

The Children's Spectacle Subsidy Review: Summary of Reference Group findings

SUMMARY Report

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1. Background

1.1 The 2013 Children's Spectacle Subsidy Review

The Ministry of Health ('the Ministry') provides a subsidy to support children from low income families who have vision correction needs. The Children's Spectacle Subsidy ('the Subsidy') provides up to \$287.50 (including GST) per year for children under the age of 16 who qualify for a Community Services Card or High User Health Card. A further \$51.11 (including GST) can be accessed for children who require an adult sized frame). There is also a Higher Level Subsidy for children/young people with more complex vision needs and certain rapidly progressing eye conditions.

In 2012, the Disability Support Services team analysed Subsidy data, and identified issues with projected sustainability and value for money, Subsidy administration and reporting, and whether there is unmet need or service gaps for those children who could benefit most from the Subsidy. At this time, the budget allocation for the Subsidy increased to \$4.7 million (2011/12) in response to increased service demand, with applications increasing on average 22% each year over the past four years¹.

In light of the issues identified above, the Ministry commissioned a review of the Subsidy in late 2012. Litmus was asked to independently evaluate the relevance, effectiveness, value for money and sustainability of the Subsidy over the period 2007-12. The review approach involved a literature review, Subsidy data analysis, qualitative stakeholder interviews and an online survey of optometrists and ophthalmologists registered with Enable New Zealand. The full report from the 2012 Review can be found here: <http://www.health.govt.nz/publication/review-childrens-spectacle-subsidy>

1.2 Ministry requirements

In early 2013, the Ministry embarked on a programme of work to develop recommendations for the Subsidy, as guided by the Review described above, and wider sector consultation. Litmus was again commissioned to provide a secretariat role for this programme of work, supporting the establishment of a Reference Group, working groups for specific areas of consideration, and to support the develop of a monitoring and evaluation framework that could guide future oversight of the Subsidy.

It is important to note that the Ministry was not, at any point during the initial or subsequent review, looking to reduce or cut the level of funding allocated to providing vision correction support under the Subsidy.

1.3 Report purpose

This report summarises the process and outcomes from the Subsidy Reference Group follow-up of the review, and the next steps for the Ministry's consideration.

¹ Note the 2012/13 Subsidy budget increased to \$5.9 million

2. Approach

On project inception, the Ministry and Litmus worked together to confirm the scope, timelines and deliverables of this programme of work. Specifically, this involved the continuation of the Subsidy Reference Group, and facilitation of specific working groups to explore the key areas and future considerations identified in the Review of the Children's Spectacle Subsidy.

2.1 Reference Group

In December 2012, the Subsidy Review Reference Group members were invited to continue in their advisory roles under new Terms of Reference for this programme of work. The Reference Group was re-convened in February 2013, made up of members from across the vision correction and disability sectors, specifically:

- An optometrist (and member of the New Zealand Association of Optometry; NZAO)
- A paediatric ophthalmologist
- A dispensing optician
- A Vision and Hearing Technician (VHT)
- Representatives from Blind and Low Vision Education Network NZ (BLENNZ)
- Representatives from Parents of the Vision Impaired (PVI)

Additional stakeholders were invited to join the Group where additional expert input was necessary, including the Chief Advisor for Child and Youth Health² and a representative from the Resource Teacher: Learning and Behaviour (RTLB) education sector.

A series of Reference Group meetings were held between April and June 2013 (two face-to-face workshops in Wellington, and one teleconference) to debate a range of issues and service improvement options for the Subsidy. All meetings were chaired by the Ministry project team leader, with secretariat and background research support from Litmus to coordinate and facilitate the full Reference Group and smaller working groups.

2.2 Workstreams

The primary objective of the working groups was to develop sector-endorsed recommendations (or key considerations) for the future design and delivery of the Subsidy across three workstreams: Clinical guidelines; Access pathways and awareness; and procurement approaches.

1. **Clinical guidelines:** scoping the feasibility and development of guidelines
2. **Access pathways:** looking at current eligibility, referral pathway and awareness factors
3. **Procurement approaches:** exploring and modelling the cost impact of open tender procurement and preferred provider options to supply frames and lens equipment for a fixed, reduced price under the Subsidy.

² The Chief Advisor was not available to attend the last two Reference Group meetings.

3. Findings

This section summarises the Reference Group decisions and recommendations under each of the three Subsidy Review workstreams. The focus for the Ministry (as emphasised with all members throughout this work programme) was to ensure value for money for the public funders and those accessing the Subsidy, improving delivery for those who need it most, and possibly widening access through more efficient provision and/or procurement of services and equipment.

3.1 'Clinical guidelines' workstream

An outcome of the review (and subsequent feedback from the Ministry, key stakeholders and the wider optometry sector) identified that clinical guidelines for the Subsidy should be considered. This Subsidy scheme currently has no clinical guidelines, as compared to many other services funded by the Ministry, such as the Contact Lens Benefit and hearing aids.

