Cost of Vision Problems

The Economic Burden of Vision Loss and Eye Disorders in the United States

Presented by
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Overview

• The 2007 burden estimate
• Consensus guidelines
• Costs included
• Results
• Sensitivity analyses
• Comparison to the 2007 burden estimate
• Limitations
The 2007 Burden Estimate

• The Economic Impact of Vision Problems
  The Toll of Major Adult Eye Disorders, Visual Impairment and Blindness on the U.S. Economy
  – Released in 2007
  – Based on two separate but complementary studies
    • Rein et al 2006
    • Frick et al 2007
The 2007 Burden Estimate

- Rein et al
  - Calculated direct medical costs from Medicare and MarketScan claims for 4 diseases
    - macular degeneration, cataracts, glaucoma, and diabetic retinopathy
  - Estimated other direct and indirect costs
    - Government programs, long-term care placement, productivity losses

- Frick et al
  - Econometric analysis of MEPS data
    - Medical costs of low vision
    - Informal care costs
    - Loss of well-being
The 2007 Burden Estimate

- $51.4bn in 2004
  - $35.4bn from Rein et al
  - $16bn from Frick et al
The 2007 PBA Burden Estimate

• Limitations
  – Did not include the population younger than age 40
  – Medical costs limited claims costs of 4 major age-related eye diseases
  – Medical claims do not include many vision-related costs
  – Estimates based on 2004
    • Data from the 90’s and early 2000’s
Consensus vision burden guidelines

- Consensus guidelines for economic analyses of vision released in 2010 (Frick et al 2010)
- Defined analysis perspectives and cost categories

<table>
<thead>
<tr>
<th>Cost Category</th>
<th>Perspective</th>
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<tbody>
<tr>
<td></td>
<td>Government</td>
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<tr>
<td>Direct Costs</td>
<td></td>
</tr>
<tr>
<td>Medical costs</td>
<td>✓</td>
</tr>
<tr>
<td>Other health costs</td>
<td>✓</td>
</tr>
<tr>
<td>Aids/adaptations</td>
<td>✓</td>
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<tr>
<td>Indirect Costs</td>
<td></td>
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<tr>
<td>Productivity loss</td>
<td>✓</td>
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<tr>
<td>Caregivers</td>
<td>✓</td>
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<tr>
<td>Deadweight loss</td>
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<tr>
<td>Loss of well-being</td>
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</table>
Updating the economic cost estimate

• CDC-funded a project to estimate economic burden in the population younger than age 40 in 2011-2012
  – Currently online ahead of print in Ophthalmology

• Early 2013 PBA sponsored project to update the costs for the population aged 40 and older
Prevalence of low vision

• Prevalence of low vision for ages 40 and older based on NEI-sponsored meta-analyses of epidemiological studies
  – Best-corrected acuity

• Prevalence of low vision ages 12-39 based on 2005-2008 National Health and Nutrition Examination Survey (NHANES) data
  – Autorefractor corrected acuity

• Prevalence for ages 0-11 imputed from incidence rates
Medical Costs

• 2003-2008 Medical Expenditure Panel Survey (MEPS)
  – Self-reported treated prevalence of medical conditions
    • MEPS assigns 3-digit diagnosis codes
  – Expenditures confirmed by providers
    • Includes expenditures from all payers
Medical Costs

• Diagnosed disorders
  – Costs econometrically attributable to any diagnosis related to vision, eyes, or the ocular adnexa

• Undiagnosed low vision
  – Costs econometrically attributable to self-reported low vision, but no diagnosis

• Vision correction
  – Costs for non-medical optometry visits and vision aids
  – Captured and reported separately by MEPS
  – Calculated using an accounting approach
Other Direct costs

- Low vision aids and devices
- Special education
- School screening
- Dog guides
- Assistance programs
Productivity losses

- Survey of Income and Program Participation
- Median income level by self-reported vision status
  - self-reported difficulty seeing = moderate impairment
  - self-reported inability to see printed words = blindness
- Productivity losses equal to the product of:
  - The reduction in income associated with moderate impairment and blindness
  - the prevalence of moderate impairment and blindness
Long-term Care

