

# THE FUTURE OF OPTOMETRY IN AMERICA



One OD's predictions for future needs in the profession.

BY RICHARD C. EDLOW, OD

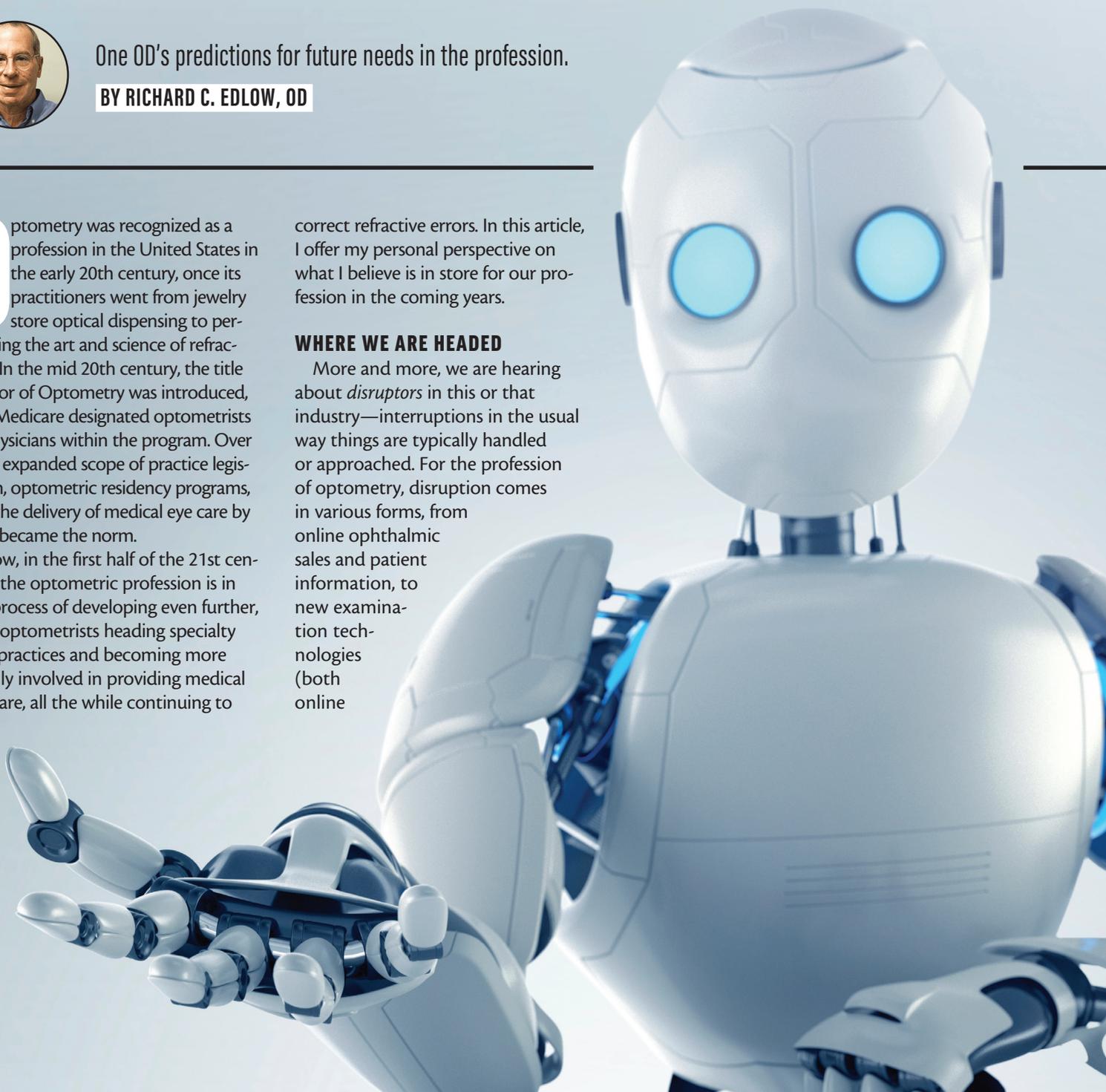
Optometry was recognized as a profession in the United States in the early 20th century, once its practitioners went from jewelry store optical dispensing to performing the art and science of refraction. In the mid 20th century, the title Doctor of Optometry was introduced, and Medicare designated optometrists as physicians within the program. Over time, expanded scope of practice legislation, optometric residency programs, and the delivery of medical eye care by ODs became the norm.

