



## NATIONAL ASSOCIATION OF VISION CARE PLANS

April 17, 2014

VIA EMAIL to: [lstarr@leg.state.vt.us](mailto:lstarr@leg.state.vt.us)

Representative Michael Fisher  
House Committee on Health Care  
Vermont State House  
115 State Street, Room 45  
Montpelier, VT 05633

### **RE: National Association of Vision Care Plans Comments in Opposition to Senate Bill 281**

Dear Chairman Fisher and Members of the Committee:

The National Association of Vision Care Plans (NAVCP) opposes provisions contained in Senate Bill 281 that would negatively affect Vermont consumers by increasing the price of vision care materials and products. NAVCP is the trade association for the managed vision care industry. The mission of NAVCP is efficient consumer access to quality vision care through promotion and advancement of the vision benefits industry. NAVCP strives to improve quality and efficiency in the delivery of vision care and promotes the value and importance of vision care and vision benefits to both consumers and employers. The 18 primary member companies manage extensive networks of vision care providers and include vision benefit coverage for **over 119 million Americans**.

#### **Vision Plans Provide Services and Discounts on Materials to Consumers**

Vision Plans and Vision Provider Networks negotiate specifically with providers to determine reimbursement rates for services and to provide discounts on materials. In exchange for coverage of services and discounts on materials, providers join the network and enrollees are directed specifically to them as network providers. Senate Bill 281 would prohibit insurers from negotiating discounts for materials with providers if these benefits are not covered. We oppose this language as it would destroy much of what enrollees expect from their plan, drive up costs, and make it difficult for consumers to anticipate the price of purchasing materials from a network provider.

Materials (lenses, frames, etc.), are frequently not covered under the terms of a vision services policy as these are retail products that vary significantly in relation to consumer tastes. Instead, vision plans provide an allowance and/or a discount for the purchase of materials. Discounts on materials are popular with consumers because providers frequently mark-up the retail price for materials from 200% to 400% of the wholesale price. There is no "usual and customary rate" for materials sold by a vision care provider. Prohibiting negotiated discounts on materials for providers within a network would create higher prices for consumers and would result in pricing differences for materials from one in-network provider to the next. This will confuse the value proposition to consumers and lead increasingly to the separate purchase of materials and services. When consumers cannot obtain discounts in a retail setting, they will increasingly seek discounts online and potentially out of state.

## Consumers want Materials and Services Together

Separating discounts from vision plan benefits will break the valuable relationship between eye examinations and the purchase of frames and lenses. This is one important way in which vision differs from other specialties like dental services. Consumers are **four times more likely** to seek professional eye care when offered joint access to examinations and materials. Lower utilization means fewer patients will seek care and fewer will receive early diagnosis of chronic conditions, again driving up costs.

In summation, consumers purchase services and materials *together* and expect discounts. When they do, health outcomes and utilization *improves*. The negotiated discounts benefits consumers through lower costs and providers through additional patients. We strongly oppose disrupting this model by eliminating negotiated discounts or the direction of patients to in-network providers through integrated vision networks.

For these reasons, NAVCP respectfully opposes Senate Bill 281. Thank you for your consideration of our comments. NAVCP would be pleased to provide additional information to the committee as it considers this bill.

Sincerely,

A handwritten signature in black ink, appearing to read "Julian Roberts". The signature is fluid and cursive, with a large initial "J" and "R".

Julian Roberts  
Executive Director  
National Association of Vision Care Plans  
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