

## Regional Highlights

### 2002 AOA Third Party/Managed Care Survey<sup>1</sup>

**Third Party Practice Profiles.** Optometrists were asked to estimate the percentage of their patients in 2001 sponsored (covered) by, and the amount of their practice revenues coming from, various third-party and managed care sources. As in past studies, the sponsorship of optometric populations varied widely by region. Managed care is most significant from a coverage perspective in the Pacific (62.2 percent) and in the New England (52.0 percent) regions. Managed care patient populations are least important for optometrists in the West North Central (28.5 percent) and East South Central (34.4 percent) regions. Conversely, the absence of any third-party coverage at all for optometric services is most significant in the East North (35.3 percent) Central and the West North Central (34.1 percent) regions. Coverage is most widespread in the Pacific region (81.6 percent) and in New England (80.3 percent).

OD Patients Covered by Plan Type and Region,  
Mean Percent, 2001

REGION	VSP	Other Vision Plans	Private HMOs	Other Manag. Care	Other Private Plans	M'care HMOs	M'care FFS	M'caid	Other Gov. Plans	No Coverage
New Engl.	12.3	8.9	19.0	8.9	4.9	2.9	14.4	8.1	1.0	19.7
Mid-Atlant.	14.1	6.5	10.5	11.9	4.1	5.0	13.6	3.1	1.1	30.2
E.N. Central	22.3	5.3	4.7	6.1	5.2	2.3	13.2	5.4	0.3	35.3
W.N.Central	11.1	4.0	4.7	6.3	3.5	2.4	22.7	9.3	1.8	34.1
S. Atlantic	13.2	6.9	5.5	10.4	5.3	2.5	14.5	6.9	0.9	33.9
E. S. Central	12.1	6.9	4.3	7.3	3.8	3.8	18.6	16.0	2.2	25.0
W.S.Central	22.5	5.5	2.9	5.5	2.4	2.9	14.3	9.0	1.0	33.9
Mountain	27.4	7.1	3.1	6.9	4.8	2.1	11.7	7.2	2.5	27.3
Pacific	41.3	6.6.	4.7	5.3	4.2	4.3	8.2	6.3	0.8	18.4
All U. S.	21.1	6.2	5.9	7.5	4.3	3.1	14.0	7.1	1.1	29.7

<sup>1</sup> Responses are for calendar year 2001. A stratified sample of 4,000 AOA members, drawn in equal proportion from each state, was sent this survey. Because of the survey topic, optometrists in the armed services or employed by government, retirees, students and those in full-time academic positions were not included in the survey sample. The response rate was 23.1 percent (n=885).

From a revenue perspective, patient out-of-pocket payments (including cost-sharing amounts from those with third-party coverage) are the principal revenue source for optometric practices in all census regions but one (Pacific Region). VSP is a substantial source of revenue in the Pacific (34.1 percent), Mountain (23.9 percent), West South Central (23.9 percent) and East North Central (16.4 percent) regions, while revenue from Medicare was significant in the West North Central (20.5 percent), East South Central (18.5 percent) and New England (15.1 percent) regions. Private HMOs were the most important source of revenue for the optometrists in the New England (15.9 percent) region.

Practice Revenue by Source and Region,  
Mean Percent, 2001

REGION	VSP	Other Vision Plans	Private HMOs	Other Manag. Care	Other Private Plans	M'care HMOs	M'care FFS	M'caid	Other Gov. Plans	No Coverage
New Engl.	9.5	5.7	15.9	7.4	4.4	2.7	15.1	5.8	0.9	32.7
Mid-Atlant.	9.6	5.8	8.7	7.8	4.7	4.7	12.3	2.1	1.0	43.4
E.N. Central	16.4	4.5	4.1	5.1	4.5	2.2	11.1	3.7	0.3	48.1
W.N. Central	7.9	3.3	4.4	4.7	2.6	2.6	20.5	7.6	1.7	44.8
S. Atlantic	12.3	5.3	3.7	8.6	4.4	1.7	12.6	6.0	0.9	44.5
E. S. Central	8.6	5.8	3.2	6.8	3.9	4.3	18.5	14.1	1.7	33.1
W.S. Central	17.3	5.0	2.1	4.5	2.4	1.0	13.2	7.2	0.8	46.4
Mountain	23.9	7.5	2.3	5.9	4.3	2.1	10.9	5.6	2.0	35.6
Pacific	34.1	6.4	5.2	4.6	4.2	2.8	7.5	4.3	0.7	30.1
All U. S.	16.9	5.4	5.0	6.0	4.0	2.6	12.7	5.5	1.0	40.9

**OD Managed Care Services.** Optometrists who cared for patients in HMOs and PPOs furnished an extensive list of covered optometric services in 2001. While nearly all ODs throughout the country provided routine eye examinations, the provision of other services varied widely from region to region.

