

**Eye care for  
every Australian**



Optometry Australia submission  
to the Federal Budget 2018 – 2019

lead

engage

promote



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Optometry Australia welcomes the opportunity to detail cost-effective measures to support timely access to primary eye care for all Australians, an essential element in reducing the heavy social and economic costs associated with preventable blindness and vision loss.

Optometry Australia is the national peak professional body for optometry, and represents over 80% of optometrists registered to practice 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.



## Overview

Access to quality optometric care is a key component of an effective, efficient and sustainable eye care system and is vital to maintaining vision and eye health for millions of Australians


As the principal providers of primary eye health and vision care, optometrists play a key role in preventative care, early detection and treatment of eye and vision problems, and detection and referral of systemic conditions that affect the eye such as diabetes. The role of optometrists is critical to reducing the heavy social and economic costs associated with avoidable blindness and vision loss, and preventing or slowing the development of ocular and systemic conditions that can require costly specialist care to treat or manage.

Optometry Australia believes that key to maintaining and enhancing the access to optometric care necessary to promote population eye health is ensuring:

- Affordable access to primary eye care for all Australians
- Timely eye care for middle-aged Australians
- Ready primary eye care access for Australia's veterans

We believe key steps towards these goals can be realised with an investment of \$20 million in 2018-2019.





Investment in creating sustainability across the role of optometry is critical to reducing the heavy social and economic costs associated with avoidable blindness and vision loss

action

## Optometry Australia calls on the Australian Government to:

### Recommendation

### Cost

#### Affordable access to primary eye care for all Australians

End the freeze on Medicare rebates for optometry and reinstate annual indexation of the MBS from 1 July 2018 to fairly reflect the increasing cost of providing optometric clinical care.

**\$9 million  
in 2018 – 2019**

#### Timely eye care for middle-aged Australians

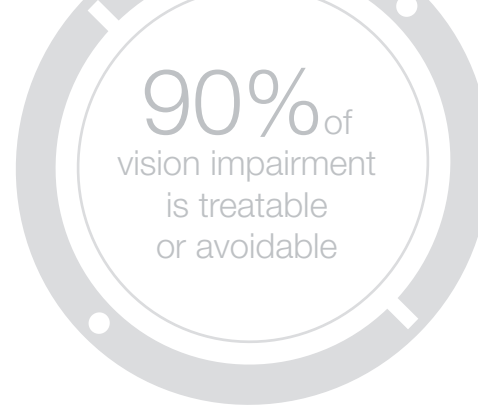
Reinstate biennial Medicare rebates for a comprehensive initial examination for Australians aged between 40 and 64 years, given the increased risk of developing ocular disease, most of which are most effectively managed on early detection.

**\$10 million  
annually**

#### Preserving eye care access for our veterans

Increase payments to 115% of the current rebates for all optometry services for veterans and reinstate annual indexation, to ensure sustainable provision of quality eye care to veterans within a framework that supports choice of provider.

**\$1 million  
in 2018 – 2019**



## Australians need optometry services more than ever

More Australians visit an optometrist than any other non-medical health professional; over 5,000 optometrists provided over 8.6 million primary eye and vision care services in 2016.

With over 12 million Australians reporting a long term eye-condition, 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 Australian communities. The National Eye Health Survey 2016, the first nationwide Australian population-based survey, identified unmet need for eye care services in Australia. The survey found that more than 450,000 Australians were living with uncorrected vision impairment or blindness. Refractive error was the cause of almost two thirds of vision impairment for Australians, which for most cases, could be treated with prescription glasses<sup>1</sup>.

