

HOW TO MAXIMIZE REVENUE AND PROFITS WITH VISION CARE PLANS

VALERIE MANSO

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FINANCIAL DISCLOSURE

- I, Valerie Manso am President of Manso Management Resources, Inc. A consulting company specializing in business and people development in the ophthalmic industry. I currently have ongoing relationships with BluTech Lenses as VP Sales and Education; and OD Excellence and PECAA as Director of Staff Education

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OBJECTIVES

- At the conclusion of this session the participants should:
 - Have the tools to better understand Vision Care plans, reimbursements, and options
 - Fully understand how to maximize lens and lens enhancement revenue and profit
 - Fully understand how to maximize frame revenue and profit



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AGENDA

- Basic vision insurance nomenclature
- Types of doctor reimbursement
- Types of coverage
- VSP Signature vs Choice
- Maximizing lens revenue and profit (EyeMed and VSP)
- Maximizing frame revenue and profit (EyeMed and VSP)



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HOW ARE OFFICES REIMBURSED?

VSP

- Dispensing Fee – Reimbursement from VSP for frames and basic lens designs in plastic
- Service Fee - Fixed amount paid by VSP for Fully Covered and Non Covered options
- Lab charges – typically paid directly by VSP



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HOW ARE OFFICES REIMBURSED?

VSP

- Patient Co-payment
If the group's VSP plan includes a copay, patients will need to pay it to you their visit. Copays typically apply to VSP member and the dependents covered under the VSP plan.
- Out-of-pocket expenses
Examples of out of pocket expenses include:
 - Scratch-resistant coating
 - Anti-reflective coating
 - Ultraviolet (UV) protection
 - Progressive lenses
 - Blended bifocal lenses
 - Most tinted and photochromic lenses
 - Any frame valued at more than your plan's allowance



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VSP -PATIENT RECORD REPORT

VSP PATIENT RECORD REPORT

PATIENT IDENTIFICATION

VSP EXCLUSIVE PATIENT OFFERS
Patient may be eligible for VSP discounts on certain services. [Click here for details](#) and learn more on VSP.com

EYE HEALTH MANAGEMENT CONDITIONS CHECK ALL THAT APPLY:
☐ DIABETES ☐ DIABETIC RETIN ☐ HYPERTENSION ☐ HIGH CHOLESTEROL ☐ NONE

QUALIFYING INFORMATION ☐ VSP COVERAGE INFORMATION (VSP PLAN NUMBER)

PATIENT HISTORY VSP has no previous information regarding eye health conditions of this patient. [Click here](#)
 Eye Health Exam 10/20/2017 Status Indicated No

PATIENT COVERAGE
 Eye Health Exam 10/20/2017 From 01/01/2013
 Eye Health Exam 10/20/2017 From 01/01/2013

WHY VSP? (Why are you eligible for VSP?)
 The patient is eligible for VSP because they are a VSP member.

PLAN DETAILS
 Coverage Yes \$25.00
 Copayment \$25.00 From 01/01/2013

DISCOUNTS
 The patient can use their benefits for vision services if they have had VSP coverage.

DISCOUNTS
 Patient Plan Patient Plan Patient Plan
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EYEMED - MEMBER DETAILS REPORT

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Service	Member is Eligible?	Last Service Date	Member Eligible As Of	Select an Eligible Provider
Exam	Yes		01/01/2013	Choose a Provider
Contact	Yes		01/01/2013	Choose a Provider
Frame	Yes		01/01/2013	Choose a Provider
Lens	Yes		01/01/2013	Choose a Provider
Frame & Lens	Yes		01/01/2013	Choose a Provider

Service Restrictions
 Please select member's service restrictions. (If None and Lens Services)

Related Members
 Enter any other members covered under the same membership ID. Select the member name to view an authorization for one of these members.

Member Name	Plan Name	Member ID	DOB	Network
Member Name	Plan Name	Member ID	DOB	Network

Member Benefits
 Select the link below to view benefit details for this member. (Your browser must be JavaScript-enabled to use this function.)

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EYEMED AND VSP

• Analyze Coverage Levels

- Non-Covered
- Fully Covered

• WHY?

