

Chaos in a Changing Healthcare World

Subtitled: How will you celebrate 2020?



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Financial Disclosures – Joe DeLoach, OD, FAAO


I Have Received Honoraria From or Served as a Consultant for:
(Partial Listing)

- Vision Source
- Alcon Laboratories
- Carl Zeiss Meditec
- Optos
- Diopsys
- Kowa
- PCS
- AllDocs
- OfficeMate
- Marco
- TSO
- NVision
- Cleinman Partners
- Vision Trends
- Konan
- Essilor of America
- Pearle Vision / SNAPP
- Vision West
- EyeMart Express
- UHCO, RSO, UAB, Berkley, and other optometry schools

Over half the state optometric associations

There are no conflicts or disclosures related to any of these groups

Practice Compliance Solutions, LLC – President and CEO (no financial interest)
Clinical Professor – University of Houston College of Optometry (opinions do not necessarily reflect the views of the University)



Can you join me in a feeling?

Isn't just great to be an optometrist?





CAN I GET AN AMEN!



Let's start with some TRUTH!

(rare commodity these days – check out social media!)

If ODs don't stop thinking like doctors and start thinking like patients and businesspeople, the next decade is going to be very rough on their pocketbook!

HIPAA
OSHA
CDC

HEALTH CARE REFORM

OBAMACARE, TRUMPED-UP CARE OR NEXT?

ACO

MIPS / MAPS

1800 HEALTH CARE

TECHNO CARE

ON LINE EXAMS

OPHTHALMOLOGY INTRUSION

HEALTH CARE EXCHANGES

TOO MANY, NOT ENOUGH ODs?

VISION PLANS

MEDICAL PLAN PARITY

KIOSK CARE


WILL MY DISPENSARY GROW COBWEBS?

EH1

AUDITS

IS MY PRACTICE SAFE?

SOCIAL MEDIA



Fear Or Opportunity

Choose Wisely



You get to choose – will you choose wisely?



What Challenges Face Optometry in the Next Decade?

- A totally new reimbursement system
- A new kind of patient
- Increased competition
- Optometry *(really?)*
- Tele / Techno Care



A New World of Health Care Reimbursement

Primary Care as a “loss leader”

Marketing is marketing. Loss leader marketing has always worked – *The public doesn’t go to particular grocery store because bread sale for a buck?*



Who is driving the primary care loss leader concept?

- Wellness plans in major medical
- The vision plan “race to the bottom”
- Some companies like ones who think they are “Best”



Encounter Based Payment System

Typical glaucoma suspect encounter payment 2018

Initial office visit (\$129), follow up visits (\$79 x 2), scanning laser (\$45 x 2), visual fields (\$83 x 2), gonioscopy (\$30), pachymetry (\$15), ERG (\$85)

TAKE HOME: Approaching \$700

Glaucoma suspect diagnosis payment circa 2020

Fee for managing a glaucoma suspect for one year time frame

TAKE HOME: \$283



PQRS, MACRA, MIPS – What it is REALLY about and where will it go?

- Is the concept of QUALITY measurement rational?
- How the Public Will Use This
 - Access the “Quality Scores”
 - 2016 - **17K business information searches PER MINUTE – and what are they finding?**
- How the Payers Will Use This
 - Panel inclusion based on WHAT? Let’s look at a totally IRRATIONAL idea that is our future.



THIS IS A PROBLEM WHY?

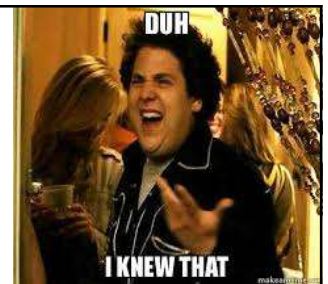
Who says it is?

- Not the public
- Not the health care system

It is CHANGE – plain and simple

YOU DO WHAT ABOUT IT?

