

From: Daniel Dapolito <dapolito@gmavt.net>

Date: April 12, 2016 at 8:56:28 PM EDT

To: <wlippert@leg.state.vt.us>

Cc: <cpearson@leg.state.vt.us>

Subject: S.215, An Act Relating to the Regulation of Vision Insurance Plans

Dear Representatives Lippert and Pearson,

On September 23, 2015, my associates and I submitted our contract to VSP (Vision Service Plan) opting out from all value-added discounts pursuant to Title 8, Vermont Statutes Sections 4088j(d) and 4088j(e)(1). This is our right as vision providers.

VSP responded to our opting out by sending a representative to my office within days to discuss our relationship with them. This is when I was informed that VSP has a premier program for participating eye doctors which allows for better reimbursement to me for glasses dispensed to patients if I sold products from their frame company and lens manufacturer. I also discovered that I could not be a premier provider because I had decided to opt-out of the discounts to their clients. The representative from VSP then informed me that VSP may employ or assist an optometrist in establishing a new office/practice in Middlebury who is eligible to participate in the Premier program and give discounts. This office would compete directly against us; they would encourage all their VSP clients in my area to seek eye care at that new office. This is a tactic to skirt around the very law that was designed to protect eye care providers and patients from plans that force providers and consumers to use their products. I feel that VSP is trying to **bully** their way into my practice.

Vision plans are not in the best interest of the public. The following points illustrate some of my concerns:

- Vision plans pay providers significantly less than their overhead expenditures. This forces optometrists to charge more in professional fees and ophthalmic materials to make up for the loss in revenue from the vision plan. This is **cost shifting and puts a huge financial burden on those without a plan**; this is not fair to about 50% of the patient population in my office.
- The reality of being paid significantly less by a plan means that the average eye doctor needs to examine more patients in less time increasing the probability of missing a sight threatening disease.
- I have repeatedly asked for a raise in our reimbursement fees for 14-15 consecutive years. It has not happened. I was recently informed that it will not likely happen in the near future. Do you think that the executives and employees of these plans haven't seen a raise in that same amount of time? Organized optometry cannot legally discuss this according to my attorney as this would be considered collusion.
- EyeMed Vision plan is operated by Luxottica which is a frame company with an interest in selling frames and lenses to consumers. By the way, Luxottica is LensCrafters. VSP owns 2 frame companies, Marchon Eyewear and Altair, as well as an

optical lab called UNITY lens. Vision plans are owned and operated by companies that provide materials and have a vested interest in making money from the sale of materials to our patients.

- The **plans are not transparent**. The savings for Vermonters that these plans advertise come directly out of the pockets of eye doctors and indirectly from the patient. Vermonters have no clue that the extra charges (“charge backs”) for certain products are paid to the plan through their eye doctor. The doctor does not keep the money that the patient pays their doctor. This is deceitful and a sneaky way to charge the patient. It appears that the provider is being paid for a product, but in reality the money is then paid to the vision plan via “charge backs”.
- I feel **there is not sufficient oversight of these plans**. They currently do not fall under the Health Insurance regulators. My understanding is that the Green Mountain Care Board has no authority over these plans.

I proudly served as the chair of the Vermont board of optometry protecting the public. I was on that board for 9 years. My primary duty as a board member was to protect the public as well as make and enforce policies that are in the best interest of the average Vermonter. Vision plans are not interested in best outcomes for Vermonters or Vermont eye care providers. Their sole interest is in making money at the expense of the public and their eye care providers. **We need to improve oversight of these plans through legislation.**

As of April 1, 2016, VSP has decided to **reimburse** my office **only 80% of my cost** of a frame (that I provide to a patient) if that frame is NOT supplied by VSP. In other words, VSP is penalizing me for supplying a frame to a patient that is not supplied by a VSP frame company. I have no recourse other than use only their frames or lose money if I choose to dispense another vendor's product. There has to be some regulation here. Please vote positively to move this bill, with amendments, out of your committee.

Thank you for your time. If you have any questions, please contact me at dapolito@gmavt.net or 802-388-2811.

Sincerely,

Dan DaPolito, OD
91 Main Street
Middlebury, VT 05753