Optometry’s role as a Primary Health Care Provider in Managed Care

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American Health Care

- In a 2013 study of the quality of healthcare in the 17 most developed countries in the world, the United States ranked dead last
  - National Academies Press titled “US Health in International Perspective”
- The cost of health care in the US is two-and-a-half times higher than most developed nations in the world.
  - OECD Health Data - 2012
- In 2011, there were 48.6 million people in the US (15.7% of the population) who were without health insurance.
  - US Census Bureau - 2011

Primary Care

- To provide Primary Health Care Services, the United States will be 91,000 physicians short by 2020.
  - AAMC Physician Workforce Policy Recommendations - Association of American Medical Colleges
- Other Health Care Providers will need to “Step Up” to meet the demand for Primary Health Care
- Calif. bills would let optometrists, nurses do more
  - LifeHealth PRO - March 14, 2013
Although Optometry is considered a Primary Care Profession from a public health perspective, the profession has re-defined this role with the creation of the term Primary Eye Care.

- Entry point for eye care system
- Gatekeeper role
- Preventative Care
- Early Diagnosis and Treatment
- Favored for reimbursement for government programs and managed care
- Reduce the cost of chronic long term illness
- Lessen pain, suffering and dysfunction

Primary Eye Care vs Primary Care

1990s AOA Public Relations Campaign
- Optometry = The Primary Eye Care Profession
- Entry point for eye care system
- Gatekeeper role

Primary Care

- Entry point for health care services
- Preventative Care
- Early Diagnosis and Treatment
- Favored for reimbursement for government programs and managed care
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- Lessen pain, suffering and dysfunction

PRIMARY EYE CARE IS NOT PRIMARY CARE!

What in the world?
### Traditional roles

**Practice Models**

- **Medical Ophthalmology role:**
  - Examination of the eye to evaluate risk, identify signs, symptoms, diagnose, educate, manage and treat eye pathology
- **Physician role:**
  - Evaluation of the whole person to determine risk, signs, symptoms, diagnose, educate, prevent, manage and treat pathology.

### Paradigm Shift

- Optometry must revise its role to meet the demands of Health Care Reform
  - Accept the mantle of Primary Care
  - Move away from the medical ophthalmology role
  - Adopt more of a physician role
  - Realize that for many young healthy patients, the optometrist is their only health care practitioner

### Optometric Physician

- Evaluation of the whole person to determine risk, signs, symptoms.
- Educate, counsel and prevent the onset of systemic pathology.
- Manage by appropriate referral of active systemic pathology.
- Diagnose, educate, prevent, manage and treat eye pathology.

### Optometry Professional Services

| Surgical Eye Care | Medical Eye Care | Primary Health Care | Routine Refractive Care |
Service break out

- Routine Refractive Care
  - Routine eye examination
- Medical Eye Care
  - Treatment and management of eye related pathology
  - Low Vision
  - Vision Therapy
  - Rehabilitation
- Surgical Care
  - Minor Procedures as licensed
  - Laser Treatment
  - Post -Operative Care

Primary Health Care

- Review of Systems
- Medicine Reconciliation
- Vital Signs
- Ophthalmic Medical Issues
  - Diagnosis
  - Management Plan "Doctoring"
- Creation and Effective use of a C-CDA

Myopia
The new key to better health

- Blurred vision is powerful stimuli to seek health care services
- Optometrist is the most common health care provider of services prompted by blurred vision
- Myopia often starts in older children and adolescents
- Myopic patients are driven to seek annual visits to test and maintain their vision correction

Myopia and Health

- The age of onset and progression of Myopia is exactly coincident with the development of life styles and life habits and the emergence of genetic pre-dispositions of systemic disease:
  - Smoking
  - Drug Use
  - Obesity
  - Hypertension
  - Diabetes
Changes in Clinical Practice
- Better entering History
  - Family Health Issues
  - Review of Systems
  - Query of Habits Smoking, Drinking, Drug use
- Entering work up
  - Blood pressure
  - Vital signs = Pulse, Height, Weight, BMI
- Comprehensive summary and recommendations
  - Weight control, Physical fitness, Life habits

Food for thought
- What should be the next legislative push for Optometry?

Projected role for Optometry in Health Care Reform
- In patients that do not or will not use a PCP
  - Blood sugar testing
  - Blood testing of Lipid Profile and HbA1c
  - Positive results must trigger formal referral for treatment

Summary
- The physician role of the optometrist is being driven by EHR meaningful use, public health, and Health Care Reform.
- Optometrists enjoy a personal relationship with their patients that can be easily broadened to include primary medical care.
- The physician role of optometry will expand if the profession will embrace this role and accept this new challenge.
Understanding the American Health Care System

- The Economics
- The Evolution
- Current Models

Economic Models of Health Care

<table>
<thead>
<tr>
<th>SELF PAY</th>
<th>INDEMNITY</th>
<th>CAPITATION</th>
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</thead>
<tbody>
<tr>
<td>1ST Party Payment (Patient)</td>
<td>3RD Party Payment (Insurance Co)</td>
<td>2ND Party Payment (Providers)</td>
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History of the American Healthcare System

- 1900-1930
  - First Party Systems
- 1930-1960
  - Third Party System for Catastrophic Care
- 1960-1980
  - Third Party System for all Health Care
- 1980-2000
  - Second Party Systems in Managed Care
- 2000-2008
  - Early Ages of Health Care Reform
- 2008-Present
  - Innovations in Second Party Programs
Understanding Health Care Reimbursement
- Fee for Service
- Salary
- Capitation and Risk based payments
  - Pay for performance
  - Payment per Diagnostic Group

Health Care Delivery Models
- Traditional Health Insurance
  - Indemnity Insurance
    - Blue Cross/Blue Shield
    - Fee for Service

