

COS Statement on Values for Uninsured Services in Canada

Introduction

A number of eye health services provided by physicians are not considered medically necessary and are therefore not insured under provincial and territorial health insurance legislation. These services are outside the scope of the Canada Health Act.

Canadian ophthalmologists have asked the Canadian Ophthalmological Society (COS) to provide guidance with regards to physician fees for these services. COS has commissioned Health Intelligence Inc., an independent and well respected health economics analysis firm, to conduct a study using recognized conventional methodologies to determine fair market value for these services. Their report, along with the underpinning formulae, is attached to this document.

Historically Uninsured Eye Care Services

Some components of eye health care have traditionally fallen outside of the provisions of the Canada Health Act, while other eye care services have been removed gradually from public coverage. The first example of this was the de-listing of routine eye examinations for healthy patients between the ages of 16-20 (depending on the province) and 65. Glasses or contact lens needed to treat refractive problems are also not insured by provincial health plans.

Presbyopia is the progressive inability of the eye to focus at short distance because of aging changes in the normal lens. Reading glasses used to correct this problem are also not insured. Costs for glasses for these problems vary widely based on the complexity of the refractive problem being corrected as well as the patient preference for the style and quality of the frames.

Refractive laser surgical procedures have developed in the last few decades and can eliminate, or greatly reduce, the need for glasses. These surgeries have never been insured under provincial and territorial health plans. The costs of such treatments also vary markedly based on the complexity of the patient's problem, the costs of the pre-operative steps involved in the planning of the surgery, the costs of the laser surgical equipment used, and the level of postoperative laser adjustments provided.

Cataract Surgery

Cataract surgery is the most common operation performed under Medicare. As a medically necessary procedure, it involves surgically removing a cloudy lens, called a cataract, followed by the implantation of a plastic artificial lens. Artificial lens are made in a variety of focusing strengths and it is possible to select one that will reduce or eliminate a patient's need for glasses by correcting underlying near or far sightedness.

The Interface between Insured Cataract and Uninsured Refractive Surgery

Astigmatism and other higher order optical aberrations, such as asphericity, are conditions requiring the use of glasses or contact lenses to see clearly. These conditions cannot be corrected with cataract surgery, using the standard lens implants provided by provincial and territorial health insurance. In recent years these conditions have become correctable with additional uninsured procedures involving either the use of a special refractive lens, incisional refractive surgical procedures, refractive laser procedures, or some combination of these techniques, depending on the complexity of the problem. Incorporating any of these refractive treatments into a standard cataract procedure adds multiple extra steps or services. Assessments are required to see if the patient would be a suitable candidate for refractive treatment. Calculations are needed to determine the appropriate refractive lens and possible adjustments in surgical technique. Multiple extra time-consuming steps are required at the point of surgery to obtain the desired refractive outcome, and postoperatively to assess and possibly modify the refractive outcome. While the extra “counselling or chair time” needed to explain these optional uninsured opportunities is covered in the provincial payment for an office visit, all of the rest of these refractive services are not.

New technologies have evolved making it possible to eliminate or reduce presbyopia in some patients. These uninsured refractive interventions also require additional care prior to, during and after regular cataract surgery.

Additional Uninsured Eye Care Services

Along with these refractive procedures many new diagnostic technologies have developed in ophthalmology. These tools significantly improve our ability to diagnose eye disease and provide ongoing care in much the same way that MRI scanning has revolutionized diagnostic capabilities in all areas of medicine. Some of these technologies play an integral part in providing optimum refractive care. Provincial and territorial health insurance plans, for the most part, do not pay for the use of these technologies. In cases where they are part of the provincial plan, their use is not covered when it is solely for the purposes of providing uninsured refractive care.

Patient Access to New Technologies

When patients have medical conditions that warrant the use of the new diagnostic technologies, COS believes that patients should have access to these advances. Similarly, when pre-existing refractive errors, as well as clinically significant cataracts coexist, COS believes that patients should have the option to pay for uninsured refractive interventions coupled with their cataract operation in order to reduce or eliminate the need for glasses.

Ophthalmologist’s Obligation to their Patients

Many Canadian ophthalmologists have purchased new diagnostic devices and are providing uninsured refractive services to patients. They are offering some or all of the new refractive procedures as add-ons to cataract surgery if medically appropriate. Ophthalmologists should explain the options available clearly to their patients in advance of any intervention. This includes an accounting of costs and the

option to forgo these extra steps and elect to have only the services provided under public health coverage. In the case of utilization of uninsured preoperative diagnostic testing, the description of costs should include a detailed accounting of charges for each separate test. In the case of refractive surgery, the description of costs should include a detailed accounting of the charges for any uninsured diagnostic testing required, the refractive services provided by the surgeon, the cost of the lens and any handling fee (only in provinces where the physician sells the lens to the patient), and the upfront costs for any postoperative enhancement procedures*.

Determination of fair market value

Determination of fair market value for any uninsured service is not an easy task for any individual ophthalmologist because they do not determine the charges for any other services they provide; these are set by negotiations between their provincial medical association and government. To assist Canadian ophthalmologists with this complicated task the COS commissioned Health Intelligence Inc. (HII) to help establish values for uninsured services. HII was chosen because it is an independent economics consulting firm with recognized expertise in determining relative values for medical tariffs.

