

NAVCP Comments on the NCOIL Vision Care Services Model Act

Health Insurance & Long Term Care Issues Committee
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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



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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



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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 benefits¹.

1: Vision Care: Focusing on the Workplace Benefit. The Vision Council 2008.



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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



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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 cholesterol²

2: *Popul Health Manag.* 2010 Aug;13(4):195-9. doi: 10.1089/pop.2009.0050. "The role of comprehensive eye exams in the early detection of diabetes and other chronic diseases in an employed population."



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Vision Plan Advantages

Advantages of combined eyewear model³:

- 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



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Vision Plan Provider Networks

Benefit to consumers:

- Identifies fully credentialed providers
- Guarantees access to covered eyewear benefit
- Materials are subject to strict quality controls⁴

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



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Vision Plan Provider Networks

Benefits to providers:

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

Statistics taken from providerprofit.com



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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



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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



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