1. Play the game
2. Be a maverick
3. Advocacy in DC and your state capital – *but advocate for WHAT?*




A New Patient

WHO IS YOUR NEW CUSTOMER -
excuse me I meant patient

E-Patient

"An individual who is equipped, enabled, empowered and engaged in their health care and their health care decisions"

Tom Ferguson, MD



FEATURING ORIGINAL RESEARCH
ePATIENT 2015
15 Surprising Trends Changing Health Care


ROHIT BHARGAVA
Best Selling Author of
E-Patient

FARD JOHNMAR
Founder of
E-Patient

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E-patient characteristics that likely apply to us - and you may or may not like!

- Believes in augmented nutrition
- Believes in natural / alternative medicine
- Willing to research to achieve an over-qualified patient status (**"care-hacking"**)
- **Accepts "non-MDiety" interfaces** (woo-hoo!)
- Accepts virtual medicine and virtual counseling
- Desires control over their health care decisions
- Desires alternative sources of health care information, services and products
- Values experience and "fun" – ASSUMES quality



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America's "Climate of Distrust"*

This is the challenge facing all business due to:

- Proliferation of fake news
- Unmet service/product promises
- Corporate / business misdeeds
- Global financial crisis
- Lack of privacy assurance

Future success will depend on:


- ✓ An uncompromising business ethic
- ✓ Attention to consumer desires
- ✓ Total transparency
- ✓ Contribution to the general good

* NAVEX Global "Top Trends in 2019"

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THIS IS A PROBLEM WHY?
Who says it is?
Not the public
Not the health care system
It is just CHANGE – plain and simple

YOU DO WHAT ABOUT IT?
Quit thinking like an optometrist
Read the book



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Competition

COMPETITION

Is not a four letter word....it is spelled

- ✓ Vision Plans
- ✓ Ophthalmic products as a commodity
- ✓ Ophthalmology
- ✓ Technology

LET’S LOOK AT THESE....



Vision plans may be great, but...

Vision Monday 2019

VSP Global to Expand Retail Strategy, Open EyeConic Stores and Launch VSP Ventures

EyeConic = Retail “store” wholly owned and operated by VSP

VSP Ventures = Acquisition model

WHY? “because doctors asked VSP for these alternatives”

- The REAL PROBLEM - they are all like heroin and many of our colleagues, any maybe you, are hooked on them



Characteristics of Addiction

- Depression
- Delusional actions
- Avoidance of reality
- Focus on maintaining the addiction
- And, of course, itching and constipation



What did total dependency on one product line do for some folks



Product competition – old news, no news or news we just like to ignore?

As far as non-health care provider invasion into ophthalmic products....a few quotes:

“Change does not occur based on our ability to stomach it” Flannery O’Conner

“We cannot change anything until we accept that it has changed” Carl Jung



I easily found (*quit looking*) 59 online opticals and 49 contact lens order sites (*including several vision plan sites*)

And is it really 8%?

What MAJOR industry leader said – “ODs are either unaware of or are inflating their optical capture rate”

They’re ignoring all this why?

QUOTE -

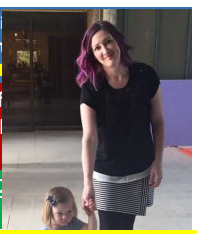
“they aren’t sick enough yet”



CNBC 11/18/13: For the first time in history, online shopping overtakes "brick and mortar" as the preferred channel (63% online vs 37% traditional) – 2016 \$175 MILLION


It has little to do with the doc, how many f... one day service, exceptional staff, or what stock Maui Jims.....

IT IS ABOUT CONTROL, CONVENIENCE AND "EXPERIENCE" – THE STORY OF ROSIE




Per Ernst & Young 2017 report – "72% of Millennials prefer to spend money on experiences rather than goods"

WHAT DID YOU BUY ONLINE THIS MONTH? OR LAST NIGHT?



Until optometry starts to believe the public thinks these are ALL the same thing, the future is not so bright!



Worried about Warby Parker? How about patients just making their own glasses?

YouTube *How to 3-D print sunglasses*


Published on Apr 13, 2016

*I had a pair of broken glasses that have been sitting on my desk for the past few months. After a few trial and error attempts I managed to design a pair of glasses that worked well. **Hard cost - \$6.33***

Published on May 6, 2015

In this video I show you how to design and 3D print your own pair of sunglasses! You can find my design files below: <http://www.thingiverse.com/thing:813228>

China just built EVERYTHING in a 6-story building using 3-D printing!