**OD Furnished Services to HMO/PPO Patients,  
Mean Percent, 2001**

REGION	Eye Exam	Dispense Eyewear	Refer To Special.	Treat Glauc.*	Vision Therapy	Gate Keeper	Contact Lenses	Coman. Refract. Surgery	Coman. Cataract Surgery
New Englan.	97.8	80.4	82.6	28.3	15.2	42.9	93.5	63.0	64.4
Mid-Atlant.	97.8	82.4	94.4	43.0	23.0	48.3	85.7	71.4	75.8
E.N. Central	92.3	80.5	85.7	61.4	20.5	34.7	89.2	61.2	63.3
W .N. Centr.	89.7	74.7	77.1	80.9	19.5	31.3	80.0	62.4	72.1
So. Atlantic	94.6	87.4	86.9	69.3	11.9	47.7	90.9	70.0	71.2
E.S. Central	92.1	89.2	94.7	86.5	19.4	35.1	89.5	76.3	84.2
W.S. Centr.	93.2	76.3	82.8	64.5	12.3	39.7	89.7	60.3	79.3
Mountain	88.5	80.3	83.6	64.1	11.5	36.7	83.6	65.6	67.2
Pacific	95.0	85.9	83.3	34.5	16.4	38.3	87.6	69.4	58.7
All U. S.	93.6	82.1	85.5	68.5	17.1	39.6	87.6	66.4	68.9

- If applicable in respondent's state

**Managed Care Patients and Volumes.** In every region in 2001, at least fifty percent of reporting optometrists indicated that participation in managed care had increased higher patient volumes. In general, however, far fewer optometrists in every region reported improvements in gross or net incomes due to managed care.

**Managed Care Patient Volumes,  
Gross and Net Income, 2001**

Region	Volumes Increased	Gross Income Increased	Net Income Increased
New England	68.2 %	40.9 %	20.0 %
Mid-Atlantic	72.3 %	44.7 %	34.0 %
E. N. Central	60.6 %	41.6 %	21.0 %
W. N. Central	51.5 %	35.0 %	26.7 %
South Atlantic	58.5 %	40.9 %	27.0 %
E. S Central	60.5 %	38.9 %	19.4 %
W.S Central	61.5 %	47.7 %	33.9 %
Mountain	54.3 %	36.8 %	24.6 %
Pacific	56.8 %	37.9 %	26.0 %
All U. S.	59.7 %	40.4 %	26.2 %

**Health Plan Participation.** Not surprisingly, optometrist participation in medical/health plans and vision/optical plans varied widely by region during 2001.

Health Plan Participation by ODs,  
Mean and Median Number, 2001

REGION	HMO Med/Health	PPO Med/Health	Other Med/Health	HMO Vision/Opt.	PPO Vision/Opt.	Other Vision/Opt.
NewEngland	4.2 [3.0]	3.6 [3.0]	4.4 [2.5]	2.7 [2.0]	2.2 [2.0]	5.9 [2.0]
Mid-Atlant.	4.4 [2.0]	4.1 [3.0]	11.2 [3.0]	3.3 [2.0]	2.8 [2.0]	16.8 [3.0]
E.N. Central	2.1 [1.0]	5.0 [2.0]	6.3 [2.0]	2.1 [1.0]	4.1 [2.0]	5.7 [2.0]
W.N. Central	2.1 [1.0]	5.9 [3.0]	6.8 [3.0]	1.3 [1.0]	2.3 [2.0]	3.9 [2.0]
S. Atlantic	2.4 [1.0]	4.1 [2.0]	5.2 [3.0]	2.5 [1.0]	3.4 [2.0]	6.5 [4.0]
E.S. Central	2.4 [2.0]	6.3 [5.0]	14.3 [4.5]	2.0 [1.0]	4.3 [3.0]	5.9 [3.0]
W.S. Central	1.4 [1.0]	4.9 [3.0]	3.9 [2.0]	1.1 [1.0]	4.5 [2.0]	5.6 [4.0]
Mountain	1.8 [1.0]	6.6 [2.0]	8.4 [3.0]	1.9 [1.0]	4.7 [2.5]	9.3 [3.0]
Pacific	2.3 [1.0]	5.2 [2.0]	7.5 [2.0]	3.0 [2.0]	4.7 [3.0]	8.2 [3.0]

