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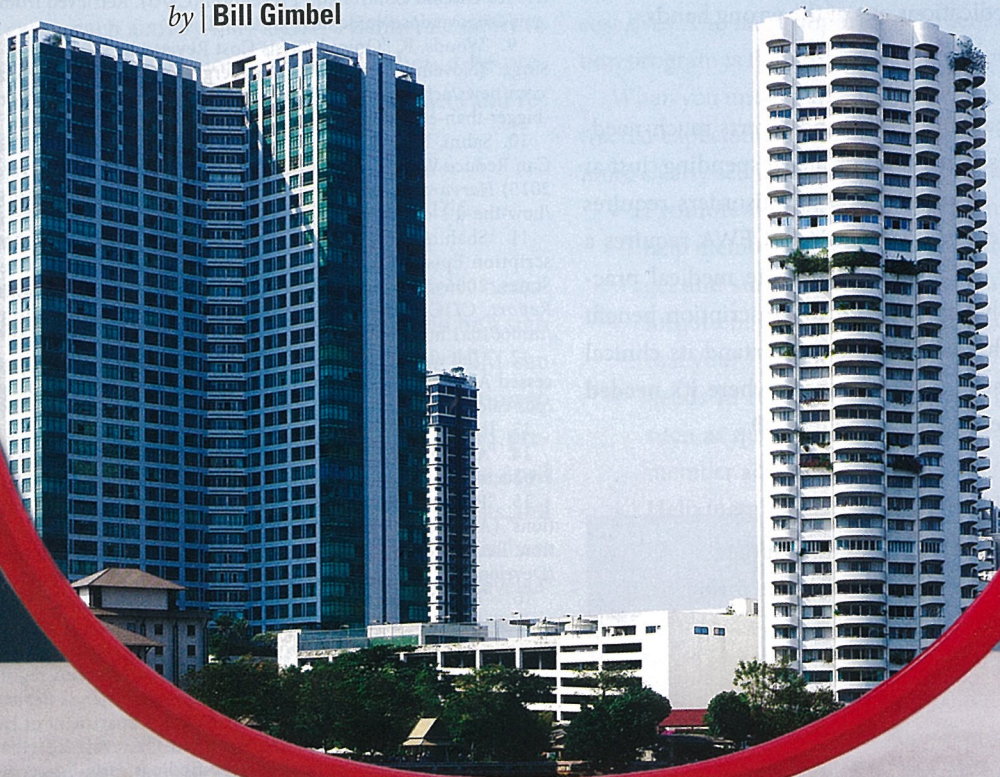
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SEEING CLEARLY: Vision Benefits

by | **Bill Gimbel**



The Centers for Disease Control and Prevention (CDC) estimates that 14 million Americans have visual impairment. Of that 14 million, 80% have conditions that can be corrected with glasses or contact lenses. Many people in the United States who are living with vision impairment, however, neglect efforts to correct their vision because of the cost.

Employee benefit plans can help workers receive treatment for visual impairment at a lower cost by offering vision insurance. Vision insurance typically covers or reduces the cost of eye exams, glasses and corrective eye surgery. Benefit plans interested in including vision insurance in their benefits package can do so through several different plan options.

The forthcoming International Foundation *Employee Benefits Survey: 2018 Survey Results* shows that 75.1% of organizations surveyed, which included corporate, multi-employer and corporate/single employer plans, offer vision benefits to workers.

Types of Plans

Generally, vision insurance is offered through either an employer-paid or contributory/voluntary insurance plan. In both instances, employees elect to participate in the plan, although a minimum level of participation is typically required.

In an employer-paid plan, the employer picks up the cost of the premium for the employees and/or their dependents. In contributory plans, employers and employees contribute

to a group insurance premium. Voluntary plans are 100% funded by the employee but are typically less expensive than buying an individual plan because of a volume discount. These plans can be a good option for employers looking to offer vision benefits without impacting their bottom line.

Most vision insurance plans have a minimum participation requirement that differs based on size of the organization. Typically, voluntary and contributory plans require the lowest number of enrollees (usually around ten), and employer-paid plans have the largest number (all employees are automatically enrolled if the employer contributes 100% of the premium). Minimum enrollment numbers can often be negotiated through a vision insurance carrier.

Many vision plans are preferred provider organization (PPO) plans. Employees can seek care from eligible in-network providers for annual eye exams and corrective lenses and traditionally pay either a copay or a discounted amount based upon the type of service/product being purchased. Plan participant copays will vary based on the plan and plan provider, but it is a fixed rate they pay every time they visit a vision care provider, and the plan covers the rest of the expenses of the visit.

Employees enrolled in the plan can still get a reimbursement for care from out-of-network providers; however, it is usually significantly less expensive to go through an in-network provider. Plan sponsors should be sure to choose a vision benefits provider with a large number of in-network providers to best meet employee needs.

Some PPO plans cover the cost of an annual eye exam and allow plan participants to obtain a new pair of glasses or new contact lenses every 12 or 24 months. Some plans also include either an allowance or a discount for LASIK surgery. There are about 13 major vision benefit carriers across the country—A complete list is available from the National Association of Vision Care Plans (NAVCP).

