


**How to Profit from managed care even if you don't take any plans**  
Kenneth N. Johnson, ABOM



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**Financial disclosure**

- I, Kenneth Johnson, have no financial incentives from any products or companies that are mentioned in this presentation.

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**COURSE OBJECTIVES**

At the conclusion of this course, the attendee should have an understanding of the basics of managed care as it pertains to eyewear, how to position the pricing of frames in order to profit more, how to package lenses and coatings, and tips for selling premium products and how to profit even if you do not participate in their insurance.

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### Poll Question 1

- How many Vision Plans do you take?
- A None
- B 1-3
- C Over 4

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### Common complaint from ECPs

- We don't make any money on managed care.
- Why?

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### Common complaint

- We can't get on a panel of xyz insurance

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**Frames**

- Let's say the plan allows for a wholesale frame price of \$50 and a retail of \$150. Frame retails for \$160.

Frames	\$0 copay, \$150 allowance, 20% off balance over \$150	Up to \$48
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**Frames**

Frame Retail Price	\$160
Frame Allowance	<u>150</u>
Balance	10
Less 20%	<u>2</u>
Balance for Patient	8

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**Frames**

- Frame Reimbursement \$50
- Minus Cost of Frame -\$50
- Frame Dispensing Fee +\$20
- Patient Responsibility +\$ 8
- Total profit on \$160 frame **\$28**

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**Changing traditional markups**

Frame Retail Price	\$200
Frame Allowance	<u>\$150</u>
Balance	\$ 50
Less 20%	\$ <u>10</u>
Balance for Patient	\$ 40

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**Changing traditional markups**

- Frame Reimbursement \$50
- Minus Cost of Frame - \$50
- Frame Dispensing Fee +\$20
- Patient Responsibility +\$40
- Total profit on \$200 frame **\$60**

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**How else can you increase profits?**

Buy your frames smarter

Buy frames that you get a big discount on.

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How else can you increase profits?  
Buy your frames smarter  
Negotiate with your sales rep.



**Negotiating.**

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How else can you increase profits?  
Buy your frames smarter

Search different buying groups for discounts.

*Alfred J. Villavecchia*  
Buying Group • Since 1980

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**Poll Question 2**

Do you belong to a buying group?  
A Yes  
B No

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**Premium Products Include:**

- Poly/High Index
- Higher Quality Progressives
- Transitions
- A/R
- Edge Polish

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**Comparing Std vs Premium PALS**

- Standard Lens Charge \$85
- Charge-Back -\$50
- Dispensing Fee +\$23
- Total Profit \$58

Standard Progressive Lens	\$85
Premium Progressive	\$85, 80% of charge less \$120 allowance

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**Comparing Std vs Premium PALS**

- Premium Progressive \$500
- 80% is \$400
- Less Allowance -\$120
- Subtotal \$280
- Plus co-pay \$85
- Dispensing Fee (from Ins) \$23
- Charge-Back (billed ins) -\$150
- Total Profit \$238

Premium Progressive	\$85, 80% of charge less \$120 allowance
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### Comparing Standard vs Premium Progressives

• Premium Lens Profit	\$238
• Poly Add	+\$30
• Transitions	+\$30
• Crizal Avance w/ UV	+\$59
• Edge Polish	+\$12
• Dispensing Fee	<u>+\$23</u>
• Sub total	\$392
• Less charge backs	<u>-\$85</u>
• Total Profit	\$307

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### Making even more profits

- Offering High Index instead of Poly
- Typically you get 80% of your retail fee.

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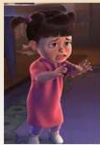
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### Poly -vs- High Index

• Reg Poly Retail	(\$100)
• Patient Co-pay	\$30
• Charge Back	\$16
• Profit	\$14



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### Poly –vs- High Index

- 1.67 Retail (\$200)
- Patient Co-pay \$160
- Charge Back \$56
- Profit \$114

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### Tips for Offering Premium Products

- Have Samples
- Believe In Your Product
- Get Excited!