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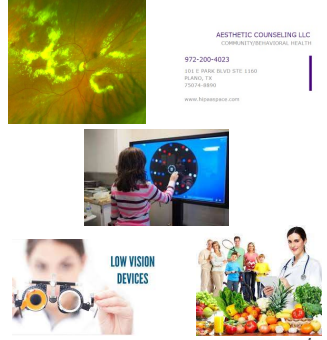
Who says it is?

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It is CHANGE...plain and simple


I DO WHAT ABOUT IT?

1. Don't put all your eggs in one basket – OPTOMETRY IS MUCH MORE THAN JUST SELLING GLASSES AND CONTACT LENSES




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PLANO, TX 75074-1000
www.renewably.com

LOW VISION DEVICES




And our own worse enemy is who?



YOU ACT LIKE IT'S YOU AGAINST THE WORLD BUT IT'S REALLY JUST YOU AGAINST YOURSELF.



THE THINGS WE SAY

THE THINGS WE SAY.COM



Do you feel you are swimming upstream? Or are you asking the wrong question???

Where is the Stream Going? Let's look how some are answering this "challenge"?

Public perception of optometry should be blamed on **WHO?**

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What does this tell your patients?

WHAT'S ON YOUR FRONT DOOR, WINDOW, WEBSITE, BUSINESS CARD?

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Or....

Private equity POSSIBLY attractive but UNLIKELY option because:

1. Proper practice exit strategy takes minimum of five years
2. PE (practice acquisition) is often not all it's cracked up to be
3. Who are the PE players and what do they want?

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Two PE Players

- *US (really?)*
 - Major interest is mega practices
 - More medical than optical
 - More hands off
 - Are they really bad for optometry?
- **The Giants**
 - Major interest is acquisition
 - Almost total focus on optical
 - VERY hands on

Let's look at these folks!!!

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China's Largest Eye Doctor Chain Is Looking To Expand To The U.S

Main mode of "expansion"?
ACQUISITION

Sheng: Aier now has one location in the Institute. What's next?

Wang: We are first looking at rural areas in Tennessee. We are looking for rural areas with unmet needs. In the second stage, we'll be looking at the rest of the country and taking a similar approach.

Aier Eye Hospital Group Co., Ltd. Reports Earnings Results for the First Quarter of 2017
Apr 25 17

Aier Eye Hospital Group Co., Ltd. reported earnings results for the first quarter of 2017. For the quarter, the company reported revenue of **CNY 1.197 billion, rising 30.86% from a year earlier.** Net profit hiked 31% to CNY 156 million – **and they are dedicating a chunk to expansion.**

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RETAIL COMPANY	2017 PERCENT GROWTH
Warby Parker	140%
EyeCare Partners (Clarkson)	85%
Vision Precision (Stanton)	41%
Capital Vision (MyEyeDr)	35%
National Vision (Americas Best+)	21%
Rosen Optical	21%
Specs	14%
Partners in Vision	13%
Walmart	-11%

It's not VisionWorks, LensCrafters, Pearle - add in all the familiar names

MOST ARE ACQUISITION COMPANIES

WHAT GROWTH ARE YOU LOOKING FOR?

AND THAT WAS 2017 – THEY'VE EXPLODED SINCE THEN

METRIC	VALUE
Total US Locations	14,048
Total Revenue	\$12.1 BILLION

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MORE EXPLOSIONS: THE WORLD OF TECHNOLOGY

Two Issues – Only One Choice

Issue One – “Disruptive” Technology
May win a few battles but will lose the war. *Interesting we label it “disruptive” when it potentially costs us money and “innovative” when it makes us money?*

Issue Two – “Disruptive” METHODS
Here’s where you have a choice – own it or lose it. *Change is uncomfortable but inevitable for survival.*

To understand what TO DO, lets look at what we are NOT doing!


So, Who Is Taking Care of Eyes?
WTF?

