

## **National Association of Vision Care Plans: Provider Contract Mandates Raise Prices on Consumers**

Consumers access a wide variety of specialty care through limited benefit plans. Vision care providers and vision plans negotiate discounts for covered vision services as well as for materials in ways that other plans do not. Eliminating negotiated materials discounts and prohibiting specialty vision plans only raises consumer costs.

<b>Consumers Pay less to Access Routine Vision Care with a Vision Care Plan</b>	Patients without a vision plan seeking treatment under a medical plan may be subject to high deductible and specialist copayments, which commonly exceed \$50. Vision Care Plans rarely have deductibles and the office visit copay may be \$10 or less.
<b>Consumers Purchase Services and Materials Together</b>	Pricing differences for materials from one in-network provider to the next confuses consumers and leads to the separate purchase of materials and services.
<b>Visual Health Outcomes Improve when Services are Provided With Materials</b>	Consumers are <b>four times more likely</b> to seek professional eye care services from an eye care practitioner when offered a vision benefit that includes both an eye exam as well glasses and or contact lenses.
<b>Consumers Expect Discounted Materials and Frames</b>	Vision care consumers want discounted materials. When consumers cannot obtain discounts in a retail setting, they are increasingly seeking discounts online and out of state.
<b>Providers Benefit from Network Discounts</b>	Cost savings on services are available from preferred providers because the plans provide an <b>increased volume</b> of patients and customers.
<b>Payment Rates for Materials are Negotiated</b>	Visions Plans and Vision Provider Networks <b>negotiate with providers</b> to determine discounts on materials. Retail pricing is determined by the provider.
<b>Proprietary Laboratories and Supplies Lower Costs and Assures Quality</b>	Vision plans that offer proprietary lab services and materials to their enrollees allow the provider to offer a quality product at a much lower cost to the consumer.
<b>Providers Mark-Up Materials 260% or More</b>	Average eye care provider eyewear markup is anywhere from 260% to 400%. Plan discounts vary as well but are typically far less than <b>half</b> of that mark-up.
<b>Network Discounts Lower Costs for Consumers</b>	Because providers offer vision products and materials to consumers at a discount, integration of laboratories and vision supplies in vision plans <b>lower costs</b> to the consumer
<b>Vision Plans are an Efficient way to Access Specialty Care</b>	Vision Plans bring greater <b>access, choice, and flexibility</b> to consumers. They improve quality through accreditation and credentialing providers. Comprehensive medical plans contract with vision plans to provide these benefits to enrollees.
<b>Contractual Transparency is Important but Arbitrary Contract Terms Have No Place in State Policy</b>	Limiting the terms of an agreement to an arbitrary time limit or stipulating the modes of communication between a plan and its providers does not serve any of the parties, only raising the administrative cost of managing a vision network.

NOTES:

**Providers Mark-Up Materials 260% or *More***

Average eye care provider eyewear markup is anywhere from 260%<sup>1</sup> to 400%<sup>2</sup>.

<sup>1</sup>Best Practices of Spectacle Lens Management, Practice Advancement Associates, Management & Business Academy™, June 2012, page 28 ([http://www.mba-ce.com/data/sites/1/paa\\_bestprac\\_spectacle\\_0612\\_lr.pdf](http://www.mba-ce.com/data/sites/1/paa_bestprac_spectacle_0612_lr.pdf)).

<sup>2</sup>Four Steps to Higher Frame Profits, Optometric Management, Neil B. Gilmard, OD, MBA, FAAO, July 18, 2012 ([http://www.optometricmanagement.com/om\\_mtow/four-steps-to-higher-frame-profits.aspx](http://www.optometricmanagement.com/om_mtow/four-steps-to-higher-frame-profits.aspx)).

Contacts: Paul Cosgrove  
503-799-5679  
[pcosgrove@lindsayhart.com](mailto:pcosgrove@lindsayhart.com)

Joanie Cosgrove  
503-730-5125  
[jcosgrove@lindsayhart.com](mailto:jcosgrove@lindsayhart.com)