Incentives Explained for Optical Providers

Protecting Patients, Providers and Your Business

What are Incentives?

Incentives are offers made by healthcare providers to attract patients or encourage the purchase of specific products or services. While incentives may be intended to add value to patients, they can sometimes influence individuals to purchase items or services that are not medically necessary to receive a reward. When this occurs, it is considered abuse of the benefit plan.

Examples of Incentives Include:

- Discounts, rebates or refunds offered after a claim is submitted, that reduce or eliminate a patient's co-pay
- Retail gift cards, particularly those of significant value
- Free goods/services, such as designer sunglasses, gym memberships or footwear
- Items not shown on receipts—such as a retailer offering a $25 gift card when a member purchases prescription eyewear—which can encourage benefits abuse by incentivizing members to obtain products or services solely to receive the reward.

Risks of Offering Incentives

- Increased audits and investigations
- Delisting of healthcare service provider by one or more insurers
- Complaints that result in disciplinary action by the regulatory college/ professional association
- Loss of patients if the clinic/provider is flagged or delisted by an insurer

Responsibilities for Optical Providers

- Avoid offering incentives that could influence patient purchasing decisions or encourage inappropriate use of benefits
- Work collaboratively with insurers and the CLHIA to remain informed on expectations around incentive-related practices
- Stay informed through guidance from your regulatory college/professional association

Case Study

Scenario:

A patient visits an optical clinic because she wants a new pair of high end designer sunglasses for an upcoming vacation. During the appointment, the optometrist conducts a standard eye exam and notes that she could benefit from a mild reading prescription. The finding is legitimate, but the patient is surprised and comments, "*I didn't think I needed prescription eyeglasses.*"

Sensing an opportunity, the clinic staff present a promotion: buy one pair of prescription eyeglasses and get a second pair free.

The staff then highlight with the purchase of the prescription eyeglasses; she will also receive the designer sunglasses she originally came in for — at no additional cost.

Risk:

This practice may trigger insurer review, audits, corrective actions, or provider delisting, and may contribute to inappropriate benefit utilization and plan abuse consequences.



Quick Tips for Optical Providers

- Incentives must comply with insurers and regulatory guidelines
- Educate staff on best practices
- Be open and transparent with patients that offering certain incentives is not allowed because it can result in abuse of benefit plans