Decision / Outputs

A set of draft guidelines was developed with expert input from an optometrist and ophthalmologist on the Reference Group. Members of the guidelines working group also consulted more widely on specific content between April and May 2013, and sought advice from the University of Auckland's School of Optometry and the NZ Paediatric Ophthalmology sector, among others.

Next steps

Litmus supported a consultation process between the Ministry and NZAO members, conducted in late July 2013. In agreement with the NZAO, the Ministry commenced a sector-wide consultation process in July 2013, with the draft guidelines circulated to all registered optometrists in New Zealand. Fourteen responses were received. The consultation feedback has been collated for the Ministry project team to make recommendations to the Disability Support Services Senior Management Team for its consideration.

3.2 'Access and awareness' workstream

A key aspect of the Subsidy Review and next steps focused on the Subsidy access criteria such as age, family and whānau income and frequency of access as key aspects of sustainability. The outcome of this workstream was that the age criteria and frequency of access (yearly) remain clinically relevant and acceptable to enable fair and easy access to the Subsidy by those who need it most.

Process

The Reference Group working group on access and awareness involved all members of the wider group, with specific discussion focussing on the referral pathway, while also exploring

the current relevance of the age and income-based eligibility for access to the Subsidy. Several key factors were identified as affecting a child's and parent and whānau access the Subsidy:

- Eligibility criteria (including age, income).
- Parental awareness of and engagement with the Subsidy: including baseline awareness of the Subsidy, perceived eligibility, knowledge of Community Services Card (CSC) criterion, perception of costs needed to be covered beyond the Subsidy (ie. knowledge that initial optometry assessment is covered, as well as equipment).
- Referral pathways: includes current self-referral and awareness of optometrists and ophthalmologists who are registered to administer the Subsidy, along with providers' own awareness of the Subsidy and sharing information about the Subsidy with potentially eligible clients.

Decision / Outputs

Access pathway

At the completion of this 'next steps' process for the Subsidy review, the Reference Group agreed that access pathways (in particular, the way that families/whānau are able to self-refer to access the Subsidy) should not be changed.

The rationale for this was two-fold:

1. that any requirement for additional referral (ie. GP, VHT etc) could create another barrier to access, particularly for those in rural and low SES areas, who are the target group for the Subsidy.
2. that the introduction of clinical guidelines would help to support clinicians and ensure that all claims for vision correction meet a certain level of clinical need (alongside age and income-based eligibility). The introduction of the clinical guidelines is seen as a sufficient quality control measure at this time.

Income-based eligibility

The Reference Group also discussed the use of a CSC as the best indicator of income-based financial need, with the conclusion that while it is not perfect, the CSC criterion is most appropriately tied to income and family/whānau need, while being a safe and straightforward way for clinicians to ask about and establish eligibility as part of routine client registration, without offending clients and their parents and whānau. It also has the ability to be cross-referenced to verify actual need based on card number, for audit purposes and to ensure appropriate access by families.

Parent / whānau and sector awareness of the Subsidy

Awareness of the Subsidy is very low among parents/whānau and some vision correction and education sectors, as noted during the 2012 Review, Reference Group discussions and subsequent research with RTLBs, for example. The Ministry has previously worked with the vision and disability advocacy sector to produce a brochure to raise awareness of the Subsidy with parents and whānau, in several different languages.

The Reference Group identified that additional awareness raising activities should be explored with a range of groups, with the following recommendations on how this might be most effective:

Table 1: Recommendations for Subsidy Awareness-Raising

Target group	Effective strategies
Parents / whānau	Need more than just web-based resources – written media such as brochure/newsletters work well with this audience.
Optometry and ophthalmology workforce	Likely know of/have heard about the Subsidy, but forget or don't always know details when it comes to making the linkage during a consultation. Consider more regional feedback to providers from Enable New Zealand/Ministry to increase engagement with Subsidy (ie. don't just remind about it, engage with relative level of use, benefits etc).
Vision and Hearing Technician workforce	As above – likely know of/have heard about the Subsidy, but forget or don't always know details when it comes to making the linkage during an assessment.
GPs / paediatricians	As above – promote and increase engagement with the Subsidy in a way that goes beyond a simple brochure or newsletter mail-out.
Schools / teachers / RTLB / Special Education workforce	As above.
Early Childhood Education / kohanga reo / kura	As above.
Plunket / WCTO providers	Incorporate Subsidy info into training, Well Child Tamariki Ora handbook? Key opportunity to link with the Subsidy at B4 School Checks needs to be maximised.
Ministry for Social Development / Work and Income / Parents As First Teachers / Family Start	Prioritise awareness-raising with agencies who already work with low income families – a great way to target and increase access for priority groups. Anecdotal evidence that families frequently use a refundable Work and Income loan for child's spectacles when they could have accessed the Subsidy – case managers etc. need to know.

