



# Optometry Australia response to ACCC consultation: Report to the Senate on Private Health Insurance 2014-15

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Optometry Australia welcomes the opportunity to provide comment to help inform the ACCC's report to the Senate on private health insurance anti-competitive and other practices, for the period of 1 July 2014 to 30 June 2015.

Optometry Australia is the national peak body for the optometry profession, comprising a membership base of close to 90% of optometrists registered in Australia. The optometry profession consists of a workforce of approximately 5,100 registered optometrists providing services through approximately 2,900 practices nationally. Most optometry practices provide a complementary mix of clinical services and retail of optical appliances which are subject to a rebate under various private health insurance (PHI) policies.

We believe that it is essential that consumers are empowered to make informed decisions about their health care, including what's best for their eye health and who they wish to provide their eye care. In general, and as Optometry Australia has previously communicated to the ACCC, information provided to consumers by health funds can be difficult to understand and subsequently lead to un- or mis-informed health care decision-making. We have welcomed previous opportunities to outline to the ACCC our concerns regarding the lack of consistent, clear and transparent information provided to consumers by health funds regarding their optical entitlements, particularly in relation to preferred provider arrangements. These issues continue to be experienced by policyholders who are accessing information about the optometry sector through their private health insurance company and therefore remain relevant to the period of this current review. Subsequently, this submission reiterates our concerns previously put forward to the ACCC.

## **Information provided to consumers regarding optical entitlements**

Optometry Australia often receives complaints and concerns from optometrists regarding information that health funds provide to their patients about their optical benefits as policy holders. Whilst not necessarily related to changes in fund policies they provide examples of how misleading or inaccurate information can lead to 'bill shock' for consumers or inappropriately direct consumer health choices.



Optometry Australia continues to have concerns regarding the provision of misleading and/or inaccurate information by health funds to consumers. Commonly this information is provided in a manner that advantages an optical provider owned by the health fund or with whom they have a 'preferred provider' arrangement.

- We are aware of instances where the help desks of private health insurers have encouraged policy holders to attend preferred providers optometry practices on the basis that they will 'only' receive benefits for optical appliances and/or specific eye health services if they attend such preferred providers. In reality, most optometry providers provide a wide scope of clinical services and most dispensers are eligible to provide health insurance rebates under most funds.
- Some health funds provide inconsistent, inaccurate or misleading information about the rebates policy holders are eligible to claim for some optical appliances. Consumers are frequently under the misapprehension that only preferred provider schemes provide no-gap or known-gap optical products which is often not the case. And taking this example further, some consumers are provided information that the only products from certain optical providers are no-gap or known-gap optical providers, which may not always be the case, leading to the risk of unexpected costs and 'bill shock' for the consumer if they select outside the range of no-gap or known-gap optical appliances.

Optometry Australia has also received anecdotal accounts that some funds are explicitly instructing or implicitly advising their policy holders to avoid certain optometrists (which may be the policy holder's existing optometric provider) on the basis of not having a preferred provider arrangement in place. A common complaint we receive is health funds directing patients to their preferred providers stating that patients will 'save money' – without any knowledge of what is being prescribed, how products compare or what is clinically appropriate for the patient. In one example an optometrist reported that one of her patients that had recently accessed care and purchased prescription glasses from her practice received a subsequent letter from their health fund advising that a nearby optometrist had become a preferred provider with that fund and may be able to offer better deals on optical products in future. Similarly, Optometry Australia has been made aware anecdotally of numerous instances where when patients who had placed an order for prescription glasses contacted their health fund to clarify their rebate, they were told they would have received a 'better deal' from a preferred provider. Without context or understanding of the original product selected by the patient in consultation with the optical dispenser, this information is likely inaccurate.

We believe that the role of health funds should not be to 'direct' access to health care in any manner, rather provide clear and accurate information to allow the policy holder to make an informed choice.



The provision of information in the manner described above distorts fair competition amongst optometrists, resulting in market failure and inefficiency of the optometric sector.

**Opportunities to support improved transparency and accuracy in information from health funds**

As previously advised, Optometry Australia strongly recommends the ACCC commit to establishing strategies which improve monitoring of any potential anti-competitive activity related to misleading or inaccurate information to consumers. Particularly we recommend consideration of a code of practice to assist health funds to provide PHI information and advice to consumers and policy-holders that is clear, transparent and accurate, and great monitoring of dissemination of information from health funds to policy holders.