



2018

Managed vision care's
role in your practice

eye
Med



Should I sign up?



3 out of 4

eye exams are covered by a vision benefit

The question is not should I sign up, but **which plans should I accept?**

Should I sign up?

Question to consider	Why it matters
Is the plan growing?	Growth gives your practice the opportunity to see more members.
What % of members stay in network?	The greater the percentage of in-network care, the greater the probability that you will see members—and benefit from their long-term loyalty.
Are out-of-network benefits of equal value to members as in-network benefits?	Out-of-network benefits should not be equivalent to in-network benefits. Enhanced in-network benefits encourage members to use participating providers.
Does the plan use a lab network? <ul style="list-style-type: none">• One proprietary lab or many contracted labs?• Broad product availability such as progressives and anti-reflective coatings?• Brands or private label?• Fixed member out-of-pocket cost or open-ended?	<ul style="list-style-type: none">• Choice among many labs means labs have to perform to keep your business• Availability of the same products you use for private pay patients ensures consistent patient experience.• Access to whatever brand/style is best for each patient ensures patient satisfaction and reduces remakes.• Open-ended formulary improves your margin when dispensing top tier products.

Some good news

With vision
benefits

Without vision
benefits

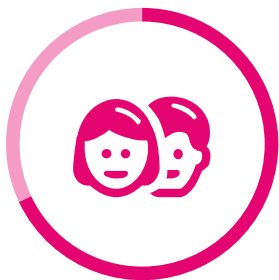
Eye exam frequency (months between exams)	19	30
Eyeglass purchase frequency (months between purchases)	23	30
Eyeglass purchase from examining provider (capture rate)	83%	75%
Repeat exams with same provider (loyalty rate)	75%	68%

Essilor Experts Data 2018

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What my patients think



68% of uninsured would pay \$5 per month for vision coverage



58% of uninsured would get an eye exam if they had vision coverage



34% said MVC coverage allowed them to purchase higher quality eyeglasses with more options



63% said MVC coverage will influence where they buy their next pair of eyeglasses

So what's in it for you?

Americans with vision benefits are more likely to have eye exams and buy glasses

30% 

more likely to have an eye exam in the next 12 months

86% 

more likely to purchase new eyeglasses using the most up-to-date Rx after an eye exam

55% 

more likely to have had an eye exam in the past 12 months

Top questions to ask when evaluating MVC plans

EyeMed analysis of new business that transferred over from a prior benefits company, 2013-2014.

Does the plan promote or prevent utilization?

Be wary of plans that don't want their members to use their benefits because they lose money – which means you see less value, too.

When companies move to EyeMed from another carrier, **our members are more likely to use their benefits**. This is in part because we communicate actively with members to encourage them to have their eye exams and purchase vision correction they need to help them see life to the fullest.

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Top questions to ask when evaluating MVC plans

Do members receive ID cards?

ID cards help minimize vision benefits from being “out sight and out of mind.” When **plans don’t supply ID cards**, members may be less likely to remember they have benefits, let alone use them.

And **EyeMed’s ID cards are part of a comprehensive Welcome Kit** that explains the importance of eye care, how the plan works and, importantly, what independent and retail in-network providers are nearby. All of this helps members use their benefits at your location.

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Top questions to ask when evaluating MVC plans

Does the plan educate members on eye care?

Our member education doesn't stop after we send those ID cards. We **actively communicate with members through mailers, email newsletters and other means**. We have online tools that help answer member questions about vision care, all with the goal of helping members understand why it's so important to have regular eye exams.

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Top questions to ask when evaluating MVC plans

Can members use their benefits annually?

It's not uncommon for **MVC plans** to cover eye exams or materials **every 2 years**. As a result, you might not be seeing some MVC members as much as you'd like.

EyeMed's different. Because we understand the health benefits of the eye exam and proper vision correction, we **encourage clients to opt for annual benefits**. That makes it easier for members to visit in-network providers more often and purchase new eyewear more frequently.

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Top questions to ask when evaluating MVC plans

Does the plan encourage retinal imaging?

Clients and members want to have access to the latest technology in their health care. One example is retinal imaging, which has increased in popularity as an add-on to an eye exam benefit.

EyeMed's retinal imaging benefits make it easier for members to have it done at a low cost – and you're paid \$39 for each member who uses it.