3.3 'Procurement approaches' workstream

The Reference Group supports the Ministry exploring some form of procurement approach as a way to ensure the Subsidy provides value for money, particularly for equipment supplied under the Subsidy. The rationale for considering a procurement approach for Subsidy equipment supply is that if a preferred provider arrangement means equipment could be sourced at a lower cost (while still allowing for a reasonable margin to cover providers' costs), this would ensure both the Ministry and children/whānau get better value and quality for the total subsidy amount. A key principle of the Review and this workstream emphasises that the overall responsibility of Ministry and providers is to the child, to ensure glasses are designed, fitted, worn correctly to improve vision and correct eye health issues in the long-term.

All background scoping activities for this working group were limited to one Reference Group member and Litmus, with the Ministry excluded from all correspondence relating to procurement details. The Ministry and wider Reference Group were not given any commercial information or material that related to the specifics of proposals or potential costing models (ie. company names, exact pricing or proposal contents) in order to maintain the fairness of procurement process should the Ministry put out a tender for Subsidy equipment procurement.

Decision / Outputs

It was agreed by the Reference Group that there are potential savings to be made through exploring procurement approaches for the Subsidy, and that this would not place unreasonable limits on the style and quality of frames available (and thus the likelihood of children feeling comfortable wearing their glasses). The Reference Group proposed a set of principles that should be considered by the Ministry in exploring the next phase of procurement approaches for the Subsidy, as outlined in the table below:

Table 2: Principles for Procurement Approaches for the Subsidy

Any procurement approach MUST:
<ul style="list-style-type: none"> ■ Ensure high quality equipment ■ Enable access to providers that is equal to / greater than current level of national coverage ■ Ensure Subsidy clients receive the same quality of care as other clients (ie. not leading to shorter/less comprehensive assessment) ■ Balance the need for quality equipment with 'brand appeal' and a higher likelihood of children/young people wearing glasses provided under the Subsidy ■ Offer flexibility for providing the necessary frame design/engineering/function, in order to appropriately correct vision/impairment ■ Focus on achieving better value for money, which has the following components: <ul style="list-style-type: none"> - Minimise cost to parents and whānau over and above Subsidy amount (co-payments) - Ensure the Subsidy remains sustainable from a public and Ministry funding perspective - Where possible, enable a greater number of children to access the Subsidy.
Any procurement approach needs to consider:
<ul style="list-style-type: none"> ■ Potential 'trade-offs' between cost and quality (ie. lower cost might mean less service support, lower quality standards, vs. high quality equipment that costs more but is 'repairable') ■ Potential for reduced costs to enable more than one pair of spectacles per child (ie. one at home, one at school, increases chance they will be worn) ■ Providers' existing supply arrangements – not all are the same, which will have implications for working with Ministry-appointed supplier(s) for the Subsidy ■ Relative costs of equipment vs. assessment, and feasibility for the sector in continuing to provide Subsidy services. ■ Possible links and better referral to other funding sources for high needs (ie. Ministry's EMS funding stream) ■ Explore Australian model of supply arrangement for Subsidy ■ Accreditation / capacity to treat children overall, and within Subsidy.

Next steps

The Ministry is currently exploring procurement options. This could include convening a working group made up of the Ministry of Health, a public sector procurement specialist and representatives from the optometry sector, to ensure an appropriate and clear process of consultation and decision-making.

4. Monitoring and evaluation framework

The 2012 Subsidy Review identified that improvements could be made to data collection and monitoring of the Subsidy, in particular to allow the Ministry to better track and review value for money and access.

The Reference Group confirmed during subsequent discussions that additional data collection about the Subsidy is necessary. For example, information about the costs to parents and whānau over and above the Subsidy and the specifics of a child's level of vision correction (script) as it relates to the clinical guidelines.

5. Summary and project conclusions

In summary, the following activities (in order of priority) have been recommended by the Reference Group, for follow up and future consideration by the Ministry and related agencies:

Priority level	Activity	Responsibility	Timing
1	Consultation on draft clinical guidelines with NZAO and members	MoH / Litmus	Underway
2	Update Subsidy forms and data collection	MoH / Enable NZ	Underway
3	Initiate procurement working group and sector consultation	MoH	2013 - 14
4	Continue promotion and awareness raising for the Subsidy among target audiences	MoH / Education / other	2013 - 14

The Ministry of Health and Litmus are grateful for the committed and thoughtful participation of Reference Group members, and their contribution to the recommendations described in this report. Members will be kept informed regarding progress with the recommended pathways and next steps for the Children's Spectacle Subsidy.