- ? **82%** of physicians writing prescriptions for ophthalmic drugs were **NON-EYE CARE PRACTITIONERS!!!!**
- ? Non-eye doctors write more glaucoma scripts than optometrists
- ? Non-eye doctors write more ocular allergy medications than optometrists
- ? **Optometrists see 70% of the eye patients and in general provide only 10-15% of all medical eye care** (Alcon/Allergan data)

WHY IS OPTOMETRY STILL NOT ADOPTING A COMPREHENSIVE CARE MODE OF PRACTICE

My colleagues get mad at me for this one...

- Glasses and contact lens care is too damn easy and VERY profitable (for now)
- The major changes, the “gorillas in the room”, haven’t totally ramped up (yet)
- VACCINATIONS:
 - Second class physician-ship
 - Fear of being wrong
- Liability fantasies (*How many optometric malpractice cases in 2015?*)



REALLY???

Is this all optometry is capable of doing?

By PCS audits, at least 60% of all OD referrals to ophthalmology are totally unnecessary!

Here’s my NUMBER ONE slide on how you can make more money next week...

STOP REFERRING PATIENTS TO OPHTHALMOLOGY FOR THINGS YOU SHOULD BE HANDLING!

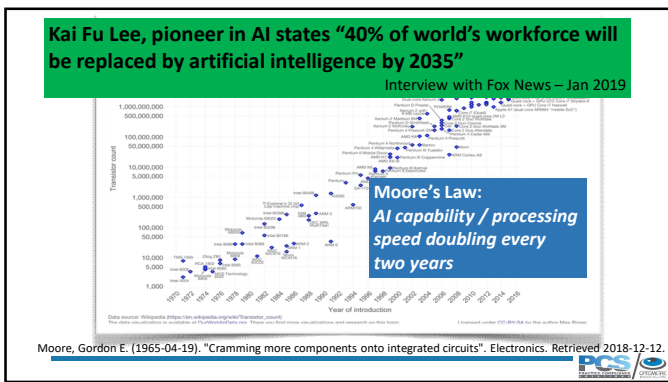
How is ophthalmology adapting to change? JUST PLAIN WRONG OR BRILLIANT MARKETING?

Cataracts in 1996		Cataracts in 2018	
CHARGES		CHARGES	
Pre-operative evaluation	\$ 980.00	Pre-operative evaluation	\$ 205.00
Surgical fee	\$2136.00	Surgical fee	\$ 618.00 ↓39%
ASC Fee	\$1692.00	ASC Fee	\$ 911.00
EXPENSES		EXPENSES	
Disposables	\$ 432.00	Multifocal IOL Fee	\$3500.00
IOL	\$ 0.00	Laser Fee	\$1100.00
		Astigmatism correction fee	\$ 500.00
		EXPENSES	
		Disposables	\$ 314.00
		IOL	\$ 795.00
NET PROFITS \$4376.00		NET PROFIT \$5725.00	


What we don't know or believe in can't hurt us?



**The new world
of tele &
techno-health**




Coming soon to a pharmacy near you



Oh...and people won't use kiosk care because it is inaccurate, dangerous and developed by shysters – right?

The top kiosk "self care center" in development has 19 stations including color vision, pupil assessment, refraction, tonometry and *cognitive analysis* of external and internal photographs.

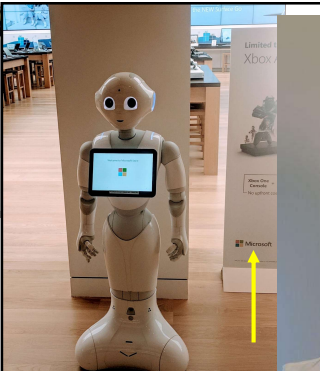

And those "shysters" are a joint venture between IBM and the Mayo Clinic and the brain behind it all is called Watson – already shown to be statistically as accurate for most disease detection and management as the average medical doctor



MEET PEPPER!

What can Pepper do?