Now, in the first half of the 21st century, the optometric profession is in the process of developing even further, with optometrists heading specialty care practices and becoming more heavily involved in providing medical eye care, all the while continuing to

correct refractive errors. In this article, I offer my personal perspective on what I believe is in store for our profession in the coming years.

## WHERE WE ARE HEADED

More and more, we are hearing about *disruptors* in this or that industry—interruptions in the usual way things are typically handled or approached. For the profession of optometry, disruption comes in various forms, from online ophthalmic sales and patient information, to new examination technologies (both online



and in-office), to practice consolidation trends. Although the concept of disruption may have negative implications in some settings, it actually creates opportunities for eye care providers (ECPs) who are looking to strategically position their practices.

US demographics are rapidly changing the nature of the demand for eye care services, and at the same time changes are occurring in the supply of ECPs. If managed properly, the effects of these changes can be positive for optometry, for ophthalmology, and, most important, for patients.

## A CLOSER LOOK AT DEMAND AND SUPPLY

### Demand for Eye Care Services

The demand for routine refractive vision care is expected to increase by 3.2% between 2015 and 2025, from 110 million annual exams to 113.4 million annual exams.<sup>1</sup> Consequently, ECPs need to be in a position to deliver 3.4 million additional exams per year by 2025.

The demand for *medical* eye care presents a dramatically different picture for the future, with estimates predicting an increase by 31.5% from 2015 to 2025—that is, from 51.8 million annual exams to 68.2 million annual exams.<sup>1</sup> This means that ECPs

will need to perform an additional 16.3 million medical eye care exams per year by 2025.

To summarize, 20 million more routine and medical eye exams will be required in 2025 than were needed in 2015, and this number will continue to increase every year for the foreseeable future.<sup>1</sup> Note that these demand estimates do not include the increased volume of surgery that will be required for the aging US population.

### The Future Supply of ECPs

I have developed an algorithm that predicts the supply of full-time-equivalent (FTE) optometrists and ophthalmologists in the United States.<sup>2</sup> Using this algorithm, I estimate that the number of FTE ophthalmologists will increase by 2.1% between 2015 and 2025. This equates to a net increase (number of entering clinicians minus number of exiting clinicians) of just 340 ophthalmologists for the entire country, or approximately 34 additional physicians each year for all 50 states in the country. Obviously, 340 ophthalmologists cannot deliver an additional 16.3 million medical eye exams (if all else maintained the status quo, that would equate to 47,900 exams per MD) on top of a growing number of surgical procedures.

Meanwhile, as new optometry programs have emerged, the net number of new optometrists has grown much more rapidly. Based on the latest statistics from the Association of Schools and Colleges of Optometry, we can expect approximately 1,800 new optometrists each year in the coming years.<sup>2</sup> Roughly 1,100 clinicians are expected to exit the profession each year, resulting in a net increase of 700 per year. Similar to the adjustments made for FTE ophthalmologists, the net FTE for optometry is approximately 600 practitioners per year through 2025.

These supply estimates result in the following numbers of providers in the United States in 2025.<sup>3</sup>

Optometry = 48,181 licensed clinicians and 45,976 FTEs

Ophthalmology = 17,032 licensed clinicians and 16,199 FTEs

Optometry should be well prepared to handle the demand for routine refractive care. The challenge for the entire profession of eye care, however, is how to efficiently manage the onslaught of increased demand for medical and surgical eye care. Ophthalmology must be prepared to provide for the increasing demand for surgical procedures and therapeutic intravitreal injections, while optometry must be prepared to manage an ever-increasing demand for office-based medical eye care services. Possible disruptions to the current delivery model might include an increased oversight role for ophthalmology, with increased use of physician assistants, nurse practitioners, and ophthalmic medical technicians.

### THE RISE OF SPECIALTY CARE

Several other factors will concurrently influence the optometric profession over the next decade. The further development of specialty optometric practices (eg, those specializing in dry eye care, myopia management, and concussion therapy)

## AT A GLANCE

- ▶ Roughly 20 million more routine and medical eye exams will be required in 2025 than were needed in 2015, and this number does not include the increased volume of surgery that will be required for the aging US population.
- ▶ It is estimated that the number of cataract surgical procedures will increase from just shy of 3.6 million in 2015 to 5 million in 2025, while the number of full-time-equivalent ophthalmologists will increase by only 2.1% in this same period.
- ▶ Given these facts, ophthalmologists will need to focus on surgical procedures while optometrists provide more medically focused care.

