

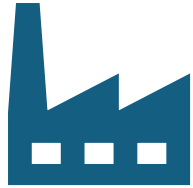


State Legislation Concerning Vision Benefit Managers (VBM)s)

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What is a VBM?

Vision Benefit Manager



VBM's are vertically integrated conglomerates in the vision care industry



VBM's sell and manage vision plan benefits. Average cost is \$5-\$25/member/month



A vision plan includes an annual wellness eye exam and discounts of glasses/contact lenses



VBMs and Their Market Power

In the United States, VBMs hold significant market power, greatly influencing the vision care marketplace.

- Approximately 2/3rds of Americans have a vision benefit under a VBM.
- The two largest VBM control 70% of vision plan covered lives.
- When a VBM is dominant in a particular community, an optometry practice in the same community has little choice but to accept the terms and conditions of the VBM, and almost zero ability to negotiate the contract terms.

What's the issue with VBMs?

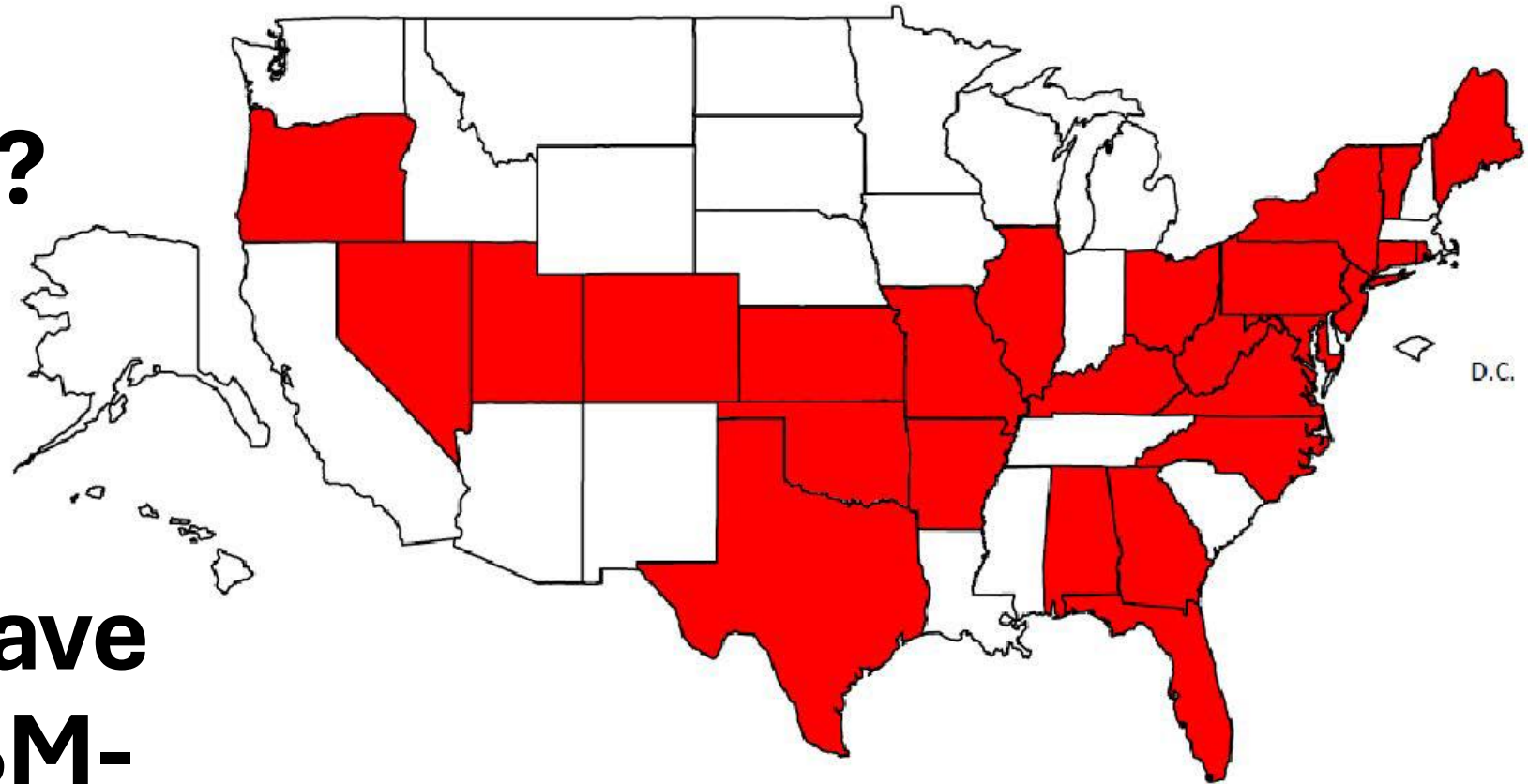
- Anti-Competitive Behavior Towards Optometry Practices
- Contracts of Adhesion With Optometrists
- Access to Care Concerns
- Interference in the Doctor-Patient Relationship
- Impact on Optometry Practices



