and vision care is significant. An estimated 300,000 Australians have glaucoma, but only half have been diagnosed.¹⁴ For the undiagnosed, they are living with

¹⁰ Irving, E., Harris J, Machan, C et. al., 2016. Value of routine eye examinations in asymptomatic patients. Optometry and Vision Science 93(7).

¹¹ Optometry Australia. Position Statement - Preserving timely access to preventable primary eye care. June 2014.

¹² Access Economics. Clear Insight. The Economic Impact and Cost of Vision Loss in Australia. August 2004.

¹³ Access Economics. Clear Focus – The Economic Impact of Vision Loss in Australia in 2009.

¹⁴ Access Economics. The Economic Impact of Primary Open Angle Glaucoma. 2008

the risk of progressive vision loss leading to possible blindness therefore optometrists need to be seeing these patients more frequently, not less frequently. Given the link between age over 45, and the increased risk of developing ocular disease, Optometry Australia seeks reinstatement of a biennial comprehensive examination available to patients aged between 45 and 64, retaining an annual exam for those 65 and over, with a three year comprehensive exam cycle for everyone else.

Optometry for rural and remote Australians and Indigenous Australians

Optometry Australia calls on the Government to secure triennial funding of the Visiting Optometrists Scheme which has been supporting eye health in rural and regional areas for over 40 years.

This recommendation does not require any additional investment by Government.

The Visiting Optometrists Scheme (VOS), established in 1975 by the Commonwealth Government, enables optometrists to deliver outreach eye care services to people living in regional, rural and remote locations, who do not have ready access to primary eye care services.

The increase in scope of the VOS to Aboriginal and Torres Strait Islander people in rural and remote areas in 2010 was a much welcomed improvement to the scheme. Last year, the VOS provided services to over 520 outreach sites.

We welcome the present commitment by Government for this important program. Unfortunately, this commitment does not extend beyond June 2017. While this is an expectation that the VOS will continue cost June 2017, contracts have been on a year by year basis whereas traditionally, contracts were renewed two-yearly. Optometry Australia considers yearly contracts to be disruptive to service planning and to create uncertainty in the eye health sector on the Government's long term commitment to the program and would like the Government implement triennial contracts to ensure continuity.

Optometry for Australians in home and community care

Optometry Australia calls for the current loading available for domiciliary services provided under Medicare to be reviewed, to reflect the true cost of delivering optometry services in residential aged care and in the home.

We estimate implementing this measure would require an additional \$0.98 million over 3 years (based on 2.5% inflation).

The domiciliary loading provides support for optometrists delivering services in residential aged care and private residence. This loading recognises the travel costs and setting up costs for optometrists delivering outreach services.

Demand for optometrists providing care in residential aged care facilities and home care has risen over the years with over 20,000 domiciliary services claimed by optometrists in 2016¹⁵.

However, the current maximum loading payment which can be claimed by optometrists, regardless of number of patients seen, is \$24.75. Optometry Australia research suggests that on average, the actual cost of providing care per domiciliary location is around \$110, which means that optometrists are often carrying the cost of delivering care to our most frail and vulnerable people. With our ageing population, we need to be providing more incentive for optometrists to deliver eye care to older Australians, not less.

¹⁵ Optometry Australia. Analysis of Medicare Statistics. Accessed online at http://medicarestatistics.humanservices.gov.au/statistics/mbs_item.jsp