CATARACT SURGICAL PROCEDURES PER YEAR

**5 million** surgical procedures

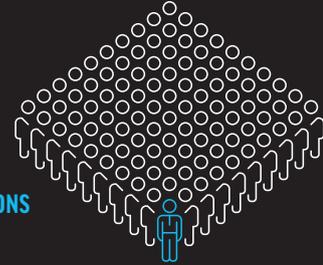
2025 (projection)

**3.6 million** surgical procedures

2015

**+ 3,500**

ADDITIONAL SURGEONS  
NEEDED BY 2025



It is estimated that the number of cataract surgical procedures will increase from just shy of 3.6 million in 2015 to 5 million in 2025.<sup>1</sup> Given an average rate of 400 yearly surgical procedures per cataract surgeon, this would mean that roughly 3,500 additional surgeons would be needed by 2025.

may draw a substantial number of providers away from routine refractive care and even basic medical eye care as these providers focus their clinical time on specialty services.

Additionally, the global epidemic of myopia is certain to create an opportunity for the expansion of myopia management specialty practices, perhaps similar to the presence of orthodontic practices in dentistry.

### ONLINE COMPETITION

Just as radial keratotomy and LASIK were expected to cause the demise of eye wear, many in the profession see the online sale of contact lenses and eyeglasses as a real threat to private practice optometry. Similarly, in the 1980s it was thought that the growth of managed care would edge out private practice.

Fortunately, first-rate customer service, the not-so-secret weapon of the private practice model, should enable tomorrow's optometric offices to maintain strong market shares. Recent research estimates online sales at less than 5% of total eyeglass sales and online contact lenses at approximately 10% of sales.<sup>4,5</sup>

Online vision screenings and refractions remain in their infancy, and, although they may seem attractive to the internet-savvy millennial generation, the tangible, personable, customer

service-oriented experience will most likely continue to hold market share.

### CONSOLIDATION AND PRIVATE EQUITY IN EYE CARE

The past 5 years have seen rapid growth in private equity investments in the eye care realm, as well as increased consolidation of optometric and ophthalmologic practices. In 2018, private equity firms were sitting on more than \$1 trillion ready to invest.<sup>6</sup> Health care, especially age-related health care, is an attractive target for investment, as these professions have excellent growth potential and, to date, have seen little consolidation activity. At year end 2018, more than 3,000 optometrists and 660 ophthalmologists were involved in a practice consolidation. (I personally track dozens of press releases and conduct web searches to collect data on private equity and the eye care industry.)

Although it may seem as though a new deal is announced every week and that eye care consolidation is taking over the profession, the "market share" of private equity, as measured by the number of doctors, is only 7% in optometry and 4% in ophthalmology. Investors are able to take advantage of economies of scale, nonclinical synergies, and the effect of higher multiples paid for aggregated profits.

For the right reasons, this may be an excellent opportunity to maximize the return on one's private practice. For others it may not make financial and personal sense.

### A BRIGHT FUTURE FOR OPTOMETRY

As we take this high-level view of optometry today and speculate as to where the opportunities lie, we should be optimistic that optometry will continue to thrive and grow for the foreseeable future, despite the emergence of any new disruptors. ■

1. Demand estimates are derived from US Census Bureau projections, CMS 2015 Medicare utilization & payment data, Vision Council VisionWatch statistics, historic utilization rates by age groups (utilization data/census data), and a variety of adjustments for the commercial population's medical eye care services whereby medical eye care utilization rates typically equal 20% of Medicare rates for the adult populations (author's own data and experience).  
2. Author's calculations from Association of Schools and Colleges of Optometry data and Association of University Professors in Ophthalmology Residency program data.  
3. Calculated by the author using data from the American Optometric Association's 2014 Workforce Study and the Association of American Medical Colleges & Bureau of Health Professions Report 2002-2003.  
4. Kestenbaum R. Buying glasses online is becoming the norm—but growth will explode once eye exams go digital. *Forbes*. [bit.ly/Forbes0418](https://www.forbes.com/sites/forbes/2018/01/14/eye-exams-go-digital/). Accessed January 14, 2019.  
5. Contact lens subscription services annual report. The Vision Council. [bit.ly/2017/CLs](https://www.visioncouncil.org/wp-content/uploads/2017/07/CLs-Annual-Report-2017.pdf). Accessed January 14, 2019.  
6. Barbarians grow up. *The Economist*. July 28, 2018. [bit.ly/Barb0718](https://www.economist.com/finance-and-economics/2018/07/28/barbarians-grow-up). Accessed January 14, 2019.

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