



Association of British Dispensing Opticians
Association of Optometrists
British Medical Association
Federation of Ophthalmic and Dispensing Opticians

Optometric Fees Negotiating Committee

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Secretary: David Hewlett

Carol Reece
Head of Dental & Optical Commissioning
NHS England-Improvement
Skipton House
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By email

28 September 2022

Dear Carol

We write on behalf of NHS primary eye care GOS contractors, to highlight the significant pressures they are under, and to urge Ministers, the Department of Health and Social Care (DHSC) and NHS England (NHSE) to agree an increase to GOS fees and grants for 2023-24 which reflects current conditions.

We base this year's bid on the feedback and evidence we have received from contractors across England. In summary NHS primary eye care has told us:

- The GOS sight test fee has not funded the cost of an NHS sight test for a long time. DHSC and NHSE have relied upon patients who pay for their spectacles to subsidise the cost of the NHS sight test (see annexed evidence). This model is under extreme pressure owing to the effects of inflation and the cost-of-living crisis on self-funding patients, and practices are not able to absorb all the increasing costs. Put simply, the level of cross-subsidy which DHSC and NHSE have depended on to fund this essential NHS service is not sustainable.
- In addition to supply chain cost pressures, which are widely reported, there are significant increases in fixed costs including salaries in primary eye care. DHSC and NHSE will know that average pay growth in the private sector was 6.0% in May to July 2022. Contractors report greater increases in primary eye care including a 12% increase in optometrist costs for new starters and locums. At the same time the average optometrist is seeing fewer patients per day as the population grows older and sight tests become more complex; all driving up costs.
- These fixed cost pressures are not transitory but permanent and far outweigh the benefits of the cancelled national insurance and corporation tax rises. They are also quite separate from the fuel price increases where the government's help is very welcome but only extends until March 2023, after which it will be very limited.

This year we also share the experimental statistics which support the qualitative information we have received from frontline practitioners and practices. These show that

- Providers report taking 50 minutes on average minutes to deliver an NHS sight test, including an average of 30 minutes of optometrist time
- The average cost of providing an NHS sight test is now between £43 and £49.

This is consistent with other research into the cost of providing an NHS sight test. We set out this evidence in more detail, including the cost drivers impacting on front-line care, in the attached annex.

As discussed, we had hoped that the surveys might be joint work as previously agreed but recognise that this was not possible this year owing to earlier deadlines for our annual bid and resourcing at NHSE. However, in addition to our summary above and the additional information annexed, we hope that we can undertake the agreed joint work in future years.

We are also conscious that GOS contractors were hit hard again last year by a real-terms cut in funding through a below inflation uplift of only 2% (against a reasoned bid of 7.1% made at a time when inflation was only predicted to increase to 5%). Meanwhile professions whose fee increases were settled later in the year had the subsequent increase in inflation reflected in their awards. Following our request to new Ministers to rectify this time-related bias, we were advised to reflect this in our bid for 2023-24 which we have duly done.

Without a fair settlement for NHS primary eye care which reflects the level of service provided and the new cost pressures providers are under, we will see contractors struggle to continue providing the level of investments which help reduce pressures on hospital and GP services. If GOS fees are not corrected, we are likely to see a reversal of the progress made over the past 20 years, as more eye care providers approach us to ask what they can stop doing to make it viable for them to continuing offering an NHS sight test to their patients, which they see as the top priority.

To maintain essential primary eye care services therefore we request a fair fee increase of

- 17% for 2023-24 making the fee for mandatory GOS services £25.90 and the fees payable for NHS domiciliary visits £45.68 for the first and second patients and £11.43 for the third and subsequent patients, and
- similar increases in grants bringing the grant for pre-registration optometrist training to £4489 and for continuing professional development (CPD) £697.

We look forward to discussing this with you and to a positive response from Ministers.

