

# Economics and Low Vision: Incentives and Cost-Effectiveness

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# Economics and Cost Effectiveness

- **Incentives for consumers**
- Incentives for device manufacturers
- Incentives for providers
- How to make resource allocation decisions when incentives do not (or cannot) work



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# Incentives for Consumers

- VALUE
  - Treatment
  - Rehabilitation
  - Devices

# Incentives for Consumers

- PRICES
  - How much does each option cost?
  - How much does each option take?
  - Compare among options
  - Compare options to other uses of resources



# Incentives for Consumers

- RESOURCES
  - Income available
  - Time available





# Incentives for Consumers

- Nuance
- Family
- Other caregivers

# Incentives for Device Manufacturers

- PROFITS
  - How much do devices cost to manufacture?
  - How can this be done most efficiently while maintaining quality?
  - What is the demand?
  - How much competition is there?
  - Profitability does not imply things won't help consumers



# Incentives for Providers

- PROFITS/INCOME
- Time
- Cost
- Revenue
  - From what?
  - How much?



# Incentives for Providers

- Nuance
- Value of professional satisfaction
  - Trade maximizing profits/income for professional satisfaction
- Value of doing good for others?

# Why Do Incentives Not Always Work?

- CONSUMERS
  - Don't understand problem
  - Don't understand solutions
  - Don't understand risks of solutions
  - Don't face entire marginal cost of options
  - Don't have the income to fund the options



# Economic Studies

- Does economic status make a difference in low vision care?
- Does less costly low vision care lead to more utilization?
- Does less time consuming low vision care lead to more utilization?
- Does the opportunity to provide more efficient low vision care change provider incentives?
- Does the opportunity to provide more efficient low vision care change payer incentives?



# Cost-Effectiveness and Low Vision

- Small number of examples of cost-effectiveness studies actually looking at low vision care
- Many more cost-effectiveness studies looking at treatment of eye disease



# Study #1

- A cost-effectiveness analysis of a health education programme for elderly persons with age-related macular degeneration: a longitudinal study
  - Eklund et al., *Disability Rehabilitation*. 2005. 27(20): 1203-12.
- Comparing new activity-based health education program with standard individual treatment
- Found that more people felt secure with low vision while accumulating lower total costs (albeit greater cost of devices)
- New program was cost-effective





# Study #2

- Economic evaluation of blind rehabilitation for veterans with macular diseases in the Department of Veterans Affairs
  - Stroupe et al., *Ophthalmic Epidemiology*, 2008. 15(2): 84-91.
- Compare LOVIT (outpatient program) with standard inpatient low vision care
  - LOVIT: \$5054
  - Inpatient: \$43682
  - Inpatient had better overall visual ability, mobility and motor skills but not better reading or information processing



# Conclusions

- Need to remember that “economics” is not just cost-effectiveness
- For cost-effectiveness need to be aware of multiple ways of measuring effectiveness
- Never be a “one-size fits all” approach to study design but we need to use as similar methods as possible to make studies comparable and provide the most useful information for allocating resources