Health Care Delivery Models
- Managed Care Plans
  - Preferred Provider Organization (PPO)
  - Reduced Fee for Service
  - Health Maintenance Organization (HMO)
  - Staff Model
    - Capitation/Salaried
  - Independent Practice Model
    - Capitation

Hybrids Plans
- Triple Option
- Open HMO
A Practical Look and the Nuts and Bolts

- Traditional Health Care Model
- First Generation Managed Care
- Second Generation Managed Care
- Eye Care Carve-outs

Traditional Health Care
- Neurology
- Obstetrics
- Primary Care Physician
- Psychiatry
- Psychology
- Neurosurgery
- Ophthalmology
- Optometry
- Neurology
- Neonatology
- Cardiology
- Cardiothoracic Surgery

First Generation Managed Care
- Neurosurgery
- Obstetrics
- Primary Care Physician
- Psychiatry
- Psychology
- Neurology
- Ophthalmology
- Optometry
- Neurology
- Neonatology
- Cardiology
- Cardiothoracic Surgery
**Second Generation Managed Care**

- Neurology
- Neurosurgery
- Optometry
- Ophthalmology
- Cardiology
- Cardiothoracic Surgery
- Obstetrics
- Comprehensive Mental Health Services
- Primary Care Physician

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**Optometry’s role in Primary Health Care**

- Primary Care Review
  - Optometric Physician
- Optometry’s Data Points:
  - Family History
  - Social Habits
  - Review of Systems
  - Vital Signs
  - Glucose Lifetime Profile

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**Eye Care Carve Out**

- Neurology
- Neurosurgery
- Optometry
- Ophthalmology
- Cardiology
- Cardiothoracic Surgery
- Obstetrics
- Comprehensive Mental Health Services
- Regional Eyecare Delivery System

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**Managed Care Guiding Principle**

- Prevent the erosion of quality of life and related cost of chronic disease issues by managing the young healthy members
  - Health Education
  - Identifying members and risk
  - Early Intervention
### Optometry’s vital role in Managed Care Plans

- Optometry’s patient base is young healthy members with refractive error
- To evolve into our critical role we must:
  - Collect health care data points
  - Provide unique ophthalmic factors
  - Deliver to Health Plan in secure electronic format
  - Trigger Early Intervention

### The Ten Commandments of Managed Care Contracting

**Aligning Incentives for Success**

### Number 1

**Managed Care is the future of Health Care in America**

- Programs are based on
  - Health Education
  - Wellness
  - Prevention

### Number 2

**Managed Care Programs require provider risk arrangements**

- Providers incentive is for patient to live a long healthy life
  - Investment in up front “primary care” to avoid back end chronic care
  - Primary care funded by the lessor need of secondary and tertiary care
Number 3

Risk arrangements require a large body of medical services
- Primary Health Care
- Primary Eye and Vision Care
  - Related Hardware
- Medical Eye Care
- Surgical Eye Care
- Rehabilitation

"Managed" is not low fees for less care
- Care is "managed" by
  - The right test and procedure at the right time
  - Focus on wellness and recovery
  - Testing and procedures for care not for reimbursement
  - No duplicating tests
  - Appropriate referrals between "generalists" and "specialists"

Number 4

The most common and well accepted risk arrangement is a capitation
- Payment per "member" per month
- All expected health care paid to a "gatekeeper" physician or group
- Basic care is delivered by Primary Care Physician (PCP)
- Care beyond the scope of the PCP is referred out and paid for from PCP pool of dollars

Number 5

Specialty Carve Outs improve quality and reduce cost
- Care is "carved out" of the PCP capitation pool
- Risk Based
- Well accepted delivery model
  - Mental Health
  - Cardio
  - Eye
**Number 6**

Specialty Carve Outs must be risk-based but too small for Capitation

- **Modified Capitation**
  - Regional carve out network or IPA is globally capitated
  - Individual providers paid a portion of the cap pool depending upon actual services provided
  - Relative Value Units
  - Providers have an incentive per procedure to limit of cap
  - Managed by provider as a group
  - Quality Assurance
  - Utilization Management

**Number 7**

Specialty Carve Outs require at least a two tier structure

- **Tier One** is the network organization or IPA
  - Must be OD/OMD and cover all specialties
  - This must be owned and operated by providers only
  - Must have a single tax ID
  - Must develop a disease management program
  - Must have active care based committee system
  - Quality
  - Utilization
  - Must have HIPAA compliant clinical data exchange

**Number 8**

Specialty Carve Out networks require a well capitalized, experienced management company for the business aspect of managed care

- **Contracts**
  - Procurement
  - Negotiation
  - Management

- **Operations**
  - TPA
  - Insurance
  - EPO

**Number 9**

The Network should hold the contract and the risk

- Providers can take risk without an insurance license in most states
- Providers can manage risk with better health care
  - Patient health education
  - Prevention
  - Efficient use of provider types and roles
    - Primary
    - Secondary
    - Tertiary
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<td><strong>The Management Company</strong> must run the business aspect of the contracts</td>
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<td>- Must have autonomy to negotiate contracts</td>
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<tr>
<td>- Client relations</td>
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<tr>
<td>- Anti-Trust issues</td>
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<tr>
<td>- Compliance</td>
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<tr>
<td>- Data Management</td>
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<td>- Group Buying program</td>
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<td>- Capital investors</td>
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<th>Summary and Conclusion</th>
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<td>- Eye care must move away from an ancillary add on health benefit</td>
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<td>- Healthcare reform has positioned eye care as an essential core benefit</td>
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<td>- We need to re-organize into a managed second party delivery system</td>
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<tr>
<td>- Integrated Networks and Regional Eyecare Delivery systems are the keys to this re-organization</td>
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