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### Other ways to increase profits

- 2<sup>nd</sup> pair sales
  - Office Lenses (task specific)
  - Sunglasses
  - Readers



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### Labs can help

- Typically (according to their plan) they may be eligible for a 30% discount same day.
- 20% any other time during the year.

**30%**

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### In house finishing



- You can increase your profit margin if you have your own in-office finishing lab.

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### Poll Question 3

- Do you do in-house edging?

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**Tips What Not To Say or Do**

- Don't say negative things about their plan.
- Don't assume they only want what their plan pays 100% for.



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**Tips On What To Say or Do**

- Explain the differences between basic lenses/products and premium products.
- Educate and demonstrate

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**If you do not participate in a plan, then what?**

- What don't you say?
- What do you say?
- Nobody wants to lose out.

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### Non Participating Plans

- Open Access Provider
- Out of Network Plans
- Strictly discounts



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### Non Participating Plans

- Open Access Provider
  - Anagram (Formally Patch)
    - Able to look up most patients benefits
    - May be able to use OON benefits
      - Pay patient direct
      - Accept payment
  - Anagram prosper
    - Rewards Program
    - Money back right to their device

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### Poll question 4

- Does anyone here use Anagram?

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**Open Access vs Entry Access**

**Open Access**  
For practices that need help with out-of-network benefits  
Starts at **\$270/mo**  
[Get Open Access Pricing](#)

**Entry Access**  
For practices that are in-network with most vision plans  
Starts at **\$135/mo**  
[Get Entry Access Pricing](#)

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**Open Access vs Entry Access**

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For practices that are in-network with most vision plans  
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[Get Entry Access Pricing](#)

	In and out-of-network
VSP, EyeMed, Versant, Davis, Superior, Spectera	In-network
Envolve, Aessa, NVA	In-network
In-network vision plan eligibility verification	✓
Out-of-network vision plan eligibility verification	✓
Universal Search	\$100/month add-on
Copy and reimbursement calculation	
Out-of-network claims	✓

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**Open Access vs Entry Access**

**Entry Access**  
For practices that are in-network with most vision plans  
Starts at **\$135/mo**  
[Get Entry Access Pricing](#)

	In-network
VSP, EyeMed, Versant, Davis, Superior, Spectera	In-network
Envolve, Aessa, NVA	In-network
In-network vision plan eligibility verification	✓
Out-of-network vision plan eligibility verification	✓
Universal Search	
Copy and reimbursement calculation	
Out-of-network claims	

