

Why Plan Sponsors Cannot Afford to Lose Sight



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The ‘Don’t Lose Sight’ campaign to modernize group vision care coverage is gaining traction in private payer circles and that’s good news for patients and plan sponsors. As part of this campaign, the Canadian Association of Optometrists (CAO) released its ‘Best Practices Guide to Vision Care Benefits’ which provides recommendations for group vision coverage plan design based on clinical best practices.

The focus of CAO’s campaign is to work with private plan stakeholders to develop new vision care plans to ensure that coverage under group benefit plans reflects allowances for the significant clinical advancements in vision care. Closing these gaps will help avoid vision loss and mitigate the associated high presenteeism, absenteeism, and disability costs. Without adequate coverage, patients will continue

to experience significant out-of-pocket expenses or be at risk for suffering unnecessary vision loss.

According to Francois Couillard, CAO’s CEO, the guide is unique because it is the first time the CAO has developed prescriptive plan design recommendations. The driving force behind the guide is found in a white paper – ‘Vision Care Benefits in Canada – the Case for Reform’ – which identified an urgent need to modernize vision care benefit plans to close the funding gap and improve access to vision services for Canadian workers. The CAO is not alone in identifying the need to close the funding gap.

Vision Loss Cost

A study on the cost of vision loss by Deloitte Access Economics found that 1.2 million Canadians (3.2 per cent of the population) live with vision loss. The Deloitte study estimates the annual impact of vision loss on the Canadian economy at \$15.6 bil-

lion. About 75 per cent of that vision loss is preventable or treatable, including glaucoma, age-related macular degeneration, diabetic retinopathy, dry eye, cataracts, and refractive error.

The guide provides a measured response to the cost of vision loss in Canada. It recommends options for vision care and extended health plan designs based on clinical best practices that deliver more comprehensive coverage for Canadian workers and better value and sustainability for plan sponsors over the current dollar-in, dollar-out model.

It is focused on ensuring that plan members have access to the vision care services they need, while delivering the greatest value to plan sponsors within a reasonable stretch of benefit plan budgets. The plan designs proposed are based on four fundamental principals:

- All plan members can access routine, comprehensive eye exam services consistent with their level of risk and the clinical practice guidelines for both the general

population as well as those with conditions affecting eye and vision health regardless of their province of residence.

- Members with advanced prescriptions and corrective lens needs (e.g., multifocal lenses, specialty contacts) will have their out-of-pocket costs reduced, compared to the current typical offerings in private benefits plans.

- Plan members at greatest risk of poor vision and eye health may access more frequent examinations that will allow for appropriate monitoring and interventions to limit disease progression and vision loss.

- Out-of-pocket costs will be reduced for authorized patients requiring advanced care interventions.

Practical Terms

In practical terms, what the guide proposes is a revision to existing vision care plans to ensure best use of available dollars and some additional coverage for those at increased risk or a diagnosis of a disease that may threaten their vision:

- **Eye Health & Vision Care Best Practices** – minimum frequency of eye examinations for both low risk and high-risk patients, particularly those with diabetes, and those at risk of macular degeneration (AMD), dry eye disease, and glaucoma.

- **Coverage of Vision Care Services** – for those with complex lens prescriptions or follow up examinations because of a risk or with a diagnosis of eye disease that can lead to vision loss.

- **Fee Ranges for Optometry Services** – CAO recognizes that fees vary by region. Therefore, the guide includes fee ranges based on reasonable and customary amounts for categories of services:

- o Eye exam services
- o Imaging, diagnostic, and therapeutic services (services that are part of the eye exam based on patient risk factors)
- o Prescription lenses and contacts services
- o Advanced vision care interventions

In many respects, under this new vision care model, most patients will notice only modest changes to their coverage:

- **Basic Services** – comprehensive exams, a flat allowance for frames, and a separate allowance for lenses and contacts

- **Extended Care Plan** – additional

assessments and services that are medically necessary to monitor and protect vision due to illnesses with ocular health effectiveness, progress diseases of the eye, or advanced age; plus, supplementary assessments for patients suspected of certain conditions

- **Advanced Care for Other**



THE NUMBER OF CANADIANS LIVING WITH VISION LOSS AND, THEREFORE, THE COST OF VISION LOSS, CAN BE MITIGATED BY ENSURING PATIENTS RECEIVE ACCESS TO THE MOST APPROPRIATE CARE.

Conditions – on a case-by-case basis in accordance with a treatment plan preapproved by the patient’s insurer

Recognizing the sensitivities of any impact proposed changes may have on plan costs, CAO engaged RSM Canada Consulting LP (RSM) to perform an actuarial analysis of the recommended plan designs outlined in the guide. RSM calculated that the overall impact of the recommended plan design outlined in the guide would have a financial impact of between one per cent and three per cent of extended health premiums. This does not include the cost benefits of a safer workplace or any reductions in presenteeism, absenteeism, or disability.

The CAO has presented the findings of its actuarial report and guide to insurers, plan advisors, and plan sponsors. Despite the current pandemic environment, the response has been overwhelmingly positive.

Stakeholders clearly recognize that vision benefits are inadequate for the current needs of Canadians. However, how benefits are funded is subject to debate. Some believe that the best opportunity to

expand coverage is through a qualifying healthcare spending accounts (Q-HCSA), although the CAO doesn’t believe this is in the best interest of patients or plan sponsors. While Q-HCSAs can provide additional coverage for discretionary vision care spending on upgrades to frames, they are not widespread or comprehensive enough to protect employees against expenses related to recall exams and ongoing monitoring and treatment of diseases of the eye that can result in vision loss.

Based on vision loss statistics and the call for a new model of vision care, CAO is embarking on a pilot with a major insurance provider to demonstrate the significant health and fiscal value to be gained through modernizing vision care benefit plans. The CAO is partnering with the University of Waterloo to design, develop, and measure the pilot in a study.

The Future Of Vision Care

The number of Canadians living with vision loss and, therefore, the cost of vision loss, can be mitigated by ensuring patients receive access to the most appropriate care. Private group benefit plans can play a critical role in protecting the vision of their plan members and reducing the high cost of vision loss by providing coverage that follows best practice care. The CAO invites insurers, advisors, and plan sponsors to rise to the challenge and to reach out to them for a further discussion on ways to ensure plans provide adequate vision care to plan members.

BPM



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