

# The Increasing Marketability of Vision Plans: How They're Significant Components of Today's Healthcare Package

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Vision benefits, once scarce in all but a few employer-sponsored health plans, are fast becoming the ancillary benefit of choice for employers and employees alike. Employers are finding that in today's ultra-competitive worker market, offering a value-added healthcare benefit item such as a vision package can be a key factor in attracting high-caliber employees to the company. In study after study, employees have rated vision coverage as the additional benefit they most desire – **more than 65% of employees** in a Mercer/Foster Higgins National Survey of Employer-Sponsored Health Plans **said they would trade one or two vacation days for vision coverage**. Another study, conducted by Dallas-based Pearle Vision Managed Care, found almost 50% of respondents ranking vision care as very important to them, and only 20% ranked dental care of equal importance. Trends show that employers are paying attention in droves.

In 1997, a Hewitt Associates survey of 1,035 major U.S. employers showed that only 38% offered vision benefits to their full-time employees. However, by 1999, a new study by the same organization found that 54% were offering vision care plans, 32% via a package separate from their medical plan. The numbers show steady, rapid growth but the market is far from saturated. Why the current demand for vision care and coverage? Actually, the desire on the part of employees for such plans is not new. What has changed in recent years is the availability of affordable plan options for the employer, coupled with their realization that vision coverage offers an easy and cost-effective way to maximize worker productivity and enhance employee morale. Having a vision plan in place that employees may utilize at will can help prevent the more severe health issues, lowered productivity and absenteeism that eye problems may cause if not attended to promptly. It is estimated that as of this year, 20% of the U.S. population is over the age of 55 and therefore more likely to require vision correction.

As the workforce ages, we are more prone to diseases of the eye such as macular degeneration, glaucoma and diabetes, which, undetected and untreated, can lead to blindness. In fact, a recent study published by the American Optometric Association in its clinical practice guidelines estimated that "**approximately 92,700 new cases of blindness each year would have been curable or preventable through timely detection and treatment.**" With the emergence of computer terminals as the primary workstation in most businesses, more people are suffering from computer-related vision problems. Referred to by the American Optometric Association as "computer vision syndrome," these complaints range from headaches and eye pain or irritation, to loss of focus, blurred or double vision and excessive tearing or dry eyes. The association estimates that these problems cost close to \$2 billion a year in diagnosis and treatment.

As early as 1991, the National Institute of Occupational Safety & Health reported that almost 60 million workers in the United States suffered from symptoms related to working at video display terminals. Most optometrists agree that if a worker is at the computer for more than two or three

hours a day, he is a candidate for computer vision syndrome. Specialized corrective "occupational eyewear" for people with computer-related vision problems is, fortunately, now available. Optometrists now have available to them a testing and lens prescription technology specifically designed for this purpose. Although a simple exam by an optometrist to evaluate the eye and reduce vision loss will detect disease and vision problems, many people neglect to get one because of cost. Offering vision coverage is a comparatively inexpensive way for companies to supply this highly valued perquisite to their employees. According to Bruce Cacciapaglia, Jr., director of strategic development for PacifiCare, vision plans generally add only about \$4 to \$6 cost for each plan member. Traditionally, vision plans will routinely only cover contact lenses the provider deems a "medical necessity," for conditions such as keratoconus, in which the cornea is misshapen, and anisometropia, where the refractive status of the two eyes is not the same. They would not cover contacts for those who want them for cosmetic reasons.

Many carriers today, however, are offering set amounts payable as reasonable fees for all types of correctives – anywhere from \$100 to \$300, depending on the plan options the buyer selects. This amount can then be applied by the member for contact lenses or eyeglasses, whichever is preferred. Laser surgery, not long ago considered a risky and, to some people, unattractive solution to vision problems, has grown exponentially in popularity in just a few years. According to the optometric industry newsletter *Refractive Marketing Perspectives* **more than one and a half million people will undergo laser procedures for vision correction this year alone. That is about 62% more than the 930,000 who had the surgeries in 1999**, when the number of patients had doubled from 1998. But laser surgery, although dropping in price as it becomes more prevalent, is still an expensive corrective solution, costing up to \$5,500 – a cost vision plans do not currently cover.