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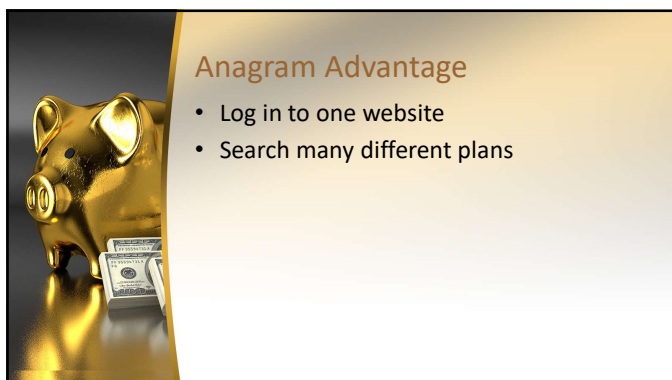
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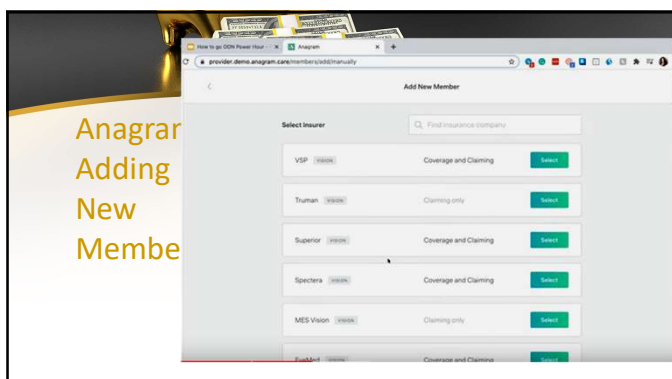
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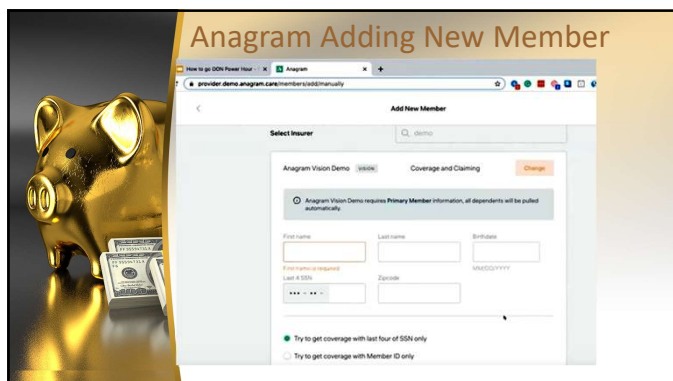
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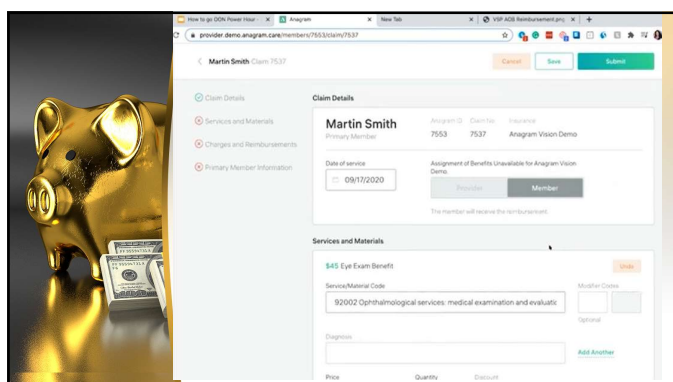
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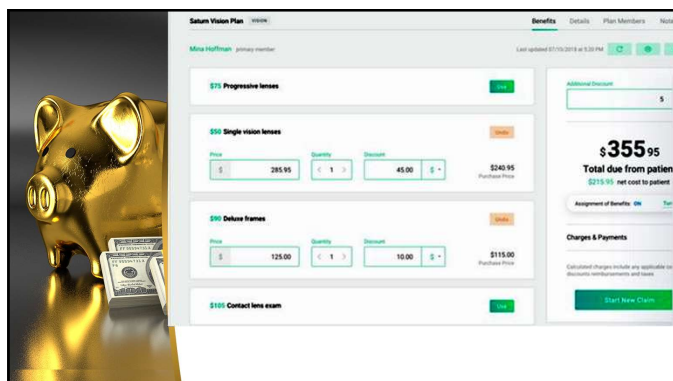
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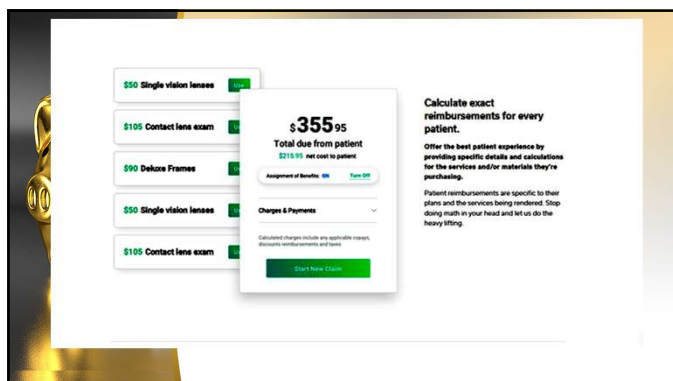