- "Read" to patients from any book contained in the Library of Congress
- Detect and analyze AND RESPOND TO human emotions
- Formulate INDIVIDUALIZED medication prescriptions based on disease severity, BMI, age, cost and insurance coverage (that Pepper determined!)
- **INDEPENDENTLY manage a non-life threatening ER patient from admission to discharge, including all clerical work**

HELLO, MY NAME IS SOPHIA

Know what else?

Pepper works 22/7 (2 hours for charging), doesn't require health insurance, doesn't feel entitled to any praise or raises, doesn't take off for jury duty or vacation, doesn't need breaks, doesn't complain, never makes a mistake and DOESN'T BECOME A **WHISTLEBLOWER**

Too expensive? Nah....2190340 Yen (\$20,000) initial and 21903 Yen (\$200) a month – about \$25K a year. Current obstacle???



What do all these people have in common?



THEY ALL DO NOT EXIST!
They are all fake faces created by: ThisPersonDoesNotExist.com

Want to HEAR the future?



And we think the AMA, AOA or anyone else can stop this?

Three major reasons we are dreaming!

1. We don't know our market
2. We are WAY underestimating the power of technology
3. We don't understand **WHO** we are REALLY up against



THE FUTURE OF PRIMARY HEALTH CARE

Don't underestimate WHO the army is and the SIZE of the army you are going up against – just a few of them

Walmart Save money. Live better. "Our goal is to be the largest provider of health care in the United States by 2025" Walmart VP Consumer Affairs



Microsoft **REALLY?**
Microsoft Intelligent Network for Eyecare (MINE)

- Partners? Bascom Palmer Eye Institute, Prasad Eye Institute, Brein Holden Vision Institute (*more shysters*) - a **"consortium of international commercial, research and academic institutions dedicated to using artificial intelligence to improve eye care services."**
- Goal? "MINE, a global collaboration, reinforces Microsoft's belief in the combined power of data, cloud and advanced analytics to drive public good," said Anil Bhansali, Managing Director, Microsoft India (R&D). **"In our shared vision to eradicate preventable blindness, MINE will help redefine eye care by bringing together the power of technology and knowledge of global experts."**

Here's a great look at the future of primary health care

JUST IN – AN ECG ON YOUR WRIST!

The new "Throne" of Diagnostics



- Heart rate
- Electrocardiography
- Pulse oximetry
- Photoplethysmography (blood oxygenation)
- Ballistocardiography (cardiac cycle stress)
- And of course, weight
- All sent via Bluetooth to your PCP
- All while reading the daily comics....

Made this up? Don't think so!

In-Home Cardiovascular Monitoring System for Heart Failure: Comparative Study
Journal of the American Medical Association. Published online first: August 14, 2018. doi:10.1001/jama.2018.11111
 JMIR Health Published on 18.01.19 in Vol 7, No 1 (2019): January



Technology NOW!




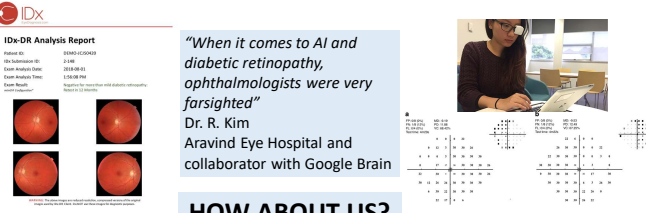
- 2018 – autonomous cars put car industry in chaos
- 2018 – telehealth as a radiologist and ophthalmologists
- 2018 – Here it is... ophthalmology
- 2018 – **TODAY**
- 2018 – reservations, you name it
- 2018 – the legal profession
- 2018 – on your smart phone
- 2022 – autonomous cars put car industry in chaos



Better yet...eye care NOW

- ONLINE diagnostic acuity testing, pupil testing, color vision testing, PD / seg height measurement, EOM analysis
- ONLINE cognitive analysis of retinal photo (IDx 87% sensitivity for DR – three others waiting FDA approval, one with 95% sensitivity for ALL retinal disease)
- ONLINE optic nerve analysis (Pegasus – sensitivity of TWO glaucoma experts)
- ONLINE threshold visual field test – 85% HFV accuracy
- ONLINE retinal cardiovascular risk assessment (Google Brain – 70% accuracy, humans are 72%)


AND...OCTs just around the corner from ability to go online!

