

## A Renewed Sense of Focus on Vision Care Benefits

The start of a new year brings forth a renewed sense of focus and a great time to review all aspects of your healthcare portfolio. 2014 started with a huge change in respect to health care benefits; however, innovative employers can develop a robust voluntary offering to complement their overall health benefit package.

The Patient Protection and Affordable Care Act (PPACA), more commonly known as “Obamacare” or the “ACA,” was intended to establish standards for health insurance plans sold in the individual and small group markets (including Qualified Health Plans sold in the Health Insurance Marketplace).

As of January 1, 2014 the PPACA went into effect for individuals who purchased insurance coverage through the new insurance marketplaces as they became eligible for benefits. It has been widely predicted that the PPACA will trigger a “ripple effect” for ancillary benefits in regards to whether employee vision plans will change in terms of structure and cost to the both the employer and employee.

To keep you informed, we at Davis Vision have summarized a few key takeaways on these changes to date.

### The Affordable Care Act was designed to:

- Provide quality affordable health care for all Americans
- Expand the Medicaid program
- Improve the quality and efficiency of medical care services
- Prevent chronic disease and improve public health
- Increase the number of people with health insurance
- Combat fraud through transparency and integrity
- Improve access to innovative medical therapies
- Revise the way health care is funded

### What does this mean for the employer?

The Patient Protection and Affordable Care Act (PPACA) is expected to

continue a shift in employers taking a defined contribution approach to health benefits management. With the recent combination of insurance market reforms, coupled with PPACA, these changes have brought a renewed focus that can limit an employer’s overall health care cost exposure by providing fixed dollar contributions. This will allow employees to either purchase their own individual policies, or distribute their spending across a broader portfolio of health care benefits via an employer-endorsed private exchange platform.

Through these exchanges, in conjunction with a defined contribution funding approach, employers can increase the adoption of consumer-driven insurance, and gain better control of their benefits spending through capped contributions. This dynamic also contributes toward an accelerated interest in voluntary benefits, with vision being one of the most highly in demand, along with critical care, disability and dental among others.

### What does this mean for the vision care benefit?

In short, no mandate was put into effect for individuals to have vision care coverage; however, more Americans now have vision care benefits because of the new healthcare reform. As of January 2014, all individuals and small groups (with 50 or fewer employees) began receiving pediatric vision care coverage for children up to age 19 embedded in their medical benefits.

Every state now has a health care insurance exchange up and running or is using the federal exchange. Exchanges primarily serve individuals buying insurance on their own and small businesses with up to 50 or 100 employees, depending on the state. In the future, states can decide to include larger employers.

Vision plans were not included in the exchanges as standalone plans; although each state has the discretion to add them as standalone should they want to.

The PPACA designated pediatric vision services as one of the 10 “essential health

benefits” that all qualified health plans needed to offer if they intended to sell in the health insurance exchanges.

### What Can Davis Vision Provide?

An annual survey by Transitions<sup>®</sup> Optical stated that three in four full-time employees with access to their company’s current vision benefit select to enroll their family for vision benefit coverage. Offering a comprehensive vision plan is only half of the equation; it is important that you truly partner with an insurer that can meet the unique needs of your employees by offering quality vision care and vision wear.

At Davis Vision, we believe it’s time to reframe eye care. For too many people, taking care of their eyes is complicated, expensive, and exhausting due to deceptive pricing, baffling terms and conditions. As they struggle to make sense of it all, they question why buying a pair of glasses has to be so difficult.

Helping people look and feel their best goes beyond paying for exams and crafting designer frames—it means giving them the freedom to make truly informed decisions about their eye care. By managing every aspect of the customer journey, we create a full-service experience that helps people regain control of what matters most: their health.

Davis Vision’s fully integrated business model translates into affordable, comprehensive vision coverage by offering clear and competitive vision coverage, access to quality independent eye care providers, thousands of retail optical stores and innovative eyewear choices that maximize value.

Overall, the vision benefit can play a significant role in lowering healthcare costs by encouraging employees to seek regular, preventative eye exams for themselves and their children. By offering a robust benefit package, you are not only improving employee productivity but also promoting an overall healthy way of life for your employees and their families.