Yours sincerely



Gordon Ilett
Chair OFNC

ANNEX – EVIDENCE ON THE COST OF PROVISION

Note on the use of 2019 as the baseline year

2019 has been used as the baseline year to avoid costing and activity distortions associated with the pandemic (2020-2021/22). However, given recent inflation, this means that costs in this annex are under-reported. It is also important to note that the costs presented below pre-date increases to employers' NI and therefore no material adjustments have been necessary following the mini budget of 23 September 2022.

Background evidence and context

The Department of Health and Social Care (DHSC) and NHS England (NHSE) have been regularly reminded about the chronic underfunding of the NHS sight test and the reliance of contractors on a cross subsidy from patients who pay for their optical appliances to maintain access to NHS primary eye care services in England. For example:

- As far back as 1992 the NHS was underfunding the NHS sight test by £5.67 (£9.77 in 2019 prices). Evidenced at the time by NHS research showing the average cost of an NHS sight test at the time was £18.42ⁱ (£31.75 in 2019 prices)ⁱⁱ. At the time the NHS paid just £12.75 for a sight testⁱⁱⁱ.
- In 2006 an independent review by Imperial College (Bosanquet) reported that an NHS sight test cost £37 to deliver^{iv}. At the time the NHS paid £18.85 for a sight test^v representing underfunding of £18.15 per sight test.
- By 2015 Patel undertook an analysis of the cost per minute of optometrist time in primary care settings, this included assigning appropriate overhead costs to an optometrist's clinic. She found that this method showed primary eye care clinical services in England cost £1.88^{vi} per optometrist minute, which equates to be £2.03 per minute in 2019 prices^{vii}. Using the same model as Patel, 25 minutes with an optometrist would cost £47 in 2015 (£50.75 in 2019 prices), this provides further evidence of the funding gap.

This gap was acknowledged by the Scottish Government in 2006 which has attempted to close it. Today it pays £39.82 for an NHS sight test^{viii} compared to £22.14 in England^{ix}. The Welsh Government has also recently announced plans to address the underfunding of the NHS sight test in Wales.

Primary eye care providers in England remain under pressure, having already exhaustively pursued business and supply chain efficiencies, to fill the NHS funding gap. That is why the sector has long called on DHSC and NHSE to reinstate joint working on data collection to estimate the unit cost of providing an NHS sight test which could then be used to more fairly remunerate this essential clinical service.

This also explains why last year's agreement with NHSE to collaborate on collecting costing and resource data was warmly welcomed by primary eye care providers. We appreciate however that a joint exercise was not possible this year on account of the earlier DHSC deadline for the OFNC submission.

However, applying the principles agreed with NHSE in May 2022, OFNC has undertaken two surveys to support our bid for 2023/24 fees. This was outlined at our recent meetings with NHS England and details of the survey results are described below.

Surveys

As noted above, this year the OFNC undertook two surveys applying principles agreed with NHSE on 3 May 2022. The surveys were:

- Time taken to provide an NHS sight test
- Cost of providing an NHS sight test

Given the new DHSC deadline for this year's OFNC bid submission, we notified the sector of our intention to undertake the timing survey on 12 August 2022 and also called for volunteers to also participate in an experimental costing survey.

Timing survey

OFNC invited GOS practices to participate in a timing survey between 22 August and 19 September.

- [Access the survey here](#)
- [Access the guide to completing survey questions here](#)

We received more than 700 responses to the survey from a mixture of independent practices and regional and national eye care providers. The data show that NHS sight tests on average take 50 minutes when taking account of pre-test, test and post-test resources (see the table 1 below).

	Total (mins)
Mode	50
Median	53.75
Mean	56.33
Std. Deviation	17.024

Table 1: Time spent delivering an NHS sight test

In lay terms survey responses showed that optometrists alone spend more than 30 minutes on average per NHS patient, inclusive of referrals and other patient related work directly linked to the provision of an NHS sight test. This is in addition to the time taken to book and clerk NHS patients, carry out pre-screening and any confirmatory or diagnostic tests required following the initial period spent with the optometrist (see Table 2).

