

San Francisco Health Service System Health Service Board

Rates & Benefits

2018 Renewal—Vision Service Plan

May 11, 2017

Prepared by:
Aon | Health & Benefits Consulting



Introduction

- The San Francisco Health Service System (SFHSS) offers Vision Service Plan's (VSP's) Choice Plan A, which provides the following services:
 - ▶ Examination every 12 months (\$10 copay)
 - ▶ Lenses and frames every 24 months (\$25 copay)
 - ▶ \$150 allowance in-network for frames and \$150 allowance in-network for elective contact lenses
 - ▶ Computer Vision Care (VDT) benefits for certain union groups
- Premiums were reduced for 2017 by 2%, and are guaranteed through December 31, 2019. For plan years 2020-2021 an additional rate guarantee was offered based on the plan loss ratio (PLR)
- For plan year 2018, VSP has also provided a quote for a Buy-Up Vision Plan option

VSP Renewal—Status Quo

- VSP proposed a 2% reduction from the 2016 premiums guaranteed for a 36-month term through December 31, 2019, which the Health Service Board (HSB) approved at the April 14, 2016 meeting
- For plan years 2020 and 2021, VSP proposed a maximum rate increase of 2% per year contingent on the plan loss ratio (PLR or claims vs. premium) being at 100% or more. If the PLR is less than 100%, rates would remain flat

VSP Renewal—Status Quo

- VSP's monthly premiums are as follows:

Actives (Bargained) / Retiree Monthly Premiums			
Tier	2017	2018-2019	% Change
EE Only / RET Only	\$3.95	\$3.95	0%
EE + 1 / RET + 1	\$7.92	\$7.92	0%
EE + Family / RET + Family	\$11.20	\$11.20	0%
Computer Vision Care	\$0.83	\$0.83	0%

VSP Renewal—Buy-Up Option

- VSP also quoted a Buy-Up plan option which would be offered alongside the current vision plan (which would become the Core Plan) thus offering employees additional choice
- A comparison of the current and proposed benefits is as follows:

Actives (Bargained) / Retiree		Current / Core Plan	Proposed Buy-Up
Copays		\$10 Exam / \$25 Materials	\$10 Exam / \$0 Materials
Exam Frequency		Every 12 Months	Every Calendar Year
Lenses Frequency		Every 24 Months	Every Calendar Year
Frames Frequency		Every 24 Months	Every Calendar Year
Frame Allowance	(Non-Costco)	\$150	\$300
	(Costco)	\$80	\$165
Elective Contact Lens Allowance		\$130	\$250

VSP Renewal—Recommended Plans

- In addition to adding the Buy-Up plan, it is proposed that the Current/Core Plan benefit frequency be changed from Every 12/24 Months to Every/Every Other Calendar Year
- This change will not impact the premiums, but will reduce confusion for members who transition between the two proposed plans:

Actives (Bargained) / Retiree		Current / Core Plan	Proposed Buy-Up
Copays		\$10 Exam / \$25 Materials	\$10 Exam / \$0 Materials
Exam Frequency		Every Calendar Year	Every Calendar Year
Lenses Frequency		Every Other Calendar Year	Every Calendar Year
Frames Frequency		Every Other Calendar Year	Every Calendar Year
Frame Allowance	(Non-Costco)	\$150	\$300
	(Costco)	\$80	\$165
Elective Contact Lens Allowance		\$130	\$250

VSP Renewal—Buy-Up Option

- The increase in cost for the Buy-Up plan will be paid completely by employees and retirees. VSP has included a quote to provide enrollment services to employees and retirees:

Actives / Retiree Monthly Premiums – Buy-Up		
Plan	Tier	Employee / Premium
Buy-Up Plan – HSS administer	EE Only / RET Only	\$9.36
	EE + 1 / RET + 1	\$14.04
	EE + FAM / RET + FAM	\$29.32
Buy-Up Plan- VSP administer	EE Only / RET Only	\$10.86
	EE + 1 / RET + 1	\$15.54
	EE + FAM / RET + FAM	\$30.82

Recommendations

- Staff recommends the HSB confirm the 2018 VSP plan premiums, which represents a small change to the current plan design and no change in premiums
- Staff recommends the HSB consider adding the Buy-Up Plan, alongside the status quo plan (Core Plan), to offer employees additional choice. In this option employees and retirees would pay the full cost differential between the premiums which would result in no additional cost to the SFHSS
- Additionally, should the HSB approve the Buy-Up Plan option, Staff recommends utilizing the enrollment services offered by VSP to enroll employees and retirees in the new vision plan options

Administration of Buy-Up Plan

- VSP will handle all open enrollment activities (i.e., marketing, mailers, enrollment)
- VSP will provide the open enrollment file to SFHSS, who will then update their system with the buy-up enrollment
- Beginning January 1, 2018, SFHSS will handle enrollment of new hires into both the Core Plan and Buy-Up Plan, as well as payroll deductions for the Buy-Up Plan
- Sample communication pieces are included in the next slides

Enrollment Letter

Trust your eyes to
VSP® Vision Care!



