



CAO Position Statement on Managed Care

The Policy Issue

Third party managed care plans also known as preferred provider networks are not new to concept to health professions in Canada. CAO has serious concerns with the influence of managed care plans on the practice of Optometry. The following information on managed care is designed to assist CAO members to make informed business decisions in the best interest of their practice, their patients and their profession.

Vision is the most important of all human senses. The public expects the highest level of eye care from their Doctors of Optometry. They also expect that their Doctor of Optometry will provide that care without either undue influence or interference from a third party.

Normally, patients are entitled to select the practitioner of their choice and individual optometrists are free to establish fees that represent fair remuneration consistent with their scope of practice, their skills and the best interests of their patients. Managed care plans compromise the fundamental patient/practitioner relationship and interfere with the fiduciary obligation between a Doctor of Optometry and their patient.

Individual Doctors of Optometry can determine how to structure and conduct their practice; however, CAO recommends that members carefully consider several important factors before deciding whether or not to join a managed care plan. While some preferred provider networks claim that their program is not a typical managed care plan, the fundamental common characteristic of every plan is control; control of fees, the choice of providers and even control of patients.

Characteristics of Managed Care Plans

Some common elements of managed care plans can include:

- Patients are directed to specific Doctors of Optometry registered with a plan and while practitioners are sometimes free to establish a higher fee, the plan will only reimburse a fixed contracted amount.
- Once one managed care plan is established in a jurisdiction the opportunity exists for multiple plans to compete by offering a further reduction in fees.
- As more practitioners participate in managed care, there is more opportunity for additional plans to enter the market place.
- Managed care plans will often dictate the choice of suppliers and laboratories and the charges for ophthalmic materials in an effort to control manufacturing costs. Plans may also require discounts on non-covered products further decreasing revenues.
- Managed care plans claim that participating practitioners will benefit from greater patient volumes and higher revenues through the referral and marketing system the plans provide. In reality, as the plan develops a critical mass of practitioners in a community, participating Doctors of Optometry will eventually see the same or a fewer number of patients over time at discounted fee levels.

- Some managed care plans can require the Doctor of Optometry to perform a minimum number of procedures during an examination. Failure to do so discovered during an audit could result in repayment of funds received plus a fine.
- Coding and billing for each managed care patient will require considerable additional staff time. Either incorrect coding or delayed submission can result in reduced or declined claims payment.
- Generally, Doctors of Optometry in the US have found that managed care has had a negative influence on their practices and forced them to work harder for less compensation.

Consequences

Managed care plans may appear attractive at first. However, Doctors of Optometry should carefully scrutinize all claims made on behalf of such plans and not sign any agreement without full and careful consideration of the potential implications for their patients, their practice and the profession. CAO members should consider who benefits most from managed care; patients and their practitioner or the operators of the managed care plan?

The autonomy and independence of the practice of optometry is critical to a healthy and viable profession. CAO advises members to carefully consider all of the facts and future consequences before making a decision to subscribe to a managed care plan.