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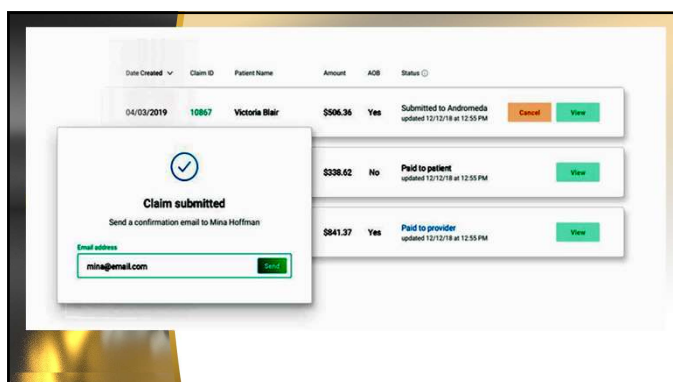
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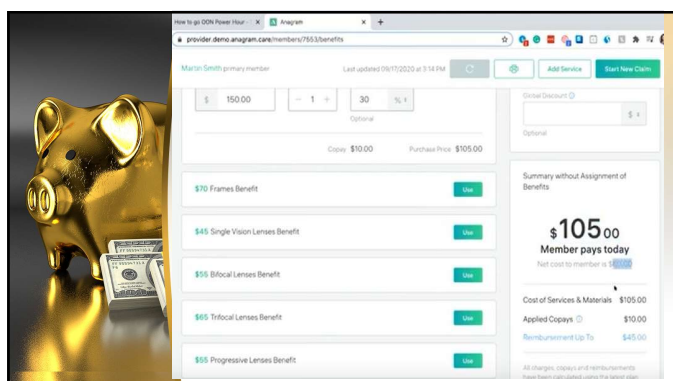
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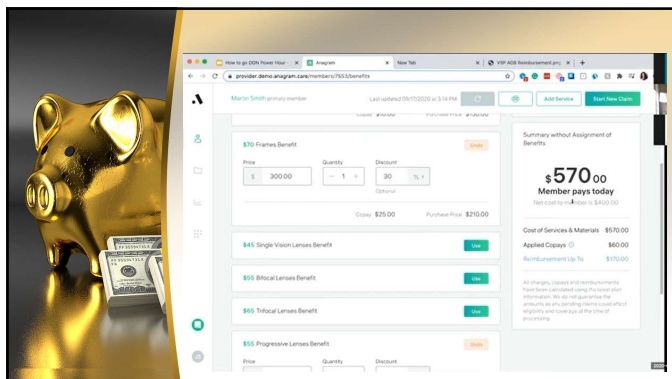
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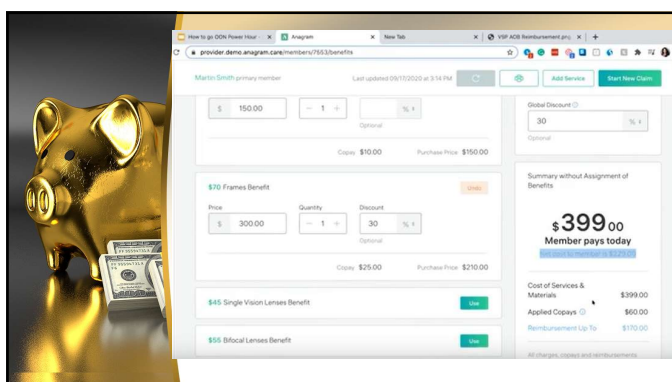
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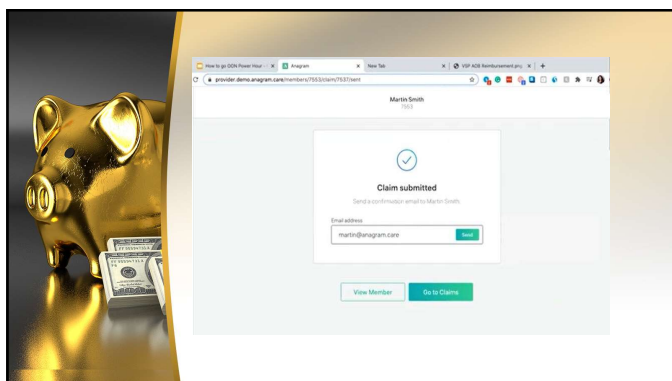
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### Poll Question 5