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Top questions to ask when evaluating MVC plans

Does the vision plan partner with health plans in my area?

When vision plans and health plans work together, you can offer **better continuity of care and consistency** by participating on both networks.

EyeMed works with many of the largest carriers in the country and scores of regional plans. When your patients need more than routine care, you can easily continue your relationship with them as an in-network provider for both routine benefits (through EyeMed) and medical eye care (through the health plan).

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Top questions to ask when evaluating MVC plans

Does the plan have a lab network that protects provider choice?

Most vision plans use lab networks, but **not all lab networks are created equally**. Make sure the MVC plan gives you the choice and flexibility you deserve.

EyeMed's lab network includes Essilor and Walman labs **all over the country** - and probably includes a **lab you already work with**. Our product catalogs have thousands of the latest lenses, coatings and options so you never have to settle when it comes to your patients' eyewear.

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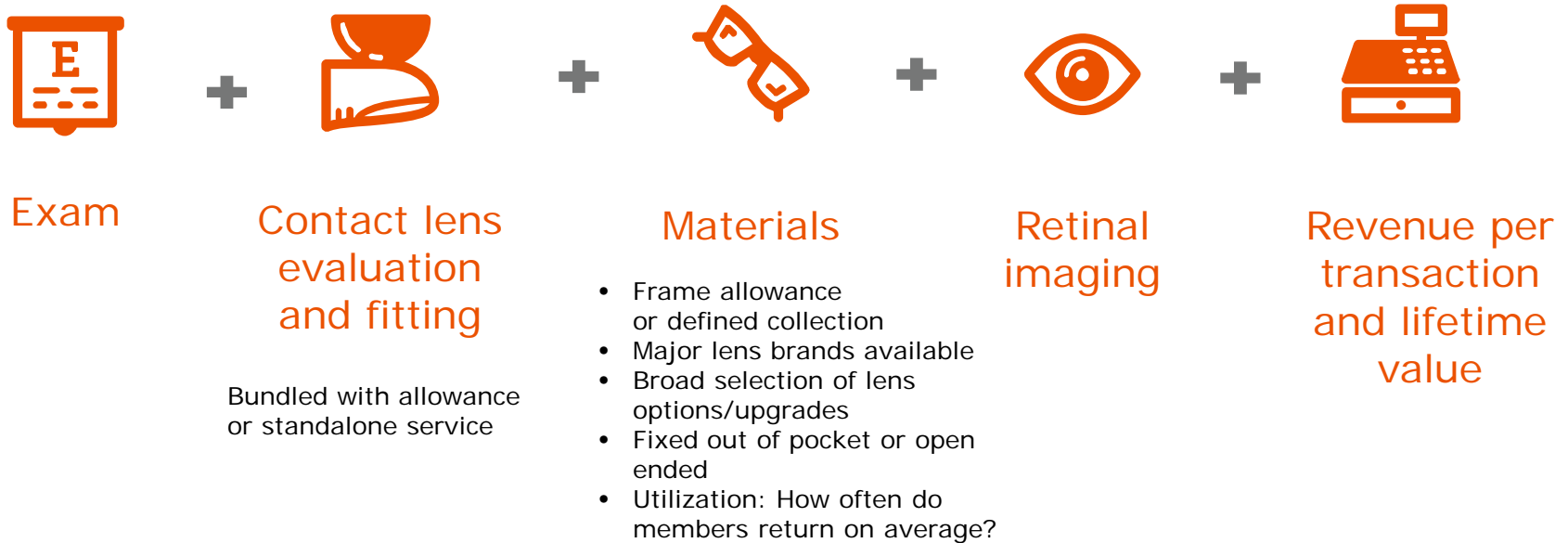
Top questions to ask when evaluating MVC plans

Does the MVC value independent providers?

You'll want to understand how important independent providers are to the MVC before signing up.

EyeMed wants to have the right panel of providers that meets member demand. As a result, **independent providers make up 75% of our network**, and **2/3 of our members** use their benefits at an independent practice.

