

Ali Sparke
Director for Pharmacy, Optometry, Dentistry, and the NHS Standard Contract
NHS England London,
Wellington House,
133-135 Waterloo Road,
London,
SE1 8UG.

By email

9th October 2023

Dear Ali,

We are writing on behalf of NHS primary eye care contractors in England to urge Ministers, the Department of Health and Social Care (DHSC) and NHS England (NHSE) to increase GOS fees and grants to reflect underlying changes in the costs of provision, and to sustain primary eye care services for the benefit of patients.

In last year's bid we submitted detailed evidence on the average time taken to provide an NHS sight test and the average cost of provision. DHSC and NHSE are therefore already aware that, as of 2022, the average cost of providing an NHS sight test in England was between £43 and £49, and that both professional and overhead costs have increased significantly since then. In response, DHSC and NHSE increased fees by 4.5% to £23.14 for an NHS sight test (\approx 50% of the average delivery cost) and continued to rely on charges to self-funding patients to cross subsidise the NHS service.

This year our evidence shows that providers are continuing to have to meet significant increases in costs and that the cost-of-living crisis is also having an impact on fee paying patients, making it difficult and unsustainable for the NHS to rely on them making up for a shortfall in NHS funding to keep the NHS sight testing service viable.

In addition, primary eye care has also been disadvantaged by the fact that, unlike other areas of primary care, it is forced to submit a bid at least six months in advance of the new financial year when inflation and wages growth are still uncertain. While these factors can be considered in fee settlements for other areas of care, over the past two years, this has meant primary eye care has fallen further behind other NHS care in real terms funding.

As a step to begin addressing the recognised funding shortfall, we are proposing an affordable and pragmatic interim solution for the NHS:

- NHS sight test fee £26
- £44.10 for the first and second NHS domiciliary visiting fee, £11.03 for the third and subsequent patients.
- £644 CET grant
- £4,500 training grant for pre-registration optometrists, with an agreement to discuss increasing costs providers will incur from 2025 because of changes to optometric education in England.
- Discussions with DHSC and NHSE about fair funding for IT costs. We have still not had an official response to the paper we submitted in 2021 which will of course need to be updated.

Also, although patient benefits fall outside the scope of our negotiations, given the cost-of-living crisis on those on the lowest incomes in England, we ask that DHSC considers adjusting voucher values for inflation for the benefit of children and adults on means tested benefits.

In the paper below we set out the data and issues in more detail and ask that DHSC and NHSE brief Ministers on these issues in full. In the meantime, following the positive meeting with the Minister earlier this year, we will be writing again to suggest a further meeting to discuss progress on the future of eye care and meeting the hospital challenges.

Yours sincerely

Paul Carroll
Chair OFNC

Supporting data and evidence

This paper builds on the new research we submitted last year and sets out further the need to address underfunding of essential GOS sight test and training and education in primary eye care.

1. Cost of providing the NHS sight test in practices and domiciliary settings
2. Cost of education and training
3. Costs of unwarranted NHS variation – e.g., EeRS
4. Patient benefits
5. Appendix 1

1. Cost of providing the NHS sight test in practices and domiciliary settings

- Evidence submitted to DHSC and NHSE in September 2022 showed that the average cost of an NHS sight test exceeded £43 (£43-£49 range) at that time (Appendix 1). With upward inflationary pressures continuing throughout 2022-23, the GOS sight test fee has now fallen even further behind the actual cost of delivering this essential NHS service. For example, adjusted for inflation, the average cost of an NHS sight test in August 2023 would exceed £46 (£46.41-£52.88 range).
- As is widely recognised, for many years DHSC and NHSE have been content to rely upon patients who pay for their optical appliances such as spectacles to subsidise the cost of the NHS sight test. The cost-of-living crisis means however that self-funding patients cannot be relied upon to make up the funding shortfall of more than £23 per NHS sight test.
- The model is clearly under even greater pressure this year because the sustained period of high inflation has raised staff and other costs in a way that hasn't been seen for over 30 years. This is evidenced by ONS data showing average wage inflation was 7.9%ⁱ while in primary eye care it has reached around 11% when all staff are considered. General inflation has meanwhile averaged 8% since our last submission and is currently forecast to remain at 5% until the end of 2023.ⁱⁱ The impact of the recent inflationary period is now embedded in the wider costs facing contractors, so while inflation may be easing, it is not over, and its impacts will persist for some years.
- Real terms spending on NHS primary eye care has also fallen behind other NHS services in recent years because we have been forced to submit our bid at least six months in advance of the new financial year, making it impossible in the last two years to accurately forecast inflation. In contrast other NHS professions have had pay deals agreed with full information on inflation and pay backdated to April. Primary eye care providers in England are understandably aggrieved by this unjustifiable disparity in treatment.
- In addition to the direct cost pressures noted above, eye disease is age-related and primary eye care is now seeing an older population with more complex needs; hence sight tests are taking longer on average as a result. This means total costs are divided

over a smaller number of patients. In addition, the health needs of these patients increasingly contribute to the need to invest in practices amenities and equipment. This is a trend that will continue and is why the NHS sight test fee should be increased now if we are to avoid the sort of widespread service failures, we have seen in other parts of the NHS with services closing and extensive waiting times for NHS funded care.