- Do you need a 5 minute break?

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### Anagram Demo Youtube

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### Out of Network Non Anagram

- Print
- Submit
- Match Discounts
- You may offer flat percentage for all
  - For instance, 30% VSP, EyeMed, United Healthcare

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### Matching Discount Only Plans

- <https://member.eyemedvisioncare.com/member/en/discount-plans>

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TO SEE YOUR BENEFITS, SELECT THE FIRST LETTER OF YOUR COMPANY'S NAME BELOW:

A	B	C	D	E	F	G	H	I	J
K	L	M	N	O	P	Q	R	S	T
U	V	W	X	Y	Z				

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**AETNA VISION DISCOUNT**

**BENEFITS**

Vision Care Services	In-Network Member Cost	Out-of-Network Member Reimbursement
<b>Exam Services</b>		
Exam	\$48	Not covered
Contact Lens Fit and Follow-Up		
Fit and Follow-up - Standard	\$40	Not covered
Fit and Follow-up - Premium	10% off retail price	Not covered
<b>Frames</b>		
Frame	35% off retail price	Not covered
<b>Lenses</b>		
Single Vision	\$40	Not covered
Bifocal	\$60	Not covered
Trifocal	\$80	Not covered
LensCoat	20% off retail price	Not covered
Progressive - Standard	\$25	Not covered
Progressive - Premium	20% off retail price	Not covered
<b>Lens Options</b>		
Anti-Reflective Coating - Standard	\$45	Not covered
Anti-Reflective Coating - Premium	20% off retail price	Not covered
Polyarbonate - Standard	\$40	Not covered
Scratch Coating - Standard Plastic	\$2	Not covered
Tint - Solid and Gradient	\$5	Not covered
Total Discount	\$5	Not covered

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Frame		
Frame	35% off retail price	Not covered
Lenses		
Single Vision	\$40	Not covered
Bifocal	\$60	Not covered
Trifocal	\$80	Not covered
Lenticular	20% off retail price	Not covered
Progressive - Standard	\$125	Not covered
Progressive - Premium	20% off retail price	Not covered
Lens Options		
Anti Reflective Coating - Standard	\$45	Not covered
Anti Reflective Coating - Premium	20% off retail price	Not covered
Polycarbonate - Standard	\$40	Not covered
Scratch Coating - Standard Plastic	\$12	Not covered
Tint - Solid and Gradient	\$15	Not covered
UV Treatment	\$15	Not covered

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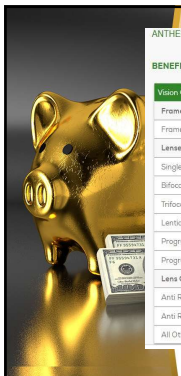
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ANTHEM BLUE CROSS/SHIELD DISCOUNT

BENEFITS		
Vision Care Services	In-Network Member Cost	Out-of-Network Member Reimbursement
Frame		
Frame	30% off retail price	Not covered
Lenses		
Single Vision	30% off retail price	Not covered
Bifocal	30% off retail price	Not covered
Trifocal	30% off retail price	Not covered
Lenticular	30% off retail price	Not covered
Progressive - Standard	30% off retail price	Not covered
Progressive - Premium	30% off retail price	Not covered
Lens Options		
Anti Reflective Coating - Standard	30% off retail price	Not covered
Anti Reflective Coating - Premium	30% off retail price	Not covered
All Other Lens Options	30% off retail price	Not covered

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### Employee "Benefit"

Vision Care Services	In-Network Member Cost	Out-of-Network Member Reimbursement	Progressive - Standard	\$135
Exam Services				
Exam	\$5 off retail price	Not covered	Progressive - Premium	20% off retail price
Contact Lens Fit and Follow-Up				
Fit and Follow-up - Standard	\$5 off retail price	Not covered	Lens Options	
Fit and Follow-up - Premium	100% of retail price	Not covered	Anti Reflective Coating - Standard	\$45
Frame			Anti Reflective Coating - Premium	20% off retail price
Frame	35% off retail price	Not covered	Polycarbonate - Standard	\$40
Lenses			Scratch Coating - Standard Plastic	\$12
Single Vision	\$50	Not covered	Tint - Solid and Gradient	\$15
Bifocal	\$70	Not covered	UV Treatment	\$15
Trifocal	\$95	Not covered	All Other Lens Options	20% off retail price
Lenticular	\$95	Not covered	Contact Lenses	
Progressive - Standard	\$135	Not covered	Contacts - Conventional	55% off retail price
			Contacts - Disposable	100% of retail price