	Average time taken (mins) to prepare a patient for an NHS sight test	Average time taken (mins) with optometrist undertaking core elements of the NHS sight test	Average time taken (mins) with patient to complete the NHS sight test pathway
Mode	10	30	10
Median	10	30	10
Mean	12.092	31.391	12.846
Std. Deviation	7.098	8.225	8.75

Table 2: Timing survey data

Costing survey

Costing exercises can be complex and expensive, making it difficult for providers to participate without funding to support the process.

Therefore, to maximise participation and learn lessons about the process, we created a short guide to completing the costing survey.

We ran a consultation on the costing guidance (30 August to 6 September) to provide volunteers with an opportunity to feedback on the level of detail, complexity and viability of undertaking this exercise. Overall feedback was positive, with some minor suggestions for improvement, including a request for additional clarity on the types of insurance that a typical practice might need to consider when allocating costs to the provision of an NHS sight test.

This [final guide](#) and [survey](#) were issued on the 8 September 2022 with a closing date of 24 September 2022.

The guide made clear that the unit of analysis under consideration was an NHS sight test. This is consistent with general costing principles for healthcare systems. It is also important as the population accessing an NHS sight test is different from the population accessing a private sight test. For example, the NHS funds eye care for children, people on means tested benefits and older adults, which are all groups who are more likely to have a vision or eye health problem and thus require more care and time.

We were also sensitive to the fact we were asking providers to share commercially sensitive information and therefore to aid participation we assured anonymity. This meant we had to apply an appropriate weighting to the data without identifying providers. Otherwise, given the nature of the sector, it would have been easy for anybody with reasonable knowledge to identify a regional and national provider if we had used narrow bands for number of sites or total sight tests provided.

To strike the right balance in this initial experimental survey we opted to use >50 sites and >1,000,000 NHS sight tests as the upper grouping categories.

In the end 17 providers participated in the costing survey, providing costing data covering more than 2 million NHS sight tests in 2019. These experimental statistics show that an average NHS sight test costs between £43.01 and £49.28 (see data below) to deliver.

The minimum reported cost was £34, with a median of £63.53. Some survey responses were significant outliers, for example one response reported costs of £210 per sight test. As is custom and practice in such surveys, the extreme outliers were excluded from the analysis and we also had to exclude any data reporting the cost of a private sight test as this was not the unit of activity under consideration^x.

Based on the data and caveats above, we therefore estimate the average cost of providing an NHS sight test as likely to be in the range £43 and £49.

Weighted by practice number

Using maximum practice number (within the survey range) £45.32

Using minimum practice number (within the survey range) £49.28

Weighted by number of sight tests

Using maximum number of sight tests (within the survey range) £43.01

Using minimum number of sight tests (within the survey range) £ 47.23

Raw data descriptive statistics

	Cost
Median	69.64
Mean	78.09
Std. Deviation	44.95

ⁱ Survey undertaken in 1993 on the cost of a sight test in 1992, EAG survey report prepared for the Staff Side of Whitely Committee C

ⁱⁱ ONS CPI data has been used to derive 2019 prices

ⁱⁱⁱ Optics at a Glance, 1992

^{iv} Professor Bosanquet, Developing a new partnership contract for community eye care in England, 2006

^v Optics at a Glance, 2006

^{vi} Exploring business models to provide a foundation for enhanced eye care services in high street optometric practice Patel, N. (Author). 23 Feb 2016

^{vii} ONS CPI data has been used to derive 2019 prices

^{viii} Scottish Government, Directorate of Primary Care, PCA(O) 2022(05)

^{ix} Department of Health and Social Care, [2022/23 fee correspondence](#)

^x Note, values over £100 were excluded from the analysis presented here. We however ran a sensitivity analysis, including all outliers. Including these outliers in the dataset did not make a significant difference to reported average costs given the relative low volume of reported activity and/or number of sites relative to the total. For example, when weighting based on the minimum estimated number of NHS sight test provided, providers that reported costs at more than £60 had no significant impact on the average cost. The weighted average cost remained above £42 even if all outliers above a threshold of £100 were excluded, in comparison when these outliers were included, the weighted average was £43.01.