NAVCP Comments on the NCOIL Vision Care Services Model Act

Health Insurance & Long Term Care Issues Committee
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Robert Holden, State Government Affairs Director
NAVCP Members

- Represent the 17 largest national vision care plans
- Provide coverage to 178 million Americans
- Networks include Optometrists and Ophthalmologists providing routine vision care
- Do not represent retailers, eyewear manufacturers, discount plan organizations
NCOIL Dental Uncovered Services Model

• NCOIL adopted *Model Act Banning Fee Schedules for Uncovered Dental Services* in 2010, now adopted in 40 states
• Prohibited a dental insurance plan from setting pricing for services not covered by the plan.
• Designed for the dental market, there were unintended consequences when applied to vision plans.
• Intended for services, not for materials like eyewear
• 20 states have enacted vision plan specific legislation
Vision Plan Coverage

- Addresses routine, preventative care
- Vision is frequently a voluntary benefit - subject to adverse selection
- 74% of vision benefits are through standalone plans and not imbedded in medical plans
- Average premium for vision very low in comparison to medical or dental coverage, typically costing one-tenth that of medical benefits\(^1\).

\(^1\): Vision Care: Focusing on the Workplace Benefit. The Vision Council 2008.
Vision Plan Benefit Design

Routine eyecare is frequently two transactions:
  • Annual eye examination
  • Purchase of a retail item: eyewear

Benefits reflect this unique model:
  • Coverage for an annual exam
  • Allowance for the purchase of frames
  • Covered spectacle or contact lenses
Vision Plan Advantages

Public health benefits of routine care:

• Four times more likely to get an eye exam than a physical
• Eye exams detect changes in vision and maintains an accurate prescription
• Optometrists and Ophthalmologists can identify the early signs of eye disease and serious medical conditions like diabetes, hypertension and high cholesterol

Vision Plan Advantages

Advantages of combined eyewear model\(^3\):

• 62% of Americans with a vision benefit obtained an eye exam within the next 12 months compared to only 40% without

• Once they have the exam, 65% of those with a benefit will get new eyewear compared to only 34.5% of those without

\(^3\): focalCenter 2016 Study: Advantages of Vision Benefits
Vision Plan Provider Networks

Benefit to consumers:

• Identifies fully credentialed providers
• Guarantees access to covered eyewear benefit
• Materials are subject to strict quality controls

4: https://www.ansi.org/consumer_affairs/How-Consumers-Impact-Standards?menuid=5
Vision Plan Provider Networks

Benefits to providers:

• Directs patients to network providers
• Increases patient visit frequency:
  o vision plan members get exams more often, 5 months sooner than self-pay
  o vision plan members purchase eyewear more often, 6 months sooner than self-pay
• Encourages patients to buy eyewear
  o vision plan members 17% more likely to buy eyewear from their provider
• Increases Patient Loyalty
  o vision plan members are 12% more likely to return to their provider

Statistics taken from providerprofit.com
NCOIL Draft Model is a Compromise

Recognizes Critical Definitional Differences between Vision and Dental
• Defines “vision care materials” to distinguish materials from services.
• Treats Optometrists and Ophthalmologists equally as “vision care providers”

Regulates Vision Care Plan Contracts to allow Provider Flexibility
• Prohibits vision plans from setting prices on noncovered services and materials as a condition of joining a network
• Allows for providers to participate in a discount program only if they choose
• Guarantees the provider freedom to describe all materials options to a patient
NCOIL Draft Model is a Compromise

Provides consumer protection:
• Provides notice for patients seeking care when pricing can differ
• Guarantees plans may keep enrollees informed of their benefits and options in a way that is fair to providers
• Requires providers to inform patients of their options at the point of service