• Nursing home costs
  – Vision attributable long-term care utilization estimated based on data from the National Nursing Home Survey and Baltimore Eye Study
  – Cost of nursing home based on 2011 Genworth Financial Cost of Care Survey

• Skilled nursing facility
  – Excess Medicare claims for SNF among persons with low vision
Other indirect costs

- Informal care
- Entitlement programs
- Tax deductions
- Deadweight loss
Loss of well-being and disability

• Disability adjusted life years (DALYs)
  – Disability weights from the recently released Global Burden of Disease Project
• Quality adjusted life years (QALYs)
  – Alternative measure
  – Based on utility estimates in the literature
The 2013 burden estimate

- $139 billion in 2013

- Medical, $65.0
- Productivity, $48.4
- Long term care, $20.2
- Other indirect, $3.5
- Other direct, $1.7
The 2013 burden estimate – per person costs

• $450 in total cost per American

• Low vision costs:
  – $15,900 per person with impairment
  – $26,900 per person blind
Direct and indirect costs by age group, $bns

- **0-17**: Indirect Costs: $5bn, Direct Costs: $5bn
- **18-39**: Indirect Costs: $10bn, Direct Costs: $5bn
- **40-64**: Indirect Costs: $20bn, Direct Costs: $20bn
- **65+**: Indirect Costs: $70bn, Direct Costs: $20bn

**Cost in Billions**

- $0
- $10
- $20
- $30
- $40
- $50
- $60
- $70
- $80
- $90

**Focus on Eye Health National Summit**
Direct costs by cost category, $bns

- Diagnosed Medical Cost
- Medical Vision Aids
- Undiagnosed Vision Loss
- Assistive Devices
- Education/School Screening
- Assistance Programs

$0 $10 $20 $30 $40 $50 $60
Indirect costs by cost category, $bns

- Productivity Loss
- Nursing Home
- Entitlements and tax deductions*
- Informal Care
- Transfer Deadweight Loss

*Not included in comprehensive costs
Burden by state, allocated by age group population

Economic Burden of Eye Disorder and Vision Loss

- <$1 billion
- $1-$2 billion
- $2-$3 billion
- $3-$5 billion
- $5-$7 billion
- $5-$10 billion
- >$10 billion

Map showing the economic burden by state, with colors indicating the range of costs.
Medical costs by disorder group, $bns

- Refractive error, $16.1
- Cataracts, $10.7
- Vision problems, $10.4
- Retinal disorders, $8.7
- Physical disorders, $8.9
- Glaucoma and optic nerve, $5.8
- Other disorders, $4.5
Per-person annual medical costs by disorder

- Blindness and low vision
- Retinal disorder, no diabetes
- Retinal disorder, with diabetes
- Cataracts
- Strabismus
- Glaucoma and optic nerve
- Other disorders
- Disorders of the globe
- Conjunctivitis, lacrimal/eye lid
- Injuries and burns
- Visual disturbances
- Undiagnosed low vision
- Refractive error

$0 $1,000 $2,000 $3,000 $4,000 $5,000 $6,000 $7,000
Loss of well-being: Disability adjusted life year losses

- 283,000 DALYs lost

- Blindness: 242,000
- Impairment: 42,000
- Moderate: 25,000
- Mild: 17,000
Loss of well-being: Quality adjusted life year losses
• 601,000 QALYs lost

- Blind, 260,000
- Moderate Impair, 96,000
- Mild Impair, 245,000
95% Credible interval of burden estimates

Credible Range of Economic Burden, Billions

- 2.5 percentile: $112bn
- 97.5 percentile: $174bn
- Median: $137bn
Impact of parameter uncertainty

Prevalence of visual loss (95% CI)
Reduced wages from vision loss (95% CI)
Cost of diagnosed disorders (95% CI)
Prevalence of VL and blind in nursing...
Cost of undiagnosed vision loss (95% CI)
Adult informal care days (95% CI)
Cost of medical vision aids (95% CI)
Deadweight loss (50%-150%)
Cost of assistive Device costs (50%-150%)
Special education costs (50%-150%)
Informal care requirement (50%-150%)
School screening costs (50%-150%)