The complete HII report is attached to this document. The summary valuation table is repeated below in Table 1. It is critical to recognize that these are not absolute tariffs that are being recommended by COS. Rather, this is an example of a methodology to arrive at a fair market value for all of these services. It is anticipated that the actual amounts charged by individual ophthalmologists will vary since these calculations were based on averaging the weighting of overhead for ophthalmologists within two provinces. It is expected that individual ophthalmologists will use their own personal overhead in performing the calculations. This overhead will vary significantly based on the style of practice plus the cost of living in the location where they are situated. Direct costs will also likely vary and affect the final amount charged. Handling fees will vary unless they are stipulated by provincial guidelines, as is the case in Alberta.

The values in the HII report for refractive lens implantation are based on the situation where the ophthalmologist purchases the lens from the manufacturer and then sells it to the patient along with providing the extra services necessary to obtain the desired refractive result. This pattern of practice does not occur across Canada, since some provinces require the lens to be sold by the hospital. To assist surgeons in those provinces, the total value of the service has been broken down into the cost of the lens, a handling fee (set at 12% based on guidelines established by the Alberta's Ministry of Health and Wellness) and the value of the refractive services provided as shown in Table 2.

From this information it is apparent that the charges for patients with different refractive problems may vary significantly, not only from province to province, but also within a single community. Some illustrative examples are presented in Table 3.

* Some surgeons offer an insurance option to their patients. They agree to perform a refractive laser procedure to reduce or eliminate any residual refractive errors that exist following their original surgery. As an example, if a surgeon finds that 10% of his patients could benefit from a LASIK procedure following their refractive lens implantation and his charge for this treatment normally is \$2000, he may offer all patients the option to pay \$200 prior to surgery and be guaranteed to receive the service at no additional cost if needed, versus paying nothing before surgery but \$2000 following surgery if the service is warranted.

Table 1 HII Recommended Values compared with Charges Reported by COS Member in an HII Survey

Uninsured Service	Recommended (\$)	Survey (\$)
A. Diagnostic Testing		
1. Pre-operative Laser measurements (IOL Master)	193	149
2. Optical coherence tomography (OCT)	198	124
3. Heidelberg retinal tomograph (HRT)	163	88
4. GDx eye test	121	119
5. Screening photography (only for a patient without pathology, and to include interpretation, networking, and filing)	121	43
6. Corneal topography	127	97
7. Pachymetry	48	68
8. Diabetic screening photography	117	40
B. Therapeutic Procedures		
9. Intraocular medication for injection (Avastin)	277	276
10. Corneal labeling and positioning for limbal relaxation surgery for astigmatism	262	450
C. Refractive Lens Implantation		
11. Toric IOLs	951	657
12. Multifocal IOLs	1,890	1,439
Pearson Correlation Coefficient		0.975

Table 2 Components of Refractive Recommended Values

	HII Value (HIIV)	Direct cost for the lens (DC)*	Handling cost (HC) (12%)	Value Service (HIIV-DC-HC)	
Toric	\$951.00	\$550.00	\$40.20	\$360.80	
Multifocal	\$1,890.00	\$1,200.00	\$144.00	\$546.00	

*Values taken from the HII Report

Table 3 Examples of Charges Based on Provincial Regulations for the Sale of Lens and Variations in Overheads

A) Provinces where the Hospital Sells the Lens

	Patient Requesting Toric Lens (Overhead = 0.4035)*	Patient Requesting Toric Lens Where Surgeon Has Higher Overhead (0.426)	Patient Requesting Toric Lens Has Lower Overhead (0.39), IOL Master Needed and Not Covered by Provincial Plan	Patient Requesting Multifocal Lens Topography is Required (Overhead = 0.41)	
Investigations	0	0	\$186.54	\$129.05	
Service Costs	\$360.80	\$380.92	\$348.73	\$554.80	
Total Cost	\$360.80	\$380.92	\$535.27	\$683.85	

* From HII report

B) Provinces where Surgeon Sells the Refractive Lens

	Patient Requesting Toric Lens	Patient Requesting Toric Lens + IOL Master Needed and Not Covered by Provincial Plan	Patient Requesting Multifocal Lens + Topography is Required
Investigations	0	\$193	\$127
Cost of Lens	\$550	\$550	\$1200
Handling Cost	\$40.20	\$40.20	\$144
Refractive Recommended Value	\$360.80	\$360.80	\$546
Total Cost	\$951.00	\$1144	\$2017

Future Trends

These values will likely shift over time, due to the changing costs for service provision and possible changes in the direct costs for the diagnostic technologies or the refractive lens. However, as new technologies and treatments develop, this methodology will continue to be helpful in establishing fair market value for ophthalmological services not covered by provincial and territorial health insurance.

Conclusion

The advent of new ophthalmic technologies provides exciting opportunities to give people better vision. When these are not insured under provincial or territorial health plans, ophthalmologists should be allowed to offer them to their patients at reasonable fees. These fees need to be clearly delineated so that it will be transparent to patients what they are paying for. It also must always be made clear that these uninsured services are optional and not medically necessary and that patients have the right to refuse them, without affecting the quality of their insured service.

This document, along with the accompanying report by HII, is meant to provide ophthalmologists with an overview of guiding principles for patient billing practices for uninsured services. It offers examples of reasonable costs for some uninsured services. It is not intended to define fixed charges for uninsured services but, instead, to explain why there will be differences in fees, as for any other goods or services, due to factors such as variation in cost of living between regions, and variations related to equipment costs, volumes and overheads. It is not a prescriptive document. It is not intended to be legal advice since it is not exhaustive of all questions or nuances that may arise.