Fees: Look at the whole picture



Gross revenue from EyeMed

14%

greater exam revenue
than the average of
all other plans

17%

higher revenue than
patients without benefits


PLAN	GROSS REVENUE / EXAM
EyeMed	\$228.66
Plan A	\$218.59
Plan B	\$216.84
Plan C	\$212.46
Plan D	\$196.68
Miscellaneous	\$191.32
Plan E	\$190.78
Plan F	\$190.16
Plan G	\$187.31

Average
gross exam
revenue for
patients
without
benefits =
\$195.70

Managed care revenue

- Median revenue per OD hour is \$330¹
- If you see 2 EyeMed patients in an hour:
 $\$228.66^2 \times 2 = \457.32 per hour

PLAN	# Exams = Median \$/OD Hour
EyeMed	1.4
Plan A	1.5
Plan B	1.5
Plan C	1.6
Plan D	1.7
Miscellaneous	1.7
Plan E	1.7
Plan F	1.7
Plan G	1.8

39%

higher than median
revenue per OD hour²

¹Management & Business Academy – Key Metrics: Assessing Optometric Practice Performance 2015

² Essilor Experts Data, 2018

Managed care revenue

If you cared only for EyeMed patients, you could earn **\$71,588 more gross revenue annually** than caring for patients covered by the average MVC plan:

	Average of Other Plans	EyeMed
Revenue Per Exam	\$200.52	\$228.66
Exams Per Day	10.6	10.6
Working Days Per Year	240	240
Annual Gross Revenue	\$510,122	\$581,711

If you cared only for EyeMed patients instead of the average MVC plan, you could take off an **extra 29.5 days** and earn the same annual gross revenue:

	Average of Other Plans	EyeMed
Revenue Per Exam	\$200.52	\$228.66
Exams Per Day	10.6	10.6
Working Days Per Year	240	210.5
Annual Gross Revenue	\$510,122	\$510,209

In other words...

You could be here:



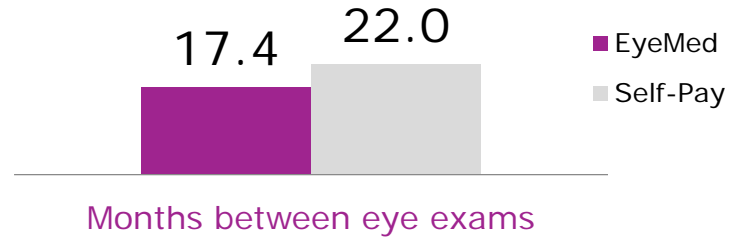
Instead of here:



Lifetime patient value

Eye exam frequency

EyeMed members return for eye exams sooner than patients without vision benefits.



Eyeglass purchase frequency

EyeMed members purchase eyeglasses more frequently than patients without vision benefits.



Lifetime Value by focalCenter

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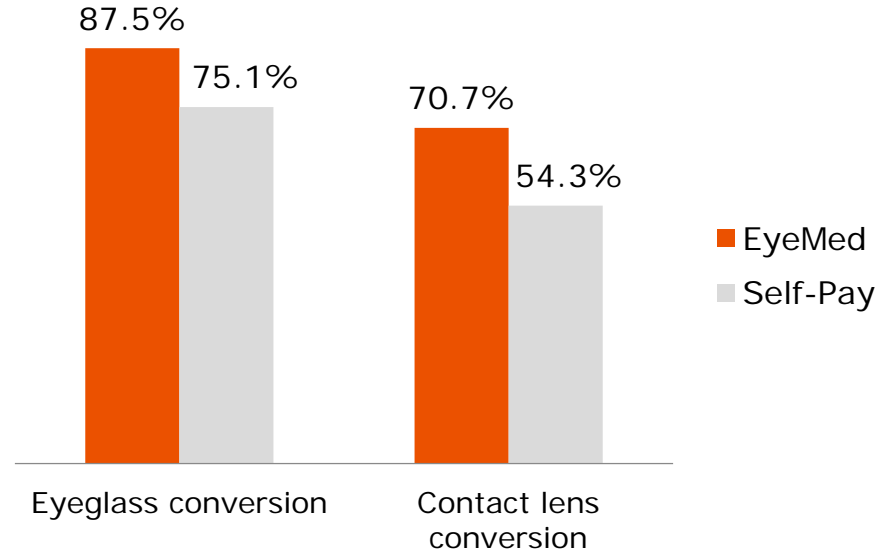
Lifetime patient value

Conversion rate

Providers see a higher conversion rate with our members than with patients without vision benefits.