- Revenue optimization



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VSP – EOP (Explanation of Payments)

Service Date	Proc Code/Modifiers	Units/Service Description	Billed Amount	Total Contribution	CoPay	Patient Pay	Plan Paid	Provider Payment	Message Code(s)
Totals			100.00	60.00	10.00	0.00	0.00	90.00	
DIS PLAN XXXXXXXX									
7/20/12	0210	1 Exam - Comp	100.00	40.00	10.00	0.00	0.00	90.00	
	0211	2 Refraction - Comprehensive	50.00	20.00	0.00	0.00	30.00	20.00	
	0212	3 Progressive Lens, Per Lens	50.00	44.00	0.00	0.00	20.00	44.00	BM EX
	0213	4 Lens	50.00	0.00	0.00	0.00	50.00	0.00	TK
	0214	5 AntiReflective Coating Per Lens	50.00	0.00	0.00	0.00	0.00	0.00	
	0215	6 Exam - Comprehensive	50.00	0.00	0.00	0.00	0.00	0.00	
	0216	7 Lens, Progressive Per Lens	50.00	0.00	0.00	0.00	50.00	0.00	
	0217	8 Exam - AntiReflective Coating & Lens	50.00	0.00	0.00	0.00	50.00	0.00	OP
	0218	9 Lens, Progressive Per Lens	50.00	0.00	0.00	0.00	50.00	0.00	OP
	0219	10 Frame/Disc - Anti Reflective P-Pad	50.00	0.00	0.00	0.00	50.00	0.00	OP OM
Totals			500.00	60.00	30.00	0.00	570.00	0.00	
DIS PLAN XXXXXXXX									
7/20/12	0210	1 Exam - Comp	100.00	40.00	10.00	0.00	0.00	90.00	
	0211	2 Refraction - Comprehensive	50.00	20.00	0.00	0.00	30.00	20.00	
	0212	3 Progressive Lens, Per Lens	50.00	44.00	0.00	0.00	20.00	44.00	BM EX
	0213	4 Lens	50.00	0.00	0.00	0.00	50.00	0.00	TK
	0214	5 AntiReflective Coating Per Lens	50.00	0.00	0.00	0.00	0.00	0.00	
	0215	6 Exam - Comprehensive	50.00	0.00	0.00	0.00	0.00	0.00	
	0216	7 Lens, Progressive Per Lens	50.00	0.00	0.00	0.00	50.00	0.00	
	0217	8 Exam - AntiReflective Coating & Lens	50.00	0.00	0.00	0.00	50.00	0.00	OP
	0218	9 Lens, Progressive Per Lens	50.00	0.00	0.00	0.00	50.00	0.00	OP
	0219	10 Frame/Disc - Anti Reflective P-Pad	50.00	0.00	0.00	0.00	50.00	0.00	OP OM
Totals			500.00	60.00	30.00	0.00	570.00	0.00	
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	0217	8 Exam - AntiReflective Coating & Lens	50.00	0.00	0.00	0.00	50.00	0.00	OP
	0218	9 Lens, Progressive Per Lens	50.00	0.00	0.00	0.00	50.00	0.00	OP
	0219	10 Frame/Disc - Anti Reflective P-Pad	50.00	0.00	0.00	0.00	50.00	0.00	OP OM
Totals			500.00	60.00	30.00	0.00	570.00	0.00	
Grand Total			1000.00	120.00	60.00	0.00	880.00	0.00	

EyeMed Provider Remittance

Provider Remittance									
Total Charges	Covered Charges	Dispensing Amount	Copay Amount	Eyemed Discount	Other Insurance	Member Resp.	Eyemed Payment	Reason	Remark Code
127.00	117.00	40.00	10.00	87.00	.00	10.00	30.00		
.00	.00	.00	.00	.00	.00	.00	.00	96	830
209.00	153.80	73.84	.00	79.96	.00	55.20	73.84		119
84.00	74.00	18.00	10.00	66.00	.00	10.00	8.00		119
54.00	24.00	.00	.00	24.00	.00	40.00	.00		119
32.00	22.00	.00	.00	22.00	.00	.00	.00		119
110.00	22.00	.00	.00	22.00	.00	88.00	.00		119
10.00	.00	.00	.00	.00	.00	10.00	.00		119
636.00	422.80	131.84	20.00	310.96	.00	213.20	111.84		
Lab Charges:							73.00		
Sales Tax:							.00		
Net Payment:							30.84		

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VSP - HOW ARE OFFICES REIMBURSED?

- Service Fee
- PROFIT!!
- Service Fee amounts are established by VSP and published in the Lens Enhancements Charts



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VSP - LENS ENHANCEMENT CHARTS

- Key document available in Eyefinity
- Enables the optician to identify patient pay, amount of charge back, amount of profit on each VSP option
- One chart for Signature plan, a second for Choice plan



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EYEMED AND VSP BASIC COVERAGE = LOWEST REVENUE

- Other than the negotiated Dispensing Fee, an office does not make a profit on ANY basic plastic lenses
- REMINDER: VSP Choice plan dispensing fees are lower than Signature plan dispensing fees!
- Recommend deluxe products for EyeMed patients
- Recommend lens enhancements (options) for all Vision plan patients



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HOW DO YOU GENERATE INCREASED REVENUE WITH EYEMED, VSP AND ALL OTHER VISION PLANS?