"When it comes to AI and diabetic retinopathy, ophthalmologists were very farsighted"
 Dr. R. Kim
 Aravind Eye Hospital and collaborator with Google Brain

HOW ABOUT US?

But no one is smart enough to develop an ACCURATE online refraction?




One other "small" point...

Within the next two decades it is predicted we will eliminate 75% of all CURRENT human health maladies

INCLUDING MYOPIA AND PRESBYOPIA

The optometric practice for the non-adapters looks like what then?




And just a few words about telehealth

- It's **NOW**and it's **NOT** your choice
- One of three things will happen:
 1. Optometry will wake up, stop thinking telehealth means online refractions and OWN this care delivery system
 2. Ophthalmology will own it and have ophthalmic technicians sitting in front of computers all day
 3. The insurance companies will own it with folks behind computers in China and India

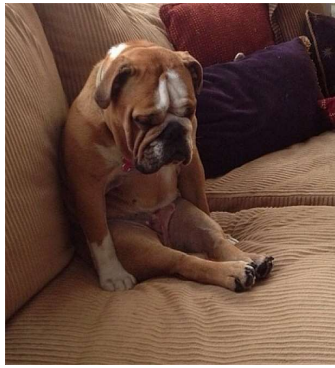
WILL WE CHOOSE WISELY!

So far....NO



**Did I just make
you sad about
the future of eye
and health care?**

**THEN YOU ARE
STILL THINKING
LIKE AN
OPTOMETRIST!**



No..not all patients will do online eye examinations
and 3-D print their own Maui Jims!

**BUT A % WILL – the only debate among
realists is what the % is!**

**YOU WILL REPLACE THAT LOST INCOME
HOW???**

**And all the patients aren't going away – they
will multiply. But what will they want?**



OPTOMETRY'S OPPORTUNITIES

**BUT THEY WONT BE LOOKING FOR A TRADITIONAL EYE
EXAM EXPERIENCE THAT LASTS HALF AN HOUR OR MORE
FLIPPING DIALS THEN DISCUSSING LITTLE JIMMY'S
MIRACULOUS SOCCER GOAL LAST SATURDAY**

-OR-

**AN OPTICIAN SITTING THEM IN A CHAIR AND SHOWING
THEM TWO FRAMES AT A TIME TRYING TO CONVINCE
THEM THEIR PROGRESSIVES ARE BETTER THAN EVERYONE
ELSE AND THEIR FRAMES HOLD UP BETTER AND MAKE
THEM LOOK YOUNGER THAN EVERYONE ELSE**



OPTOMETRY'S OPPORTUNITIES

**AND - There Is More *MEDICAL* Care Than You Can
Even Imagine!**

- 70 million Boomers by 2030 – ***BUT...***
- 2014 – 16% of US population diabetic (***Obesity sits at 33% - expected to hit 50% by 2020***)
- 21% increase in glaucoma
- 70% increase in legal blindness by 2020
- Prevalence of AMD through the roof
- ***Bottom line – bad lifestyles combined with the toxification of our world will dramatically increase demand for care of chronic disease***



And we combat **I SAY WE DON'T!**

- Past the baby boomers, patients will be looking for an "experience" – NOT A "TRADITIONAL" EYE EXAMINATION. That will likely include"
 - Online testing and extensive use of technology
 - Telehealth
 - Efficiency ("I'm busy!")
 - Something other than your traditional dispensary experience
- Quit thinking like optometrists – ***NO ONE thinks all this stuff is a bad idea except US!!***
- Consider not talking against it – just reinforce the ultimate need for professional care – ***maybe figure out a way to USE it in their practice***



Profile of those likely to lose

- Fight wars they cannot win
- Resist inevitable change
- Fail to understand their market
- ***Do business they way THEY want to, not the way their customers want them to***
- Gripe and moan....



Profile of those likely to win

- EMBRACE and USE change to their benefit
- Understand their market
- Understand their customer's needs and DESIRES
- Incorporate new technology into their business
- EXPAND their product offering



**Don't be
skeered...**

Succeed!

