

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