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### Recap CVS employee

- Patient that works for CVS
- You can say 35% off frames \$175 - \$61=\$114 for the frame.
- Single vision lenses: \$50 for SV + \$12 for scratch + \$40 for poly (\$150 a/r less 20%=\$120) \$222
- Frame \$114 + \$222 = \$336
- Frame cost (3.5x markup) \$50, Stock lenses around \$40. \$336-\$90=\$246 profit.
- If lab ground etc. cost is around \$185 \$336-\$185=\$151

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### Poll Question 6

- **Looks like we are having a great time, do you want to do another 3 hours today?**

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#### OUT-OF-NETWORK VISION SERVICES CLAIM FORM

### Claim Form Instructions

To request reimbursement, please complete and sign the attached claim form. Return the completed form and your itemized bill receipt to:

First American Administrators, Inc.  
Attn: COB-Claims, P.O. Box 8554, Mason, OH 45040-7722

Patient Last Name\*  Patient First Name\*  MI

Birth Date (MM/DD/YYYY)\*  Street Address\*

City\*  State\*  Zip Code\*

Patient Member ID #  Relationship to Subscriber

Staff  Dependent

Doctor or Store Name where you received service\*

Subscriber Last Name\*  Subscriber First Name\*  MI

Birth Date (MM/DD/YYYY)\*  Street Address

City  State  Zip Code

Vision Plan Name  Date of Service\* (MM/DD/YYYY)

Vision Plan Group #  Subscriber Member ID #

\*Required

#### OUT-OF-NETWORK VISION SERVICES CLAIM FORM

### Request for Reimbursement

Enter Amount Charged\* Remember to include itemized post receipts!

Service Type	Amount Charged	Lens Type	Photo Check	Lens Options (If applicable)	Amount Charged
Exam "0201"	\$	Single "0202"	<input type="checkbox"/>	Anti-Reflective "0203"	\$
Refraction "0204"	\$	Bifocal "0205"	<input type="checkbox"/>	Polycarbonate "0206"	\$
Frames "0207"	\$	Tinted "0208"	<input type="checkbox"/>	Scratch "0209"	\$
Contact Lenses "0210"	\$	Progressive "0211"	<input type="checkbox"/>	Flex "0212"	\$
Combed Lens "0213"	\$	Photo Print "0214"	<input type="checkbox"/>	UV "0215"	\$
Fitting "0216"	\$	Other "0217"	<input type="checkbox"/>	High and Bold "0218"	\$
Lenses "0219"	\$		<input type="checkbox"/>		\$

Enter Total Amount Paid on receipt, excluding sales tax\*

I hereby understand that without prior authorization from EyeMed Vision Care LLC for services rendered, I may be denied reimbursement for submitted vision care services for which I am not eligible. I hereby authorize any insurance company, organization employer, optometrist, optician and optician to release any information with respect to this claim. By signing this claim form, I certify that I have read the applicable claim fraud warnings included with this form, and that all the information furnished by me is true and correct.

Signature (Subscriber/Patient Signature (not a minor))  Date

\*Required

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### Questions/ Discussion

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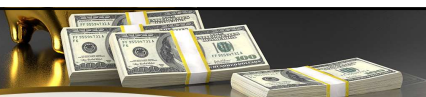
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### Conclusion

- Most patients do not want to “lose” their benefits.
- Whether they use their in network, out of network benefits it is up to us as Eye Care Professionals to offer and fits their needs.
- This will help your bottom line and help your patients see their best.

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Thank You!!! Enjoy the rest of Expo!!!



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**Thank You!!!**

- See you all next year!!!



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