Current Perspective

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The Changes I've Seen—Part 1

In preparation for turning over the office keys to my successor, I've been giving a lot of thought to ophthalmology's (and the Academy's) past and future—trying to anticipate the trends and challenges that we will all face as ophthalmologists. I won't mention advances in science and technology (since others are better positioned to comment).

This and next month's lists are definitely not all-inclusive but represent issues and trends that I believe will be impactful drivers of future change for ophthalmologists. It should also be clear that some are interrelated, such as health care reform, delivery consolidation, and payment.

Subspecialization. In 2001, 51% of ophthalmologists listed their practice as "comprehensive." Now it's only 43%. About two-thirds of residents now pursue fellowship training. While some subspecialists also provide some comprehensive ophthalmology, subspecialization creates an appearance that access to general ophthalmologic care in some regions may be compromised. However, this is offset (perhaps more than offset) by the increased efficiency of the typical practice and the incorporation of optometric services in more than half of ophthalmologic practices.

The subspecialization trend is driven by a host of factors, both business- and science-related. However, it indisputably reflects the explosion of scientific knowledge and increasingly complex array of procedures that have complicated the delivery of eye care. It provides patients with enhanced access to ophthalmologists trained to deliver complex care. Unfortunately, surveys have shown that a distressing number of current ophthalmology residents believe it is "necessary" to have a subspecialty to sustain a successful practice. Experience and data indicate that this is definitely not the case in most communities.

Payment trends and reform. Every ophthalmologist knows that the payment per surgical procedure has decreased—sometimes dramatically—since the advent of the resource-based relative value scale in the early 1990s. (Medicare fee-for-service cataract payment has plummeted from about $1,300 to currently about $550 in those three decades). Vigorous advocacy by many in the medical community has led to major, unrecognized wins—but the indisputable fact is that procedural payments keep going down. They've been offset by increases in some office-based services, by increased efficiency, and by other sources of revenue.

Over the same period, aggregate health care costs, already high, continue to outpace inflation. This is driven more by price (particularly drug- and facility-related) than by utilization. And it leads to debates about financially supporting innovation versus affordability and access.

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Consolidation. In 2001 the average practice size was 4.2 ophthalmologists, and 35% were solo practices. In 2021, 70% of Academy members practice in groups of five or more ophthalmologists, and only about 22% are solo practices. Just a couple of decades ago, it was rare to find an academic institution with more than 15-20 clinical ophthalmologists. Now we have a number with over 50 clinicians. Hospitals outside of the VA and Kaiser rarely employed ophthalmologists. Now it is more and more common. And 10 years ago, there were fewer than five private equity-owned ophthalmologist practices. Now, between 1,000 and 1,500 ophthalmologists work for private equity-owned practices.

Many factors are driving this consolidation (including practice economics, risk tolerance, access to professional management teams and capital, and sustainability concerns). I'm frequently asked the question, "When are nonphysician entities going to quit buying our practices?" The answer, in large measure, is "When buyers cease thinking the economics will work for them."

The impact of consolidation on patient care and quality of ophthalmologist professional life remains variable and situationally determined. It is neither uniformly positive nor negative. However, there is no doubt that the trends above have changed ophthalmology practice in a substantive fashion, and we will not be going back to "the way it used to be."