QALY losses (95% CI)
DALY losses (95% CI)
Comparing to 2007 burden estimate

- **Economic burden** without loss of well-being: $41 billion (2007) vs $139 billion (2013)
- **Loss of wellbeing** at $50,000 per adjusted life year: $11 billion (2007) vs $14.2 billion (2013)
Comparing to 2007 burden estimate

• Why do costs apparently increase so much?
  – Broader analysis
    • Includes younger than age 40
    • More eye conditions
    • More cost categories
  – More costs reflected in MEPS than claims
    • Out-of-pocket and vision insurance payments
    • Medicare prescription drugs
    • Optometry visit costs
  – Methodology differences
    • “Top down” econometric approach captures costs of non-eye care procedures (i.e., injuries, depression, lower physical activity, higher treatment costs)
Comparing to 2007 burden estimate, $bn

<table>
<thead>
<tr>
<th>Cost Category</th>
<th>2007 Estimate</th>
<th>2013 Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age 40+ Medical Costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AMD, glaucoma, cataracts, diabetic retinopathy</td>
<td>$14.4</td>
<td>$10.7</td>
</tr>
<tr>
<td>Vision aids</td>
<td>$7.4</td>
<td>$5.5</td>
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<tr>
<td>Low vision</td>
<td>$6.9</td>
<td>$5.1</td>
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<tr>
<td>Other optometry visit costs</td>
<td>na</td>
<td>$1.8</td>
</tr>
<tr>
<td>Additional adult disorders</td>
<td>na</td>
<td>$14.4</td>
</tr>
<tr>
<td>Age 0-39 Medical Cost</td>
<td>na</td>
<td>$13.2</td>
</tr>
<tr>
<td>Productivity Losses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ages 40-64 only</td>
<td>$9.8</td>
<td>$8.0</td>
</tr>
<tr>
<td>Other ages</td>
<td>na</td>
<td>$37.6</td>
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<tr>
<td>Long-term and Informal Care</td>
<td></td>
<td></td>
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<tr>
<td>Nursing home care</td>
<td>$14.7</td>
<td>$11.0</td>
</tr>
<tr>
<td>Informal care</td>
<td>$0.4</td>
<td>$0.4</td>
</tr>
<tr>
<td>Dog guides and Government Assistance</td>
<td>$0.2</td>
<td>$0.16</td>
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<tr>
<td>Other Direct and Indirect Costs</td>
<td>na</td>
<td>$5.19&lt;sup&gt;b&lt;/sup&gt;</td>
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<tr>
<td>Monetized Quality of life</td>
<td>$12.8</td>
<td>$10.5</td>
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<tr>
<td>Total</td>
<td>$66.7</td>
<td>$51.4</td>
</tr>
</tbody>
</table>

<sup>a</sup> Controlling for diagnosed disorders in 2013

<sup>b</sup> Includes $2.2n in transfer payments not in Total
Limitations

• Major assumptions
  – Mixing vision loss prevalence data
  – Self-reported vision loss for productivity loss

• Uncertainty in important parameters
  – Prevalence of vision loss
  – Impact of vision loss on wages and employment
  – Self-reported eye disorder prevalence
  – Nursing home placement due to vision loss

• Excluded costs
  – Monetized well-being, mortality, primary care screening
Conclusions

- The estimated burden nearly tripled from the 2007 estimate
  - Primarily due to broader perspective and more current and comprehensive cost data
  - About 25% of increase may be due to growth in costs and affected population

- Vision loss and eye disorders are among the costliest health conditions in the United States
  - High direct and indirect costs
  - Likely to continue to increase due to an aging population and growth in medical costs
Thank You!

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The findings and conclusions in this paper are those of the author and do not necessarily represent the official position of NORC at the University of Chicago, Prevent Blindness America, or the Centers for Disease Control and Prevention.

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