

April 14, 2009

Senator Linda Berglin
Representative Tom Huntley
Commissioner Cal Ludeman

Dear Senator Berglin, Representative Huntley, Commissioner Ludeman,

Thank you for your work on behalf of all Minnesotans. We recognize the difficulty of the financial situation and clearly here are no easy answers. We also want to thank you for recognizing the important role eye care services play in our public programs. Our ultimate goal is to move everyone off these programs; healthy eyes and clear vision are critical to this goal.

As budget discussions enter their most significant phase, we would like to give you our perspective on the situation. First, nearly all of our member optometrists are providers for Minnesota's public health programs. We have been committed to providing needed services to all members of our communities. To that end, we have partnered with the Salvation Army in providing comprehensive examinations and eyeglasses to those individuals who fall into the coverage gap. That being said, this commitment is becoming more difficult to maintain.

The reimbursement for our services, along with those of our physician colleagues are based upon 1989 rates discounted 25%. These rates have remained the same with the exception of one 3% increase a number of years back. Certainly, our expenses in delivering this care are not the same as 1989 and have increased more than 3% in the last decade.

In addition, our ability to collect a \$3 co-payment on services, a \$3 co-payment on MA eyeglasses and a \$25 co-payment on GAMC eyeglasses was removed effective January 1 of this year. The GAMC situation has left us in the position of finding eyeglasses that cost \$2.90 since that is the remaining payment rate. The service cut amounts to nearly a 10% cut in the total reimbursement for a comprehensive eye exam under MA and GAMC. The subsidy other patients pay to cover the cost of providing these services is becoming unbearable.

On top of this, there is a proposal to put a surcharge on our license to practice to pay for the development of an online license renewal system (the board of optometry has such a mechanism in place paid for by existing fees), there is a proposal to use the Health Care Access Fund to supplement the General Fund, and proposals to cut provider rates even further.

Certainly we are not alone in this. Primary care physicians, hospitals, community clinics are all faced with these same challenges. Yes, times are tough for all, but the situation we are in now is not sustainable.

We want to help you find creative long-range solutions to these problems. Here are a few:

- DHS staff is working to find solutions to the GAMC and MA eyeglass reimbursement problem. We have been communicating with them and hope to work out a solution soon. This may require a legislative change to all for a different delivery structure and will work with legislators should that be necessary.

- We must look for alternative delivery models in our communities. The financial pressure of the current system is too great to maintain. We hope to partner with our community clinic system to enhance eye care delivery in the most challenged areas. We encourage the legislature to do the same.

Building a stronger community based clinic system can relieve pressure from hospital emergency rooms for those un and under compensated patients. This system also allows us to maximize our public and private investment in keeping our most at risk populations healthy. This may be a good use for Access Fund Dollars.

- This is not the time for the state to build a different web-based licensure structure. We certainly recognize the need to invest in technology that offers long-term efficiency, but this does not seem like the best time for this particular project. Extra health care dollars should focus on delivery of services.
- We need to find ways to increase the support for primary care services. Ultimately our health care system needs to focus on prevention rather than serve as a backstop when we get sick. Yes, this is a fundamental change, but one that is necessary. Many of the changes recommended past year focused on this goal, we should not lose site of them.

We must also look to the future. Our current financing structure for public programs is placing our delivery system at risk. We must find ways to make significant long term changes to the way we use public funds to deliver care. Perhaps changing the way eye care is delivered can provide a model for the rest of the system. We are committed to working with you to find those ways.

Thank you again for your time and attention. We are indebted to your service to our state and hope to work with you over the coming weeks to craft creative solutions to our state's problems.

Sincerely,

Linda Chous, OD
President

Jim Meffert-Nelson
Executive Director