Insert Client
Logo Here

Dear [Client Name] [Member Reference],

Open Enrollment is here and it's time to enroll in your VSP benefit. As the only national not-for-profit vision care company, we put members first and invest in the things you value most—the best care at the lowest out-of-pocket costs:

- **Savings.** You'll have access to Exclusive Member Extras, like rebates and special offers, which can save you more than \$2,500.
- **Stay Healthy.** You'll get the best care from a VSP provider including a WellVision Exam®—the most comprehensive exam designed to detect eye and health conditions.
- **Look Great.** You'll find hundreds of frame options for you and your family.

Enrolling in VSP is easy.

Open Enrollment for voluntary benefits through [Client Name] is [Month Date] through [Month Date Year]. Your coverage is effective [Month Date Year].

You have the option to enroll yourself and all eligible dependents, using one of the convenient options below:

- Complete the online enrollment form at [\[vsp.com/go/clienturl\]](https://vsp.com/go/clienturl).
- Call 800.400.4569—VSP Member Services is available Monday through Friday, 5:00 a.m. to 8:00 p.m.; Saturday, 7:00 a.m. to 8:00 p.m.; and Sunday, 7:00 a.m. to 7:00 p.m. (Pacific Time).

Manage your account online.

Once your plan is effective, register and log on at vsp.com to manage your payment preferences, find a VSP provider, and review your benefit information.

Satisfaction guaranteed.

If you're not 100% happy with the eye care and eyewear you receive from a VSP provider, we'll make it right.

We look forward to providing you the best care, value, and choices.

Sincerely,

VSP Client Administrative Services

Sample Custom Mailer

It's time to see your savings.

You have two plans to choose from. Enroll in Standard Coverage or choose Premium Coverage for enhanced benefits, like a \$XXX allowance on frames or contacts.

	Standard Coverage	Premium Coverage
Exam	<ul style="list-style-type: none"> • \$XX copay 	<ul style="list-style-type: none"> • \$XX copay
Glasses (frame and lenses)	<ul style="list-style-type: none"> • \$XX copay for glasses • \$XXX allowance on a wide selection of frames • \$XXX allowance on featured frame brands • 20% savings on the amount over your allowance • Fully covered single vision, lined bifocal, and lined trifocal lenses 	<ul style="list-style-type: none"> • \$XX copay for glasses • \$XXX allowance on a wide selection of frames • \$XXX allowance on featured frame brands • 20% savings on the amount over your allowance • Fully covered single vision, lined bifocal, and lined trifocal lenses

Instead of glasses, you may select contacts.

Contacts (fitting/evaluation exam and contacts)	Up to \$XX copay for your contact lens exam (fitting and evaluation), then you receive a \$XXX allowance for contacts	Up to \$XX copay for your contact lens exam (fitting and evaluation), then you receive a \$XXX allowance for contacts
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Your Monthly Contribution

Employee Only	\$X.XX	\$X.XX
Employee + One	\$X.XX	\$X.XX
Employee + Child(ren)	\$X.XX	\$X.XX
Employee + Family	\$X.XX	\$X.XX

Coverage comparison is based on your plan options and national averages for comprehensive eye exams and most commonly purchased brands. Based on applicable laws, benefit may vary by location.

*Based on national averages for comprehensive eye exams and most commonly purchased brands. Your actual savings will depend on the plan available to you, your copay, contribution level, and whether your contribution is deducted from your paycheck pre-tax.
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Your Average Annual Savings with a VSP doctor

\$XXX

VSP
MS 00
PO Box 997100
Sacramento, CA 95899-7100

FIRST CLASS
PRESORTED
US POSTAGE
PAID
PERMIT NO. 578
SACRAMENTO, CA

[CLIENT] employees,
enroll in VSP Vision Care.

Your enrollment dates:
[Month Year] – [Month Year]

First Last
Address 1
City, State Zip Code

Member Benefit Summary

Protect
your vision
with VSP.

Get the best in eyecare and eyewear with SAMPLE CLIENT and VSP® Vision Care.

Why enroll in VSP? We invest in the things you value most—the best care at the lowest out-of-pocket costs. Because we're the only national not-for-profit vision care company, you can trust that we'll always put your wellness first.

You'll like what you see with VSP.

- **High Quality Vision Care.** You'll get the best care from a VSP provider, including a WellVision Exam™—the most comprehensive exam designed to detect eye and health conditions.
- **Choice of Providers.** The decision is yours to make—choose a VSP doctor, participating retail chain, or any out-of-network provider.
- **Great Eyewear.** It's easy to find the perfect frame at a price that fits your budget.

