How to Navigate the Managed Vision Care Maze

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What are your managed care issues?

Managed Vision Care Stats
• 62% of the population has a managed vision care plan
• What percentage of your market area has a managed vision care plan?
Managed Vision Care Impacts Your Practice

63% of practice revenue is a direct result of third party payers

Source: Vision Council, 12 months ending March 2011

Managed Vision Care Stats

- The four Major Players
  1. VSP
  2. EyeMed
  3. Davis
  4. United Healthcare Vision Plan (Optum Health, Spectera)

Who is the major player in your area?

Know your market area

- Research your patients
- Where do they come from? (zip code)
- How old (avg. patient age at your practice)?
- The male/female ratio for your practice?
Zip Code Analysis Resources

• Sperlings Best Places
  www.bestplaces.com
• Zip Skinny www.zipskinny.com
• Plenty of pay services if you want someone else to do the work for you

Market Share Formula

Market Share = Gross Revenue/(Total Market Area Population X Average Spend Per Year)

Understand the Managed Vision Care Plan

• Request a list of the number of lives covered per zip code
• Research the competitors in your market area that accept the plan
• What are their reimbursement rates for all services and products
• What are the plans requirements for services and products
**Understand the Managed Vision Care Plan**

- Research Plans provider/customer/patient satisfaction
  1. Utilize your professional networks to get feedback on Vision Plans in regards to their ability to pay and lab services
  2. Listen to patient remarks about the Vision Plan
  3. Ask the Vision Plan for references

**Defining the Plan**

**Discount Plans**

**Comprehensive/Funded Plans**

**Key Elements**

- Easy to administer
- Patient pays % of retail
- No claim requirements
- Typically yields higher profit
- Add third party to the mix
- Providers collect from patient and plan
- Claim requirements
- Profitable with correct product mix
Understanding the Financial Flow

Bill to Plan
From Patient to MVC plan
MVC Plan to ECP
MVC Plan to Lab
Profitability

Bill to Provider
Patient to Plan
Plan to ECP
ECP to Plan
ECP to Lab (pays lab bill)
Profitability

Key Elements

Lab Networks

- **Open**: Allows providers to send work to any lab
- **Preferred**: Offers incentives to entice providers to utilize a specific network of labs
- **Restricted**: Requires providers to send work to a network of contracted labs
- **Closed**: Requires provider to send to the managed vision care plan's own labs
Assessing Managed Vision Care Plans

- Understand your motivation
  - Fill your exam lane – how far out are the doctors booked?
  - Increase your revenue and maximize your profitability
  - Gain access to added-value services

- Complete the checklist
  - Clarify your expectations
  - Evaluate current and new plans
  - Weigh what is most important to your success
  - Make key decisions to introduce change in your practice

Assessing Managed Vision Care Plans

Complete the Checklist

Does it Increase Your Patient Base?

- Allows you access to a member population that can only use their benefits with a participating provider
- Has a fairly restricted panel of providers so that a higher volume of members are directed to participating providers
- Helps you differentiate your practice because other competitors in your area do not accept this plan
- Applies to one or more large employers in close proximity to your practice so that:
  - your practice is most convenient to these members
  - your practice will see a high number of these employees

Assessing Managed Vision Care Plans

Does it increase your patient base?
Assessing Managed Vision Care Plans

Complete the Checklist

Does It Increase Your Profitability?

- Offers higher reimbursements on materials and services than your average plan
- Allows members to choose premium products (with or without patient out-of-pocket costs)
- Calculates patient out-of-pocket and provider reimbursements based on a formula correlated to usual and customary pricing
- Premium products are reimbursed higher

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Assessing Managed Vision Care Plans

Complete the Checklist

Does It Allow For Higher Levels of Revenue?
Assessing Managed Vision Care Plans

Does It Allow For Higher Levels of Revenue?

• Offers at least a yearly exam/material as part of the members benefits so that the members are motivated to come back to your office more often

• Includes a 2nd pair benefit for members

• Caters to a socio-demographic with a higher income level to be more prone to purchase premium products and multiple pairs

Assessing Managed Vision Care Plans

Is the Plan Easy to Administer?

Complete the Checklist

• Assists you and your staff with appropriate training and support and a phone line

• Provides an easy and timely system for checking eligibility and coverage

• Offers an easy to follow filing process that does not require too much time

• Has a quick turn-around for reimbursements

• Requires minimal monthly reconciliation

• Provides regular communication on updates
Assessing Managed Vision Care Plans

Will the Plan Allow You to Continue Offer Exams and Materials Freely?

- Includes a wide array of choices to accommodate your recommendations
- Allows you to recommend the same products you believe in for private pay pts
- Offers a wide variety of quality allowed frames or even has no frame limitations
- Has access to an open or extended lab network including the labs that you trust
- Allows you to process some jobs in-house

Assessing Managed Vision Care Plans

Will it Offer Your Practice Incentives?

- Educating education on plans and processes associated with plan for existing and new staff members.
- Tools to help manage the plan within your practice, reimbursement or patient pay calculation, practice change instructions, help in your letterwriting, complaint registry.
- Identify and rewards program.
- Traditional practice building programs and services that can help strengthen your practice or your staff.
Assessing Managed Vision Care Plans: Will it Offer Your Practice Incentives?

- On-going education on plan for new and existing staff members
- Tools to help manage the plan

Next Steps

- Compare results for each MVC Plan to determine which plan(s) best fit your practice
- Schedule MVC Plan training
- Implement identified changes
  - Add/Remove Plan participation
  - Modify dispensing habits
  - Track impact

Negotiation

- Many things are negotiable, put it all on the table in the beginning
  1. Know what you will give up to potentially gain
  2. Know your margins per patient transaction
  3. Be open with the plan about your research and any past experiences
  4. Request what you need for reimbursement and explain why
Thank you