[ ] = median

**Discounting.** The average number of patients receiving discounts also varied by census region. Reduced examination fees were received for most patients in Pacific region and for the fewest patients in the West North Central region. The magnitude of the fee discounts ranged from a low of 18.3 percent in the West North Central region to an average high of 28.7 percent in the New England states. On average, patients were most likely to receive fee reductions for frames and lenses in the Pacific region (53.5 percent) and least likely in the West North Central region (25.9 percent). The average fee reduction for frames and lenses was highest in the Mid-Atlantic region (28.9 percent) and lowest in the West North Central region (19.8 percent). The average percentage of patients receiving fee reductions for contact lenses ranged from a high of 28.1 percent in the Pacific region to a low of 9.6 percent in the West North Central region. The average magnitude of the fee reductions for contact lenses varied from a low of 12.5 percent in W.N. Central to a high of 17 percent in the Mountain region.

Examinations, Frame & Lens and Contact Lens Discounts,  
Mean Percent, by Region, 2001

REGION	Percent Patients with Discounts For			Percent Average Discount		
	Exams	Frames/ Lenses	Contact Lenses	Exams	Frames/ Lenses	Contact Lenses
NewEngland	59.9	40.2	20.7	28.7	27.3	12.9
Mid-Atlant.	51.2	40.1	22.1	28.0	28.9	16.4
E.N. Central	43.1	35.6	20.8	23.6	24.2	15.0
W.N. Central	38.6	25.9	9.6	18.3	19.8	12.5
S. Atlantic	40.0	34.6	18.0	23.8	25.0	15.2
E.S. Central	40.0	31.7	11.0	21.3	22.5	13.5
W.S. Central	41.0	33.5	15.1	20.2	25.3	13.1
Mountain	50.6	41.5	25.8	21.6	27.6	17.0
Pacific	62.4	53.5	28.1	22.4	23.5	14.8

**Medicare and Medicaid.** More than 93 percent of the optometrists in every region of the United States saw Medicare patients during 2001. The rate of “physician participation” in Medicare—i.e., those who accepted program payments as payment in full, except for required deductibles and coinsurance—was highest (95.0 percent) in the East South Central region and the lowest (80.1 percent) in the East North Central region. The East South Central states ranked highest in providing Medicaid eligible patients with eye examinations (90.2 percent), eyeglasses (87.8 percent) and medical eye care (90.2 percent). The Mid-Atlantic region ranked last in each of these Medicaid categories—eye examinations (40.0 percent), eyeglasses (33.3 percent) and medical eye care (29.2 percent).

**Prescriptions Filled Elsewhere.** The mean percentage of prescriptions for spectacles taken elsewhere for filling was highest (18.2 percent) in the West North Central region and lowest (9.6 percent) in the East North Central region. The mean percentage of prescriptions for contact lenses taken elsewhere for filling was highest (14.9 percent) in the Mountain region and lowest (8.1 percent) in the Mid-Atlantic region.

**Census Divisions:**

**New England: CT, ME, MA, NH, RI and VT**

**Mid-Atlantic: NJ, NY and PA**

**East North Central: IL, IN, MI, OH and WI**

**West North Central: IA, KS, MN, MO, NE, ND and SD**

**South Atlantic: DE, DC, FL, GA, MD, NC, SC, VA and WV**

**East South Central: AL, KY, MS and TN**

**West South Central: AR, LA, OK and TX**

**Mountain: AZ, CO, ID, MT, NV, NM, UT and WY**

**Pacific: AK, CA, HI, OR and WA**

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