Save with VSP coverage:

	Without VSP Coverage	With VSP Coverage
Eye Exam	\$154	\$25 Copay
Frame	\$130	
Single Vision Lenses	\$86	
Photochromic Adaptive Lenses	\$103	
Anti-reflective Coating	\$110	\$61
Member-only Annual Contribution	N/A	\$100.00
Total	\$583	\$248.00

Contribution based on or reduced amounts for comprehensive eye exams and most commonly purchased brands.
VSP® Dollar amounts in the savings chart are estimates and don't reflect additional discounts from current VSP offers and promotions.

Average Annual Savings with a VSP Provider: \$335.00

Enroll in VSP today. You'll be glad you did.
Contact us. **800.400.4569**
vsp.com

Using your VSP benefit

- **Register at vsp.com.** Once you're effective, review your benefit.
- **Find an eyecare provider with VSP.** To find a VSP provider, visit vsp.com or call **800.400.4569**.
- **At your appointment, tell the provider you have VSP.** There's no ID card needed. Just show your VSP provider a card as a reference, you'll find it on vsp.com.

That's it! We'll handle the rest. Claim forms to complete when you visit your VSP provider.

Choice in Eyewear

From classic styles to the latest trends, you'll find hundreds of options. Choose from featured frame brands like Anne Klein, Calvin Klein, Flexon®, Lacoste, Nike, and more! Visit vsp.com to find a provider who carries these brands.

Your VSP Vision Benefits Summary

SAMPLE CLIENT and VSP provide you with an affordable eyecare plan.



Open Enrollment: 03/23/2015 – 03/27/2015
VSP Coverage Effective Date: 03/30/2015

VSP Provider Network: VSP Signature

Benefit	Description	Copay	Frequency
WellVision Exam	• Focuses on your eyes and overall wellness	\$25 for exam and glasses	Every calendar year

Prescription Glasses			
Frame	• \$130 allowance for a wide selection of frames • \$150 allowance for featured frame brands • 20% savings on the amount over your allowance	Combined with exam	Every other calendar year
Lenses	• Single vision, lined bifocal, and lined trifocal lenses • Polycarbonate lenses for dependent children	Combined with exam	Every calendar year
Lens Enhancements	• Standard progressive lenses • Premium progressive lenses • Custom progressive lenses • Average savings of 35–40% on other lens enhancements	\$50 \$80 - \$90 \$120 - \$160	Every calendar year

Contacts (instead of glasses)	• \$130 allowance for contacts; copay does not apply • Contact lens exam (fitting and evaluation)	Up to \$60	Every calendar year
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Diabetic Eyecare Plus Program	• Services related to diabetic eye disease, glaucoma and age-related macular degeneration (AMD). Retinal screening for eligible members with diabetes. Limitations and coordination with medical coverage may apply. Ask your VSP doctor for details.	\$20	As needed
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Additional Pairs of Eyewear			
Frame	• \$130 allowance for a wide selection of frames • \$150 allowance for featured frame brands • 20% savings on the amount over your allowance	\$25 for frame and lenses	Every other calendar year
Lenses	• Single vision, lined bifocal, and lined trifocal lenses • Polycarbonate lenses for dependent children	Combined with Frame	Every calendar year
Contacts (instead of glasses)	• \$130 allowance for additional contacts • Contact lens exam (fitting and evaluation)	Up to \$60	Every calendar year

Extra Savings			
Glasses and Sunglasses • Extra \$20 to spend on featured frame brands. Go to vsp.com/specialoffers for details. • 30% savings on additional glasses and sunglasses, including lens enhancements, from the same VSP provider on the same day as your WellVision Exam. Or get 20% from any VSP provider within 12 months of your last WellVision Exam.			
Laser Vision Correction • Average 15% off the regular price or 5% off the promotional price; discounts only available from contracted facilities			

Your Monthly Contribution	\$10.25 Member only	\$11.25 Member + spouse	\$12.25 Member + child(ren)	\$13.25 Member + family
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Your Coverage with Out-of-Network Providers			
Visit vsp.com for details, if you plan to see a provider other than a VSP network provider.			
Exam.....up to \$50	Single Vision Lenses.....up to \$50	Lined Bifocal Lenses.....up to \$100	Contacts.....up to \$105
Frame.....up to \$70	Lined Bifocal Lenses.....up to \$75	Progressive Lenses.....up to \$75	

Coverage with a participating retail chain may be different. Once your benefit is effective, visit vsp.com for details. Coverage information is subject to change. In the event of a conflict between this information and your organization's contract with VSP, the terms of the contract will prevail. Based on applicable laws, benefits may vary by location.

1. Brand/Specification subject to change.

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