- In summary, the cost of providing a sight test in a practice and domiciliary setting has increased significantly since our last survey. There is a shortfall of at least £23 per NHS sight test which it is no longer possible to fund by relying solely on self-funding patients buying spectacles.
- We urge against waiting until the system fails before action is taken and feel a pragmatic and affordable proposal is for the NHS to pay £26 for a sight test starting as soon as possible. This would mean that the NHS is still only covering 56.5% of average costs and while this would not remove the cross subsidy it would take a small step to redress the balance.
- In addition, the cost of travel and transport have also increased and so we propose that domiciliary visiting fees are increased by 8%, the average rate of inflation since our last fees bid, to cover this.

2. Cost of education and training

- The NHS workforce plan acknowledges the vital role primary eye care providers play in ensuring we have the workforce necessary to meet population needs. We are looking to DHSC and NHSE to do the right thing with respect to education and training as part of their joint train and retain workforce strategy.
- **Current workforce.** CPD grants were frozen in 2023. This means DHSC has continued to pay just £596 for loss of chair time since 2022, despite evidence from ONS statistics and optical sector inflation that staff costs have increased significantly (see section 1). We are calling on DHSC and NHSE to reverse the cut in training and education and for the grant to be restored to £644.
- **Trainees.** With the cost of optometrist supervisor time and other practice costs increasing significantly (see section 1) we are calling for the optometrist pre-registration grant to be increased to £4,500 per student. This remains well below what the NHS contributes towards the training of comparable primary care professionals.
- **Training the next generation.** As Ministers and officials will be aware, the training of optometrists is undergoing significant change. The new route to qualification begins in September 2023, and while new trainees will not require placements until 2025, these placements will be significantly more costly to deliver than they currently are. We therefore request strategic discussions with DHSC and NHSE to avoid a cliff edge in training placements in 2025, by ensuring we have sustainably funded training and education routes to qualification confirmed as soon as possible. If a training gap emerges, this will further increase the pressure on the GPs and hospitals.

3. Cost of unwarranted NHS variation – e.g., EeRS

- Contractors report increasing inefficiencies and costs because of NHS commissioners imposing rushed electronic referral initiatives and systems on the sector in an inconsistent and divergent manner. As NHS England is aware, OFNC has submitted multiple bids for funding to support IT infrastructure that have gone unheeded. Instead, a fragmented, piecemeal, and ultimately futile approach has been adopted wasting multiple millions of public money without counting the costs to contractors.
- We now ask for separate meetings with DHSC and NHSE to discuss fair, planned and coordinated investment in IT infrastructure (to include initial and ongoing costs) to meet current and future requirements in the most speedy and cost-effective way for the NHS and the sector. Given the fact that only $\approx 50\%$ of the average cost of a NHS sight test is funded, it is not reasonable to expect primary eye care providers fully to absorb these additional unfunded system related costs, this is made worse, by the lack of a single system.

4. Patient benefits

- While the OFNC does not negotiate patient benefits (vouchers), we feel that we must speak up for patients. Given the cost-of-living pressures on patients are now at a critical level, we must highlight the need to ensure that NHS optical vouchers (which are already only available to children and people on means-tested benefits) rise in line with inflation.
- Also as suggested earlier in the year, we plan to survey contractors on the availability of optical appliances for adults and children within voucher values.

5. Appendix 1

DHSC and 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 £18.42ⁱⁱⁱ (£31.75 in 2019 prices)^{iv}. At the time the NHS paid just £12.75 for a sight test^v.
- In 2006 an independent review by Imperial College (Bosanquet) reported that an NHS sight test cost £37 to deliver^{vi}. At the time the NHS paid £18.85 for a sight test^{vii} 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^{viii} per optometrist minute, which equates to be £2.03 per

minute in 2019 prices^{ix}. 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.

To further quantify the cost of a sight test, in 2022 after discussion with NHS England, OFNC conducted a survey of NHS sight test times and the cost of delivering an NHS sight test.

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).

Table 1 Time spent delivering an NHS sight test.

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

As this survey was only conducted in 2022, we have talked to a representative range of providers this year to assess the benefits of repeating this survey. Providers have explained that they continue to see an older population with more complex needs and the time taken is increasing rather than reducing.

Given DHSC and NHSE decided not to act on previous research and provider feedback, we have taken the decision not to repeat the survey in full this year as to do so could result in poor uptake or further frustration at NHSE for ignoring sector data. We are however committed to working with NHSE to collect data together to help inform future funding decisions.

At this stage, to reiterate, 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).

Table 2 Timing survey data

	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

Costing survey data

Weighted by practice number 2022.

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 2022.

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

OFNC have taken the decision not to repeat the full survey this year for the same reasons given above (see timing data). We however remain committed to working with NHSE to collect data together to ensure the NHS sight test is fairly funded.

This year we have therefore reviewed the impact of wage and general inflation on primary eye care, and having consulted efficient providers, who have optimised supply chains, we understand optical inflation exceeded general inflation – e.g., one provider explained optometry costs alone had increased by 15%. However, applying CPI uplifts alone to costs at 8%, would mean the average cost of an NHS sight test was in the region of £46 (£46.41-£52.88).

ⁱ ONS, Average weekly earnings in Great Britain: August 2023

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/averageweeklyearningsingreatbritain/august2023>

ⁱⁱ Bank of England, When will inflation in the UK come down?

<https://www.bankofengland.co.uk/explainers/will-inflation-in-the-uk-keep-rising>

-
- iii 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
 - iv ONS CPI data has been used to derive 2019 prices
 - v Optics at a Glance, 1992
 - vi Professor Bosanquet, Developing a new partnership contract for community eye care in England, 2006
 - vii Optics at a Glance, 2006
 - viii Exploring business models to provide a foundation for enhanced eye care services in high street optometric practice Patel, N. (Author). 23 Feb 2016
 - ix ONS CPI data has been used to derive 2019 prices