- Premium lens materials and other enhancements (options)
- An enhancement is any lens "add on" beyond the base plastic lens
 - Materials
 - Mid-Index
 - Hi-Index
 - Trivex
 - Polycarbonate
 - Photochromic lenses; BluTech lenses; Polarized lenses
 - Anti-reflective treatments and other enhancements
 - Upsell frames (VSP – WFA; EyeMed – Deluxe)



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VSP - MATERIAL SERVICE FEES

Aspherical and Spherical Lens Styles		Single Vision				Multifocal			
Code	Option Description	Charge Back	Service Fee	Patient Fee	Charge Back	Service Fee	Patient Fee	Charge Back	Patient Fee
AA	Aspheric Plastic 150	\$10	\$13	\$25	\$14	\$14	\$25		
AB	High-index Plastic 153-157 Trivex	\$20	\$22	\$30	\$23	\$23	\$30		
AH	High-index Plastic 160/167	\$48	\$28	\$70	\$28	\$30	\$30		
AJ	High-index Plastic 170 & Above	\$54	\$34	\$102	---	---	---		
AD	Polycarbonate	\$10	\$13	\$25	\$14	\$14	\$25		
AF	High-index Glass 160-180 (Clear)	\$30	\$20	\$65	\$42	\$42	\$127		

Digital Aspheric Lens Styles		Single Vision				Multifocal			
Code	Option Description	Charge Back	Service Fee	Patient Fee	Charge Back	Service Fee	Patient Fee	Charge Back	Patient Fee
DA	Digital Aspheric Lenses - Plastic	\$14	\$23	\$25	\$14	\$14	\$25		
DA + DB	Digital Aspheric Lenses - High-index Plastic 153-157 Trivex	\$16	\$21	\$33 + \$37	\$16	\$21	\$40 + \$37		
DA + BH	Digital Aspheric Lenses - High-index Plastic 160/167	\$37	\$19	\$33 + \$35	\$40	\$25	\$40 + \$35		
DA + BJ	Digital Aspheric Lenses - High-index Plastic 170 & Above	\$25	\$33 + \$62	---	---	---	---		
DD	Digital Aspheric Lenses - Polycarbonate	\$19	\$14	\$25	\$14	\$14	\$25		

Up to \$34.00 on covered Spherical and Aspheric lenses; up to \$39.00 on covered Digital Aspheric lenses

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VSP - ANTI REFLECTIVE AND OTHER TREATMENTS

Other Coatings		Single Vision			Multifocal		
Code	Option Description	Charge Back	Service Fee	Patient Fee	Charge Back	Service Fee	Patient Fee
QM	Anti-reflective Coating A	\$21	\$15	\$37	\$21	\$15	\$37
QN	Anti-reflective Coating B	\$34	\$17	\$51	\$34	\$17	\$51
QT	Anti-reflective Coating C	\$41	\$20	\$61	\$41	\$20	\$61
QV	Anti-reflective Coating D	\$52	\$23	\$75	\$52	\$23	\$75
Code	Option Description	Charge Back	Service Fee	Patient Fee	Charge Back	Service Fee	Patient Fee
SP	High-index Edge Polish	\$5	\$5	\$10	\$5	\$5	\$10
SO	Edge Coating	\$17	\$15	\$32	\$17	\$15	\$32
SR	Faceted Lenses (Includes Polishing)	\$41	\$20	\$61	\$41	\$20	\$61
SV	UV Protection	\$5	\$5	\$10	\$5	\$5	\$10
BV	UV Protection - Backside	\$7	\$3	\$10	\$7	\$3	\$10
SH	(Lab Use Only)	---	---	---	---	---	---
ST	(Lab Use Only)	---	---	---	---	---	---
SW	(Lab Use Only)	---	---	---	---	---	---

