

POSITION STATEMENT

Health Funds

Background

Optometrists Association Australia recognises that for many patients, private health cover is an important part of their personal health care choices.

Available evidence suggests people with ancillary (or general) health benefits are more likely to seek eye care than those without insurance.

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.

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.

Optometrists Association Australia supports arrangements between patients, health funds and optometrists where they:

- ensure patients can easily understand the health fund product, including details of their entitlements for the optical component;
- allow patients to choose their own practitioner and receive the same rebates for the same optical appliances, regardless of who provides the appliance;
- encourage the use of current technology; and
- allow patients to easily claim health fund benefits in a clear, consistent and straightforward manner.

These arrangements should not impose unnecessary administrative burdens or complications for optometrists, or interfere in the clinical relationship between patient and optometrist.

Providers, patients and insurers must comply with all general laws and regulations including those governing the payment of health fund benefits. In addition providers and patients must operate within the stated rules of their individual health insurance providers and all arrangements between providers and insurers should be transparent.

Optometrists Association Australia believes that:

- Fair competition between all insurers and providers of optical services is in the best interests of patients and consumers.
- Insurers should work together maintain a simplified, standardised approach to optical benefits schedules, including item numbers, descriptions of items, and rules. This will ensure patients are making choices based on complete, clear and consistent information. Such a system will also assist optometrists in complying with health fund rules.

Preferred provider arrangements

'Preferred Provider' schemes may have inherent disadvantages for both patients and optometrists, and discourage competition and consumer choice if not implemented fairly.

The Association is opposed to arrangements that lead to inequities, such as members paying the same premiums but receiving different benefits.

Optometrists should not reduce the quality of care, service or appliances to compensate for the losses that may be incurred from discounting if involved in preferred provider arrangements.

Optometrists Association Australia does not support arrangements where:

- Patients do not have access to the full information on which to make informed comparisons between service providers, including about costs.
- Cost is used by funds and patients as the only comparison between products and services from different providers. This is further exacerbated when a wide range of lenses including quality and design are collected within one simple item number.
- Benefits are not increased to reflect both CPI (of the optical industry) and the real price of quality spectacles and contact lens.

Suggested guidelines for optometrists considering becoming preferred providers

The Association understands that optometrists may feel compelled to become a preferred provider to maintain the viability of their practice. Before entering any arrangements with the health funds, optometrists should consider the following:

- Make sure there is an understanding of the economic impact of these arrangements on the practice and the likely effect on patients before signing.
- Carefully consider before offering discounts. To overcome the loss of margin that discounts entail requires a larger increase in patient numbers than most people realise. Discounts can have a severe effect on net income.
- Before entering into any arrangement, make sure legal obligations are fulfilled, including competition and consumer laws, or any other relevant legislation.