

10 THINGS YOU MUST CONSIDER WHEN COMPARING VISION PLANS

Today's health insurance broker and employer have so many complex things to think about when it comes to building a benefits package that current and prospective employees will find valuable and affordable. It's likely for most employers that payroll and benefits are a top one or two expense line items in their business today. It's also likely that they will continue to grow disproportionately to their prices, which means most companies can't just issue a price increase to help fund the increases in health insurance and other employee related burdens, so, rightfully so, great effort is spent analyzing health insurance benefits, utilizing HSAs, looking at self-funding, wellness plans to reduce utilization, etc. etc. These are just some of the things a good broker/agent will do with an employer, which often means little time is spent on ancillary voluntary benefits like vision plans. A vision plan can be a great way to enhance a benefit offering with no cost to the employer, however, how do you know if you're picking the right one? With all of your time spent on health insurance and other more-costly benefits, you likely need a simple and easy to understand tool to help you understand the basics of the vision plan offering that will insure you're selecting the best vision partner for your employees. Our research of both brokers and employers indicate that the first (and often the only) thing most people look at is the monthly premium, then allowances for frames and the number of network providers. It makes sense that these are the only parts of the vision plan than employers and brokers are looking at, because those are the parts that the vision plan provider and sales reps presented on. What is a relatively complex and vernacular heavy industry (ex: digital free-form progressives, retinal imaging, photochromics, etc), in order to really understand what to look for you need some insider help. Here are 10 things that you need to understand in order to compare vision plan offerings:

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Comprehensive Eye Exams and fitting fees

Most plans will offer a comprehensive eye exam for spectacles for a co-pay (\$10-\$20), however there is typically an up-charge for a contact lens exam, this up charge is referred to as a fitting fee. The fitting fee relates to a couple additional measurements call K-readings or Keratometry (cornea) readings which measure the steepness (or flatness) of one's corneas which affect how a contact lens will fit. When comparing exam coverage keep in mind 25-35% of plan members are contact lens wearers and could be subject to a fitting fee. Opticare plans cover fitting fees 100% in the select network.

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Fitting fees and Contact Lens Benefits

Opticare plans cover fitting fees and an initial pair of trial lenses, however, one common tactic used by vision insurers is to either not cover fitting fees or cover them with the contact lens allowance. This means if a member has a contact lens allowance of \$120 but the “covered” fitting fee is \$40, that member receives the exam with a co-pay and nothing extra for the fitting fee out of pocket, however the contact lens allowance has been reduced by \$40 to cover the fitting fee. If it feels like smoke and mirrors well you know. Opticare covers fitting fees and doesn’t reduce allowances to cover it. Make sure to keep this in mind when comparing contact lens allowance and eye exam benefits.

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Materials Co-Pay

Most plan offerings cover a frame up to a stated amount and basic lenses. The materials co-pay is not different than a deductible in the sense that a flat “materials co-pay” of usually \$25 and must be paid before any frame or lens benefit is issued. Here’s another way to think about it; if the stated plan allowance for a frame is \$120, you might expect to find a frame for \$120 and have it covered completely. Not exactly. In this scenario the member must pay the materials co-pay of \$25 first, then apply the allowance, effectively reducing the frame allowance to \$95. Opticare plans generally don’t have frame material co-pays or deductibles.

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Hardware Only (no exam) Plans & Commercial Health Insurance Eye Exam Benefits

One way to reduce vision plan premiums is to remove the eye exam benefit and rely on the health insurance carrier to cover the eye exam benefit. In theory this makes sense, however there are (3) issues to consider when considering this option. First, many health insurance carriers cover an eye exam with a medical diagnosis – glaucoma, cataracts, conjunctivitis, etc. – and will deny eye exam claims without a diagnosis code. In this case, the member will have to either pay at time of service or wait until a claim is filed and denied before receiving an EOB and invoice to pay months later. The second potential issue with covered exams is, if the health carrier does cover routine exams, it’s likely a much higher fee schedule than that of an Opticare plan. For example, (this is just an example) Optometry providers will receive a reimbursement of \$71-\$108 for an eye exam from a commercial carrier while the average exam reimbursement from the vision plan, for the EXACT SAME EXAM is around \$55. Thus carving out the exam on the medical side and keeping it in the vision plan theoretically would be the more cost effective, while also reducing the administrative overhead of filing 2 separate claims to two different insurance companies. And finally, not all Optometry providers are empaneled on major medical plans, thus creating a situation whereby the patient must make 2 visits, one to an eye exam provider and one to a vision plan provider.

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Benefit frequencies and what they really mean

Often annotated as 12/12/12/12 or 12/12/24/12 this means the frequency, in months, of each benefit line item; exam/lenses/frame/contacts. Plan premiums can be reduced by changing the frequency to 24 months, usually on the frame benefit, indicated as 12/12/24/12. **The American Optometric Association and the American Medical Association** recommend annual eye exams for every American over the age of 12 with or without visual deficiencies. Children should have their first eye exam at age 3 and every other year thereafter unless ocular issues are present. Pediatricians will conduct tests to track eye mobility, muscular strength, pupillary reaction time and fixation tests during routine checkups. Here's the patient experience that a 24-month frame benefit will likely create for an eyeglass wearer. Year one, the member will get an annual eye exam and glasses. In year two after a covered eye exam reveals a slight change in the prescription. Patient can use the lens benefit but now has to use the old frame – which can be brittle and worn down combined with the fact that only 35% of patients have a backup pair, meaning they can't leave their old frame to have lenses put in as it's their only pair of glasses. Which leaves the patient no choice but to pay full retail for the frame or not update their prescription at all. While the provider might like the idea of selling a retail frame, neither option created by the 12/12/24/12 option is member-patient friendly. All Opticare plans are 12/12/12/12 plans unless requested otherwise, and even in this scenario, Opticare's rates on a 12/12/12/12 will usually beat any competitor's rate on 12/12/24/12 frequency.