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VSP - PROGRESSIVE PROFITABILITY BREAKDOWN

Progressive		(N)					
Code	Option Description	Charge Back	Service Fee	Patient Fee	Charge Back	Service Fee	Patient Fee
NA	Progressive N - Plastic	\$95	\$20	\$115	\$95	\$20	\$115
NA + NB	Progressive N - Mid-index Plastic 1.53-1.59 Index	\$21	\$15	\$37	\$21	\$15	\$37
NA + NC	Progressive N - High-index Plastic 1.60	\$34	\$17	\$51	\$34	\$17	\$51
NA + ND	Progressive N - High-index Plastic 1.61	\$41	\$20	\$61	\$41	\$20	\$61
NA + NE	Progressive N - High-index Plastic 1.70 & Above	\$77	\$38	\$115	\$77	\$38	\$115
NA + NG	Progressive N - Polycarbonate	\$17	\$15	\$32	\$17	\$15	\$32
NA + NH	Progressive N - Planaray	\$1	\$25	\$26	\$1	\$25	\$26
Other Coatings		Single Vision			Multifocal		
Code	Option Description	Charge Back	Service Fee	Patient Fee	Charge Back	Service Fee	Patient Fee
QM	Anti-reflective Coating A	\$21	\$15	\$37	\$21	\$15	\$37
QN	Anti-reflective Coating B	\$34	\$17	\$51	\$34	\$17	\$51
QT	Anti-reflective Coating C	\$41	\$20	\$61	\$41	\$20	\$61
QV	Anti-reflective Coating D	\$52	\$23	\$75	\$52	\$23	\$75

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EYEMED - PROGRESSIVE LENS FEES

Standard Progressive Lens	\$50 Copy
Premium Progressive Schedule 1 Adaptive DigitalShort, Natural Digital, Ovation Digital, Small FlatDigital, Amplitude HD, OptiVoice, Proctor HD, Omnia, Pinnacle, Gradient Top Infinite HD, Synchro, Adaptive, Conquest, FOCUS SEE YOUR PROVIDER FOR A COMPLETE LIST	\$75 Copy
Premium Progressive Schedule 2 IdealVision, Varilux Comfort 2Short, Varilux Comfort OptiVision, Summit CORP, Savio PC Wide Computer, SuccessHD, E-Gemini, Genesis Amplitude, Pinnacle Amplitude, AO Easy, Compact Ultra, GT2Short SEE YOUR PROVIDER FOR A COMPLETE LIST	\$82 Copy
Premium Progressive Schedule 3 DefenderPro, Ideal VisionWrap, Varilux Elite, Varilux Premium, Varilux ProViewShort, Varilux ProView, Defender, Success HD, Autograph II, Autograph II Flex, Autograph II, Office SEE YOUR PROVIDER FOR A COMPLETE LIST	\$88 Copy
Premium Progressive Lens Progressive Lens	80% of Charge less \$70 allowance
Lenticular	\$0
Other Lens Types	80% of Charge

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EYEMED - LENS OPTIONS FEES

Lens Options (In Addition to Standard Lenses)	
Standard Polycarbonate (under 19)	\$0
Standard Polycarbonate (19 +)	\$30 Copy
Photochromatic Plastic	\$75 Copy
Standard Plastic Scratch Coating	\$15 Copy
Tint	\$15 Copy
UV Treatment	\$15 Copy
Standard Anti-Reflective (AR) Coating	\$38 Copy
Premium AR Tint Orbit Easy w/UV, Hivision, Hoya Premium w/ViewProtect, Corat, Corat Gold, Corat ET, BlueGuard, Kodak Clear, RF, Emura EZ	\$51 Copy
Premium AR Tint2 Orbit All w/UV, Corat SuperShield 50UV, Korido Soft UV, Hivision w/ViewProtect, Allure AR, Corat Advantage, Corat Advantage Gold, Zmax Tintion Clear Coat, Custom Clear Plus, Custom Clear Plus Sun, Kodak Clear/N Clear	\$62 Copy
Premium AR Tint3 20% Off	80% of Charge
Other Coatings	80% of Charge
Overlaid Lenses - Single Vision	80% of Charge
Overlaid Lenses - Multi-focal	80% of Charge
Prism	80% of Charge
Other Lens Options	80% of Charge

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VSP - CATEGORY 'N' PROGRESSIVE OFFICE REVENUE

Bifocal Dispensing Fee	\$43.50*
Cat N Service Fee	\$65.00
High Index 1.60	\$20.00
Cat D Anti Reflective	\$23.00
Position of wear	\$8.00
Total Profit	\$159.50



*Varies by region

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VSP - LENS ENHANCEMENT CONVERSION

Progressives

Signature	Choice
K → N \$45.00	K → N \$53.00
J → N \$31.00	J → N \$31.00
F → N \$29.00	F → N \$29.00
O → N \$20.00	O → N \$9.00



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VSP - LENS ENHANCEMENT CONVERSION