16.5% more likely to purchase eyeglasses where they receive exam

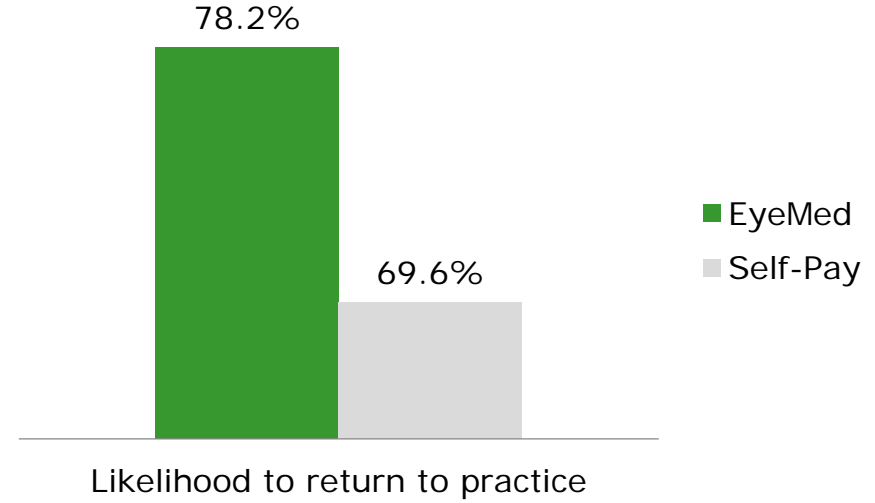
30% more likely to purchase contacts where they receive exam



Lifetime patient value

Patient loyalty

EyeMed members are 12% more loyal/ more likely to return to the same practice for care



Lifetime Value by focalCenter

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Lifetime patient value

Based on average exam and materials revenue, you'll see only slightly less revenue from our members on a single transaction.

With vision
benefits

Without vision
benefits

Average eye exam revenue	\$47	\$85
Materials conversion rate	87.5%	75.1%
Average materials revenue	\$280	\$283
Weighted materials revenue	\$245	\$213
Total revenue (exam revenue + materials revenue)	\$292	\$298
Difference	-2%	

Lifetime Value by focalCenter

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Lifetime patient value

Because of the greater loyalty from EyeMed members, it's the lifetime value that really pays off.

	With vision benefits	Without vision benefits
Average eye exam revenue	\$32	\$46
Materials conversion rate	87.5%	75.1%
Average materials revenue	\$136	\$111
Weighted materials revenue	\$119	\$83
Total revenue (exam revenue + materials revenue)	\$151	\$129
Difference	+17%	

Lifetime Value by focalCenter

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What am I signing up for?

Question to consider	Why it matters	EyeMed
Contract duration	<ul style="list-style-type: none"> • Shorter duration allows for more frequent changes in favor of carrier • Administrative burden 	Evergreen with advance notice of any changes
Ability to choose plans/networks	<ul style="list-style-type: none"> • Payments and participation requirements may vary by network 	You choose networks at time of contracting - not forced onto less profitable networks
Network design (open to everyone or managed to protect traffic)	<ul style="list-style-type: none"> • Your share of membership is protected when the plan evaluates network participation vs. membership 	Network participation based on member saturation
Claims turnaround time	<ul style="list-style-type: none"> • Cash flow improves with shorter turnaround times 	99% in 10 business days
Payment frequency	<ul style="list-style-type: none"> • Cash flow improves with shorter turnaround times 	Payments twice per week
Customer service support	<ul style="list-style-type: none"> • Look for service during the times you're open and seeing patients 	Open 7 days/102 hours per week
Termination provisions	<ul style="list-style-type: none"> • Protect your participation by ensuring adequate notification and clear-cut without cause termination reasons 	Email service for quicker turnaround 60 day notice required from you or from EyeMed (except for egregious violations of contract terms)

I signed up, now how do I maximize?

Populate directory

Enables members to find you by:

- Updating directory data
- Indicating specialty services and brands



Medical care coordination

- Ensure members receive diabetic eye exams as appropriate
- Send diagnosis codes to help facilitate care coordination



Measure and monitor quality

- Average revenue per exam
- Average revenue per OD hour



Lab network

- Maintain rebates/ rewards
- Promote premium products
- Provide In Office Finishing

- Communicate with PCP to improve patient outcome and gain referrals

Go paperless

- Submit claims electronically
- Sign up for direct deposit to avoid fees

Any
questions?
Thanks for joining us

eye[®]
Med