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Network: Providers vs Access Points

There is some confusion in the market place about the correct way to present provider networks and accessibility. Opticare's primary way of presenting providers is by individual doctor for independent, single office practices and by number of locations for group practices and chains. Many vision plan networks now present access points which can be misleading, here's why. Example: Family EyeCare is a small group practice with 3 brick and mortar locations and 3 OD owners. Since each doctor is an owner in all (3) locations, they will be listed in each as an access point, making the network list 9 locations; Location 1 with Doctor A, B, and C and Location 2 with Doctor A, B and C and so on. The fact is there are 3 approved clinics, each with a doctor, that a member can visit. Three dots on the map. Access points can be misleading. Another example, Standard Optical often has several doctors work in several locations, because of this, all 20 doctors are credentialed in all 20 locations. It's still only represents 20 offices that a member can visit, however, for network comparison purposes, could be represented as 400 access points. Opticare's network meets or beats every other network on the market with a combination of independent practices, National and regional chains. When you add our out of network benefits, overcoming confusion or objection based on network is easy.

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Out-of-Network Allowances

When comparing networks, you must consider the out-of-network reimbursement column. Example, your group wishes to buy ABC Vision Plan because it has Costco on the panel, albeit at reduced allowances of \$70 for a frame. However, Opticare plans have an out-of-network allowance of \$85, which means the member has a \$15 better benefit that can be used anywhere, even Costco. Don't be fooled by stripped down benefits for expanded providers. Most big box and membership club providers require a reimbursement of their Usual and Customary. This leads to a lesser benefit to the member and an uptick in premium cost to account for it.

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Technology, Flexibility and Deliverables

The 2020 Coronavirus outbreak forced many businesses to rethink their delivery channels. Opticare's largest client recently recognized us as have NEVER missed an enrollment meeting in 33 years (until Coronavirus required them to be done remotely). This is an example of the service commitment that Opticare has and our commitment to deliver the services how the client and patient want. From this, we developed video "benefit tutorials" that can be customized for each client in the case that in-person enrollment meetings can't take place. The fundamental delivery of eye care services is also changing and Opticare is at the cutting edge of these changes. Soon, Opticare will be launching a mobile eye care program that will give larger clients the option to have the eye care experience come to them. We provide an optometrist and several certified Opticians equipped with state of the art mobile eye exam equipment and 300 frames. We can set up in a break room, conference room or even our own mobile exam truck and see upwards of 30-40 patients per day. Also, our proprietary telemedicine platform allows members to have an eye exam from the comfort of their own home or office. This new platform allows for expanded service hours also for those whose work schedule or where they live may pose a challenge in accessing an eye care provider. Both the mobile exam unit and the tele-health platform are searching for early adopter ambassadors to launch this program with, so reach out to your Opticare rep if you are interested.

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Refractive Surgery and Ophthalmology

Opticare is partnered with the Standard Optical Ophthalmology Surgical staff and takes a very hand on approach to the refractive surgery program which is a distinctly different approach than most vision plan providers in the market. For most, the refractive benefit is either part of a large national discount contract whereby large laser centers offers member discounts, or an open-access option whereby laser center can agree to a discount for the plan members and there's no associated reimbursement or co-management agreement. These are usually the same discounts for any and every group that approaches them. The discount they offer of 15% off or 5% off promotional pricing is the same deal they offer AARP or American Express Card Holders, etc. These Laser providers have many locations and offer good services and results. However, our members deserve to have the luxury of data and

communication to insure the best results. To think that a vision plan member that has been under the care of an Optometrist for many years can walk into a laser center and have surgery without every having the primary optometrist involved at all, is not ideal for continuity of care and leaves areas for error. Opticare takes a more hands on approach with our Refractive Surgery Provider which is why Opticare is responsible for more LASIK in Utah than any other vision plan provider by more than double. Here are a few of our secrets. Each provider in the select network has had extensive training and has been certified by the laser center and Opticare as showing mastery in refractive surgery co-management and pre-operative cycloplegic evaluation and examination for refraction accuracy, as well as post-operative excellence is troubleshooting, emergencies and on-call resources. The member's primary Optometrist works in conjunction with the LASIK MD to insure a seamless and successful procedure. We also negotiate several free procedures for sponsorship events, golf tournaments, fund raisers, auctions, etc. The Standard Optical Ophthalmology team and location are available to host open house events, trainings, Q & A, observation of surgery, after-hours events, etc for our agents or clients regardless of size. Let your Opticare rep know if you want to learn more about this.

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Community and Corporate Citizenship matters to people

Opticare is a proud Utah family owned business and employs hundreds of Utahns. Every pair of glasses made through the Select Network is manufactured and assembled in Utah by Utahns. The year 2020 marks our 14 annual broker incentive trip and humanitarian project. Our humanitarian efforts span 4 continents but most notably is felt right here in Utah. Opticare Vision is partnered with 4th Street Clinic, Title One Schools, The Road Home, Utah MS Chapter, YWCA, The Haven, StandUp2Cancer, Make a Wish Foundation, Equality Utah, Utah Food Bank, United Way, Ronald McDonald House, Utah State University, Weber State, U of U, BYU, Westminster, UVU and more. Opticare of Utah is a member and sponsor of UAHU since 1987. Since our inception, community involvement and humanitarian efforts have been a pillar of our existence and will continue to be a core value of ours.

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