Anti-Reflective

Signature			Choice				
A	→	D	\$7.00	A	→	D	\$13.00
B	→	D	\$6.00	B	→	D	\$9.00
C	→	D	\$3.00	C	→	D	\$5.00



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VSP - LENS ENHANCEMENT CONVERSION

Materials

Signature			Choice				
CR 39	➡	Digital Aspheric	\$45.00	CR 39	➡	Digital Aspheric	\$53.00
Poly	➡	1.60 High Index	\$31.00	Poly	➡	1.60 High Index	\$31.00
1.60	➡	1.67 High Index	\$29.00	1.60	➡	1.67 High Index	\$29.00
1.67	➡	1.74 High Index	\$20.00	1.67	➡	1.74 High Index	\$9.00



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OTHER LENS TIPS

- Carefully determine the appropriate PAL designs to be offered – conserve staff resources (time=money)
 - 2-3 specific designs
- Bundle premium materials, AR and UV treatment for ease of presentation
 - Bundle priced in your PM system
- Join lab reward programs
 - Discounts based on volume



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ALL VISION CARE PLANS
ENHANCING FRAME REVENUE

- Change your markup philosophy to embrace a “Minimum List Price” (MLP) instead of traditional 3 times or 2.5 times markup

- Example MLP = \$179 (Use ‘9’ instead of rounding up)

- EyeMed – allows 80% of balance over retail allowance

Frame	
Frame	80% of Balance over \$115

- VSP minimum “Wholesale Frame Allowance” (WFA) for Signature and Choice plans is \$50. Purchase the majority of your frames with a wholesale list price of \$51 and above



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VSP - ENHANCING FRAME REVENUE

Example with frame you stock that has a published WFA of \$50 (Your retail = \$150) 3X

- Patient has a retail frame allowance of \$120
- Patient selects \$170 frame with a WFA of \$50
- Regardless of the retail price the patient pays nothing!
- VSP pays you \$50
- Your cost after discount \$42.50 / profit \$7.50
- Dispensing fee \$39 (varies by region)
- Net revenue \$45.50**



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VSP - ENHANCING FRAME REVENUE

Example with frame you stock that has a published WFA of \$51 (Your retail = \$189 – MLP [Minimum List Price])

- Patient has a retail frame allowance of \$120
- Patient selects \$189 frame with a WFA of \$51 – now you use the retail formula
 - Retail price (-) the retail allowance (-) 20% = patient payment
 - \$189 - \$120 = \$69 – 20% = **\$55.20 paid by patient**
 - VSP pays you \$50 and Dispensing fee \$39 (varies by region)**
 - Your cost after discount \$43.35
 - Net revenue \$50+\$39+\$55.20 = \$144.20 - \$43.35 = \$100.85 (\$55.35 more than prior example)**



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ENHANCING FRAME REVENUE

- Buy close outs and overstocks (High Margin)
 - Markup based on the original Frame Facts WFA or 3+ times
 - Steer vision care plan patients to these higher margin products
- Do not use the same markup philosophy for all frame lines
 - Determine "Fair Market Value" – canvas your competition
- Use Minimum List Price philosophy versus traditional markup
- Keep in mind – vision plans do not dictate your retail price



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OTHER PROFIT BUILDING IDEAS TO CONSIDER AND USE

- Participate in Lab Reward programs
- Take advantage of lab discounts (volume and specific products)
- Participate in Brand Reward programs
- Premier program
- Eye Health Management program
- Frame discount programs



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OTHER PROFIT BUILDING IDEAS TO CONSIDER AND USE

- Sell extended eyewear warranty
 - Broken eyewear not covered by many vision plans
- Charge shipping and handling fees for products that are mailed to the patient (even when replaced under warranty)
- Recommend multiple pairs
 - Consider discount on second and other multiple pairs
 - Consider spiff to opticians
- Take advantage of the VSP In Office Finishing program – reduces your COG



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OTHER PROFIT BUILDING IDEAS TO CONSIDER AND USE

- Develop specialties and services not covered by Vision Insurance
 - Dry Eye Center
 - Orthokeratology
 - Retinal photo screening
 - Low Vision
 - Vision Therapy
 - Medical eye care
 - Nutraceuticals
 - Macular Pigment Optical Density (MPOD) testing
 -



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HOW TO MAXIMIZE REVENUE
AND PROFITS WITH VISION
CARE PLANS
THANK YOU FOR ATTENDING ☺

VALERIE MANSON – PRESIDENT, MANSON MANAGEMENT RESOURCES, INC.

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