As more and more people choose to undergo this procedure, however, there is a push on the part of consumers to have it covered. Some carriers have responded by paying set dollar figures for the procedure, or more often by offering discounts of 15% or 25%. In most cases, plans do not cover the extras – progressive bifocal lenses, ultraviolet coating for protection against rays emanating from computers or the sun, antireflective coating, scratch coating or designer frames. Extra coverages can usually be added, of course, provided the buyer wants to pay for them.

## Quality You Can See

As benefits are not the same across the board for all vision plans, neither are other factors like provider quality and ease of utilization. A good vision plan acts to mediate the optimum care of its members. Provider credentialing and auditing member satisfaction are crucial activities of quality vision plans. PacifiCare, for example, contracts with provider networks that routinely conduct site visits, chart reviews and member surveys of their providers.

Sometimes vision plan members are not sure about which things are covered and which are not. An employee may mistakenly believe that if his plan covers eyeglasses, it will cover designer frames as well, and this may not be the case. Some plans cover none of the extras, some cover them at a reduced rate and some cover everything. It all depends on the service the employer purchases. The task of educating plan members about the particulars of the plan the buyer

chooses ultimately falls to brokers. That is why it is important for you to present the prospective buyer with plans that clearly communicate benefit information. Companies with websites and written materials that offer comprehensible and unambiguous explanations are a definite plus. The more knowledge about a plan you have—and can make available to the employer-buyer—the fewer problems he will face later with regard to buyer satisfaction. Given the variance in quality and the range of plan options available in the marketplace, it certainly behooves an agent or broker to do his or her homework before selling a given vision plan. After researching carriers and plans, probably the most important step to take is to talk to the employer to determine his or her needs, and how much he or she is willing to pay for coverage. To keep a satisfied customer, you'll want to make sure to sell a plan that meets the buyer's needs. Are the employees mostly over 45? In that case, they'll need a plan that includes yearly eye exams. Do they hold jobs, like data entry, that specifically impact vision? If so, they may require special eyeglasses. Is the company a manufacturer whose employees work with dangerous materials? They will most likely need special occupational safety glasses. After you and the buyer have accurately determined the group's specific requirements, you can select the plan which best suits them. The PPO has steadily gained ground as the plan of choice for vision, due to its clear advantages. With a PPO, plan members enjoy a choice of network-credentialed providers. Because networks can negotiate sizable discounts with vision-care providers, employees have lower out-of-pocket expense than they would under a traditional plan. In addition, good PPO plans include strong customer service and prompt claim resolution. You also need to make sure that the plans you sell offer ease of utilization to the member. A vision plan is only as good as the accessibility of its providers and the degree of comfort the employee feels in dealing with its administration. To be readily accessible to them, providers should be located no more than 20 miles from the employees' homes or workplace and be open evenings and weekends so that people do not have to take time out of the workday for appointments. There should be a provision for emergency care – an employee with an eye injury, or one who cannot work because his glasses are lost or broken, needs to be seen immediately. The carrier should have a viable credentialing and customer satisfaction review plan implemented: plan members need to feel confident that the providers they see are of the highest quality. Finally, the carrier should be equipped to handle customer service requests promptly and courteously. A carrier that adheres to specified service standards is the best choice. Things to look for in a service department would include: sales agent calls returned the same day member calls answered promptly – in 30 seconds or less claims processed within 30 days. With such standards in place, employers, employees and agents should all be well-satisfied with their vision benefit. Selling vision plans to employers, after learning about the products and researching the market, can prove a valuable way to increase revenue and enhance relationships with existing customers. Offering employers a reasonably inexpensive, yet desirable benefit for their employees in combination with service and expertise has the potential to develop long and mutually satisfying broker/client relationships for years to come.

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