



## POSITION STATEMENT

### Bulk Billing by Optometrists

#### Position statement key points:

- The decision on whether or not to bulk-bill patients is the responsibility of the optometrist or their practice.
- For some patients, high out-of-pocket costs can be a barrier to accessing health care, including optometric services.
- In the absence of further revisions, changes to the Optometric Medicare Benefits Schedule (OMBS) arising from the 2014-15 Federal Budget will threaten the long-term viability of service provision to patients who rely upon bulk billing to access primary eye care, including those on low incomes, living in rural/remote areas, in residential aged care facilities and Aboriginal and Torres Strait Islander Australians.

#### Optometry Australia's position:

- Optometry Australia strongly supports measures which give optometrists the ability to set their own fees in order to fairly and accurately fund the cost of primary eye care provision across all settings.
- In principle, Optometry Australia believes cost should not be a barrier to accessing primary eye care services and that preserving affordable access to optometry services is in the interests of individual patients, population health and the profession.
- To support all Australians accessing primary eye care, including those to whom an out-of-pocket cost can be a barrier, Optometry Australia believes optometric services under Medicare should be rebated at a minimum of 85% and that the OMBS should be regularly and fairly indexed to CPI.
- Given a reduction in public funding for optometry services, Optometry Australia calls on the Government to allow optometrists the discretion to charge a private fee when bulk billing (where considered reasonable), in order to mitigate any risk to the long-term viability of their services.



## Background

The majority of optometric services are covered under Medicare for all permanent Australian residents. At present, when an optometrist chooses to bulk bill, they are choosing to receive 85% of the schedule fee for that particular service from the Australian government.<sup>1</sup> This is considered full payment and additional charges for that particular service cannot be raised (i.e. no out-of-pocket cost to the patient). Bulk billing rates for optometry are consistently around 97% nationally, significantly higher than those of other healthcare providers including General Practitioners (approximately 83%).<sup>2</sup>

Optometrists are free to make their own judgment about if and when to bulk bill patients for services; there is no requirement under Medicare for optometrists to bulk bill.

Given the varying practice and patient circumstances, it is impractical for Optometry Australia to issue specific recommendations on the bulk billing of patients. Optometry Australia recommends optometrists develop their own policies on bulk billing, based upon the unique circumstances of their practice and the needs of their patients. Establishing practice policies on bulk billing can be useful to foster efficient practice processes while providing certainty to patients on the practice's billing requirements and procedures. When deciding whether to bulk bill, Optometry Australia recommends optometrists give consideration to:

- Cost of service provision and sustainability; and
- Patient ability to pay a fee and/or claim the Medicare rebate in a timely manner.

Optometry Australia supports bulk-billing of low income patients where this does not threaten the sustainability of services provided.

### **Federal budget 2014-15: Likely impact upon bulk billing by optometrists**

Changes to the OMBS arising from the 2014-15 Federal Budget, including a reduction in the Medicare rebate from 85% to 80% and extension of the OMBS indexation freeze until 1 July 2016, are likely to have a significant impact upon the bulk billing behaviour of many optometrists.

Optometry Australia strongly supports measures which grant optometrists the ability to set their own fees in order to fairly and accurately fund the cost of providing primary eye care services; this will be greatly facilitated with the expected removal of cap on fees that can be charged under Medicare as of 1 January 2015.

A reduction to the Medicare rebate for bulk-billed services, coupled with the freeze to MBS indexation, may mean bulk billing is no longer a financially sustainable option for some practices, even if only offered to low income or socially disadvantaged patients. At present, a rebate reduction from 85% to 80% for a comprehensive initial consultation (OMBS item no. 10900) equates to a decrease in optometric income of approximately 9% through bulk billing. Some optometrists will, over time, be unable to provide a sustainable service without levying a fee above 80% of the scheduled fee, due to the disparity between fair income and the cost of providing care. This would effectively compel optometrists to reduce bulk billing rates in order to maintain a viable and sustainable service.

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<sup>1</sup> As a result of the federal budget 2014-15, the Medicare rebate for optometric services will be set at 80% of the scheduled fee as of 1 January 2015.

<sup>2</sup> Optometrists and GP bulk billing rates. Department of Health. Australian Government



Such a scenario creates a disturbing paradox as many patients from low-socio-economic backgrounds are unable to afford significant out-of-pocket costs and may avoid seeking primary eye care altogether, despite these patients often experiencing high rates of chronic disease and associated ocular risk factors.<sup>3</sup> Impacts are expected to be most detrimental in low socio-economic settings where the majority of patients may be unable to pay a fair fee for optometry services. In these circumstances, the end result may be the forced cessation of primary eye care services and reduced access for patients who need it most. Patients may then attempt to seek eye care from other healthcare providers (e.g. general practice, Accident & Emergency), resulting in both increased pressure on services and downstream costs to the healthcare system.

### **Preserving the 85% Medicare rebate for optometry services**

To ensure sustainable provision and access to primary eye care across all regions, Optometry Australia believes the existing 85% optometric Medicare rebate should be maintained. Preserving the existing Medicare rebate will help many optometrists to continue to bulk bill those patients for whom an out-of-pocket cost is problematic and subsequently comprises timely access to primary eye care. A reduction to the Medicare rebate will likely threaten the long-term future of many optometrists who provide care predominately to patients on low incomes, given the heavy reliance upon bulk billing.

Optometry Australia urges the Federal Government to consider the impact of a reduced Medicare rebate on the sustainable provision of primary eye care services, particularly in low socio-economic and rural/remote regions of Australia, and the ability of patients from these regions to access essential primary eye care.

### **Bulk billing and levying a private fee where reasonable**

Optometry Australia opposes a reduction to the Medicare rebate. In the context of a cut to the Medicare rebate, Optometry Australia believes optometrists should have the option to charge a private fee when bulk billing to ensure it remains a viable form of patient billing, while supporting practice sustainability. The Australian Government has adopted a similar policy with the proposed introduction of a non-compulsory \$7 minimal copayment for general practice services.<sup>4</sup>

From a patient perspective, allowing optometrists the ability to charge a private fee when bulk billing will:

- *Eliminate the length of time patients are significantly left out-of-pocket:* Although Medicare Online and Medicare Easy Claim have made it easier and quicker for patients to claim the Medicare rebate, this technology is often not practical or applicable in some places where primary eye care services are provided to disadvantaged patients including residential aged care facilities and areas serviced by outreach programs.
- *Eliminate the need for patients to have the necessary funds to pay the full scheduled fee at the point of care:* Despite services under Medicare attracting a rebate, patients are still required to pay the full scheduled fee at the point of care. Without bulk billing, many patients from low socio-economic backgrounds can find it difficult paying the full scheduled fee at the time of consultation, which can act as a deterrent to seeking eye care altogether.

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<sup>3</sup> Australian Institute of Health and Welfare 2012. Australia's health 2012. Australia's health series no.13. Cat. no. AUS 156.Canberra: AIHW.

<sup>4</sup> Budget 2014-15. Budget Paper No. 2. 2014-15: Budget Measures.