Large organizations may offer vision benefits under a self-funded contract. Self-funding allows organizations to offer vision benefits without having to pay premiums and other associated expenses to an insurance company. While the savings may seem attractive, it's important for plan sponsors debating self-funding to remember that doing so can place them at larger risk because they could potentially have more claims than expected. In a self-funded vision plan, employers can offer employees a health reimbursement arrangement (HRA) to be reimbursed for costs as-

takeaways

- Eighty percent of the 14 million Americans with vision impairment have conditions that can be corrected with glasses or contact lenses, but many people neglect vision care because of the cost.
- Vision insurance typically covers or reduces the cost of eye exams, glasses and corrective eye surgery.
- Vision benefits are typically offered through employer-paid or contributory/voluntary insurance plans. Plan sponsors also may choose to offer self-funded vision benefits.
- Plan sponsors should survey workers about their interest in vision benefits as well as their current vision care.
- Trends in vision benefits include covering prescription or polarized sunglasses, items that prevent eye strain from working at a computer, and LASIK surgery.

sociated with vision treatment as well as care through an in-network provider.

Workers sometimes prefer self-funded plans because such plans allow them to visit providers in any network. Organizations considering a self-funded contract should be aware of the risks and costs associated with paying for individual vision claims out of pocket compared with paying a monthly fixed premium determined by an insurance carrier.

What to Consider When Deciding Whether to Offer Vision Insurance

Communication with employees is key when it comes to any benefit. Before choosing a plan, organizations should survey workers to find out how many will participate. Rather than simply asking about their interest in vision insurance, employees should be asked specific questions about their current vision care, such as when they last had an eye exam and whether they or other family members wear glasses or contact lenses. That could influence their likelihood to participate in a vision plan and will help plans determine whether the benefit will be used.

If the minimum number of participants isn't met (as detailed earlier), offering the benefit may end up costing more money. If participation is a concern, another alternative to consider is offering an employee-funded flexible savings account (FSA) or health savings account (HSA) (available only to organizations that have high-deductible health plans) instead of vision benefits or in conjunction with a minimal vision benefits package. Contributions to an FSA or HSA can be used toward the cost of annual eye exams, contact lenses, glasses or even LASIK surgery and other procedures. Employers that do not actively offer vision benefits might consider this option and make sure to communicate to current employees and candidates that contributions to these accounts can be used for eye care.

Many health care plans offer discounts on vision care that may serve the needs of employees if the organization decides not to offer vision benefits.

If the minimum enrollment is met and employees are regularly taking advantage of their benefits, vision plans can cost employers as little as \$5 per employee per month for basic coverage.

Plan sponsors designing vision plans should consider several factors when determining how to meet the needs of employees. When choosing coverage, employers should

take into account geographic location of the staff and size of the organization. A larger, national employer or an employer with a large number of remote workers should look to provide coverage through a national network with a wide-ranging national presence. Small employers with one location may be able to save money by offering more localized coverage.

Impact on Employee Health

Employee eyesight has other implications for health and work issues. Poor vision decreases employee productivity and has been attributed to nausea, headaches, fatigue and other minor physical conditions. Long periods of looking at a computer screen also can cause serious eye strain. The American Optometric Association estimates that for every \$1 an employer spends on a vision plan, the employer will save \$7 on improved employee health. Offering vision benefits can encourage employees to get help for problematic vision, thus alleviating such issues.

Eye exams also help uncover other health conditions and major diseases, including high blood pressure, diabetes, certain cancers, glaucoma and high cholesterol. Exams also help those who are healthy to keep tabs on their health.

Vision Benefit Trends

Beyond the basics of vision benefits, including eye exams, glasses and contact lenses, vision plans offer other coverage options that may be attractive to plan participants. Options include coverage of prescription sunglasses or polarized sunglasses at discounted rates to help protect eyes from the sun's UVA and UVB rays. To prevent eye strain from working at a computer, plans also can include coverage for glasses that protect against blue-light damage, polarized screen covers and screen covers that reduce blue-light glare at discounted rates. Employers also can choose a vision plan that allows them to offer these products to employees at a discount.

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Some plans even include discounts for tanning goggles, swimming goggles and, in some professions, work goggles. Plan sponsors looking to add vision insurance to their plans should consider the out-of-the-box vision coverage their employees may be interested in to truly stand out from competition.

Many employers have recently added coverage or discounts for LASIK surgery, a popular elective surgery, to their vision insurance offerings. Most insurance plans will not cover the full cost of LASIK since it is regarded as a cosmetic surgery. Employees also can use money from their FSAs toward LASIK.

Communications

It's important to communicate with workers about vision benefits prior to offering them, but it's also critical to communicate after adopting a plan to increase participation. Employee participation in any insurance plan is necessary to keep costs low, but this is especially pertinent to vision benefits because often only employees with existing vision conditions enroll. Even those with healthy vision should be enrolled so they can take advantage of annual vision exams.

Another factor to consider that may increase employee engagement is whether employees have dependents that need access to vision coverage. While they may not be actively seeking benefits for themselves, the benefit could still

bio



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be important to them if someone they care for needs access to vision care.

Once vision benefits are implemented, employees should be periodically surveyed on their use of the benefit to ensure they are valued.

Employers should remind employees to schedule eye exams and order new lenses or glasses. Communication can be led by manager or leader, human resources, a benefits manager or a representative from the insurance provider. They also can remind employees toward the end of the year about using their unspent FSA dollars on new lenses, frames and other vision care items. 