The role of optometrists, however, extends well beyond diagnosis and management of refractive error. Optometrists have a sophisticated clinical skill set which includes, but is not limited to:

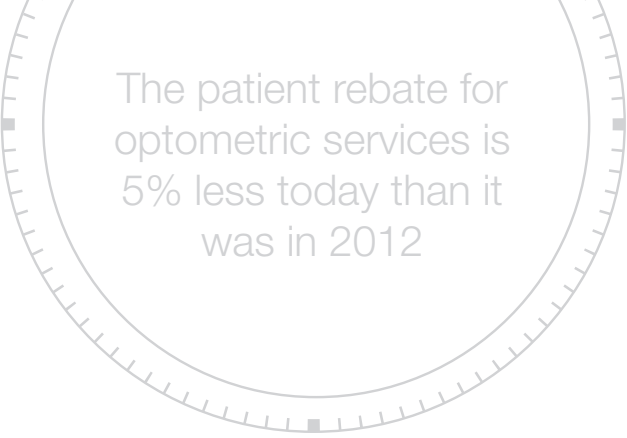
- detection of various ocular diseases associated with ageing including cataracts, macular degeneration, diabetic retinopathy and glaucoma;
- detection and management of common acute eye complaints such as dry eye and conjunctivitis, often through eye drops; and,
- management of some emergency conditions such as removal of an ocular foreign body.

<sup>1</sup> Prior to 1 January 2015, optometrists, unlike any other health professional, were unable to charge above the scheduled fee set by the Government, for MBS services.



12 million

Australians report  
having a long term  
eye-condition



The patient rebate for  
optometric services is  
5% less today than it  
was in 2012

## Affordable access to primary eye care for all Australians

Population eye health in Australia has been supported through subsidised access to primary eye care from optometrists since the introduction of Medicare. However, access for those in areas of disadvantage is being increasingly threatened by the impact of the extend freeze on patient rebates.

Medicare rebates for optometry services were frozen from November 2012 to December 2014, reduced in 2015 and then further frozen. The Government announced through the 2017-18 Federal Budget that indexation will be reinstated for patient rebates for optometry services from 1 July 2019, 12 months later than the reinstatement of indexation to rebates for many General Practitioner (GP) services, and 12 months earlier than previously expected.

Whilst a confirmed date for the end to the freeze is welcome, action is needed now to address the discrepancy between the cost of providing quality primary eye care, and the patient rebate.

The patient rebate for optometric services is 5% less today than it was in 2012, and will not increase until July 2019. Government investment into primary eye care through Medicare is estimated to have decreased by over \$103 million since 2015 (compared with what it would have been without rebate cuts.)

Yet the costs of delivering eye care continue to rise. Estimates drawn from comprehensive analysis of practice costs suggest that the actual cost of providing a comprehensive consultation is close to \$30 more than the Medicare patient rebate.

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.

Optometry Australia's recent research has shown that high and increasing proportions of practices are reliant on retail revenue from the sale of optical appliances to maintain viable clinical practices. As the provision of clinical services is increasingly cross-subsidised by the sale of optical appliances, there is a real risk that practices will be unable to sustain the current quantum of service provision that is unlikely to be associated with a prescription for glasses or contact lenses. This includes services provided in areas of high disadvantage where glasses are primarily accessed via subsidy schemes, and services associated with detecting and managing acute and chronic eye conditions, which, if not managed by an optometrist may lead to more costly specialist care or preventable vision loss.



## **Our Recommendation**


We call on the Australian Government to end the freeze on Medicare rebates for optometry and reinstate annual indexation of the MBS from 1 July 2018 to fairly reflect the increasing cost of providing optometric clinical care. Optometry Australia estimates that reintroducing indexation 12 months earlier than planned will cost less than \$9 million.

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Cost: Less than \$9 million in 2018 – 2019

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There is a critical need for regular eye health examinations for the prevention and early detection of eye diseases for people aged 40-64 years.

## Timely eye care for middle-aged Australians

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. This extended the allowable time period to access a comprehensive eye health examination from once every two years to once every three years for patients less than 65 years of age.

The prevalence of most preventable or treatable eye conditions increases exponentially after the age of 40. 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 40-64 years. Optometry Australia and numerous international optometric bodies recommend at least biennial comprehensive eye health examinations for middle-aged patients, regardless of whether they are currently experiencing obvious symptoms of eye and vision problems.