Why is VBM reform needed?

- **Maintain Healthy Competition**
- **Prevent Monopolies and Rising Costs**
- **Improve Patient Choice**
- **Improve Patient Access**
- **Improve Transparency**
- **Maintain Clinical Independence**

What is being done about VBM abuses?



27 states have enacted VBM-related laws

Texas and Oklahoma VBM Comprehensive Reform Laws

Key Prohibitions on VBMs

- ✓ May not fix prices on non-covered services
- ✓ May not misrepresent what services are covered
- ✓ May not dictate glasses manufacturing lab usage
- ✓ May not steer patients to self-owned locations
- ✓ May not tier/rank doctors based on a purchase volume of goods
- ✓ May not reimburse doctors less due to their patient care decisions
- ✓ May not hide out-of-network benefits

VBM Response to New Laws

- ✗ Have closed provider networks to new doctors
- ✗ Have “evergreened” existing provider contracts before the law’s effectivity date
- ✗ Have sued the State of Texas in federal court to halt enforcement of the law
- ✗ Have threatened “unintended consequences”
- ✗ Have purchased more large retail optical chains

VSP Vision Enters Into Definitive Agreement to Acquire Eyemart Express

By [Staff](#)

Wednesday, October 9, 2024 12:27 AM



vsp VISION

**EYEMART
EXPRESS**

RANCHO CORDOVA, Calif.—[VSP Vision](#) announced today that it has entered into a definitive agreement to acquire national optical retailer [Eyemart Express](#) from FFL Partners and Leonard Green & Partners. The company noted that the acquisition of Farmers Branch, Texas-based Eyemart Express, with its nearly 250 stores in 42 states, will mark another significant network investment by VSP Vision to serve its more than 85 million members. In June of this year, Eyemart Express was ranked as the No. 12 eyewear retailer in the U.S. as part of *Vision Monday's 2024 Top 50 U.S. Optical Retailers report*, with reported annual sales in 2023 of \$366.2 million, up from \$345 million in 2022.

What is being done about VBM abuses?

On The Federal Level

- US House Committee on Oversight and Accountability Inquiries
- Dental and Optometric Care (DOC) Access Act
S. 1424 / H.R. 1385
- Congressional Member Inquiries to GAO

Comer Seeks Information from DOJ on Vision Care Market Consolidation, Resulting in Higher Prices and Fewer Choices for Americans



WASHINGTON—House Committee on Oversight and Accountability Chairman James Comer (R-Ky.) is continuing the Committee’s investigation into how consolidation in vision care markets is affecting consumers by driving up costs and limiting choices. In a letter to Attorney General Merrick Garland, Chairman Comer requests a briefing and documents to evaluate the impact of the consolidation of vision insurance plans and their vertical integration with manufacturers and retailers on patients.

What do VBMs say?

“Premiums will go up on purchasers/employers”

- Premiums have gone down during the history of vision plan existence.
- Vision plans continue to decrease in price as the VBMs fight with each other for covered lives and market control.

“Premiums and out-of-pocket costs will go up on patients”

- If VBMs choose to raise their premiums on patients, patients will perceive less value in their vision plan versus the actual market cost of the services.
- When patients no longer perceive value for a benefit plan product, they will stop buying it.

“Optometrists make \$150,000 per year”

- VBMs make tens of billions of dollars per year, with enough profits to buy up the industry.

“Our investments to vertically/horizontally integrate will be lost“

- VBMs should invest their excess profits in patients and doctors, not in market-controlling acquisitions

Thank You!

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