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.

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.

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.<sup>2</sup> 90% of vision impairment is treatable or avoidable and the rate of return on investment in primary eye health and vision care is significant.

Regular comprehensive eye examinations are critical for the early detection and prevention of eye disease. However, nearly 200,000 less Australians aged 40-64 years of age accessed a comprehensive initial eye health consultation in 2016 than in 2014, before the policy change.

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<sup>2</sup> Access Economics. *Clear Focus – The Economic Impact of Vision Loss in Australia in 2009*.

## **Our Recommendation**

Optometry Australia welcomes and is actively participating in the MBS review, which will include a review of services provided under the Optometrical Benefits Schedule. However we call on the Australian Government to reinstate biennial Medicare rebates for a comprehensive initial examination for Australians aged between 40 and 64 years, given the increased risk of developing ocular disease.

We estimate that this requires an additional annual investment of less than \$10 million.

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Cost: \$10 million annually

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Optometrists provide eye health and vision care services to over an estimated 100,000 veterans each year.

## Preserving eye care access for our veterans

Through the inclusion of optometry services on the Benefits Schedule for Veterans, veterans have, for many years, had access to convenient high quality eye care and optical appliances. This has played a key role in minimising avoidable vision loss and blindness.

Prevalence and severity of many eye diseases increases exponentially once cohorts are 40 years or above. The older age of the veteran population, means that ensuring timely and regular access to optometric care is fundamental to promoting eye health and minimising vision loss and blindness.

Whilst up to date data is not readily publicly accessible, we estimate that optometrists provide eye health and vision care services to over 100,000 veterans each year. Previous Department of Veterans' Affairs (DVA) surveys have demonstrated that eye and vision care services are amongst the most used and most valued health services by DVA health card holders.

However, inadequate remuneration for service provision, compounded by the ongoing freeze on indexation of consultation fees and the optical aid schedule, threaten the ready access to critical eye and vision care services veterans have enjoyed from their preferred service provider. Payments for optometry services

provided to veterans are well below Optometry Australia's estimates of the costs required to provide quality clinical care in a sustainable way to the general population. Yet veterans are a predominantly older cohort and typically exhibit higher rates of eye disease and require comprehensive and often complex care from their optometrist.

Working with these patients is frequently more time consuming than providing care to the general populace that has a significantly younger average age. Further, whilst the many costs associated with providing quality clinical care have continued to rise year-on-year, payments for optometry services to veterans have not increased for over 5 years and are not scheduled to be indexed until mid-2019.

This creates an unsustainable situation. Whilst providing quality care to veterans within a framework that supports choice of provider is of high importance, it is becoming increasingly challenging for optometrists to do so within a viable business model.

There are ready solutions to address this problem. In recognition of the additional time and input often required to provide services to veterans the Department of Veterans' Services reimburses GPs at a rate of 115% of the equivalent Medicare Benefits Schedule service for most services.

Increasing the Veterans' Affairs payment for services provided by optometrists to 115% of the current service payment would help provide more adequate compensation for the resources required to provide services to this cohort who commonly present with complex care needs. Alongside this, an earlier reinstatement of indexation to optometry items is paramount. The Department of Veteran's Affairs has committed to reinstating indexation for items on the dental and allied health schedule from 1 July 2018. We recommend this be extended to optometry services.



## Our Recommendation

We call on the Australian Government to increase payments to 115% of the current rebates for all optometry services for veterans and reinstate annual indexation, to ensure sustainable provision of quality eye care to veterans within a framework that supports choice of provider.

We estimate that this requires an additional annual investment of less than \$1 million.

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\$1 million in 2017 – 2018

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By implementing our recommendations, the federal government can generate a positive and almost immediate impact on the eye health of millions of Australians, whilst reducing the economic burden of vision impairment.