

MEMBERS
FIRST

Members For Life

Health Service System - VSP Buy-Up Plan Option

Presented by VSP April 13, 2017



BENEFITS OF ADDING A BUY-UP PLAN OPTION

- **HSS would offer greater choice, providing an option to enroll in a more generous vision benefit.**
- **The cost of the VSP vision plan will remain neutral for HSS and participation in the buy-up option by the member is voluntary.**
- **Administration can be done either by VSP or by HSS, and we will guarantee a seamless implementation either way.**
- **VSP and HSS have partnered to create a customized plan design that caters specifically to HSS' population (based on historical claims data).**

BUY-UP PLAN OPTIONS AND RATES

	Current Core Plan	Proposed Buy-Up Plan
Frequency (Exam/Lenses/Frame)	Plan A (12/12/24)	Plan C (12/12/12)
Copays	\$10 exam / \$25 materials	\$10 exam / \$0 materials
Frame Allowance	\$150 (\$80 at Costco)	\$300 (\$165 at Costco)
Contact Lens Allowance	\$150 (in-lieu of glasses)	\$250 (in-lieu of glasses)
Lens Enhancements	Covered: Scratch Resistant Coating, Covered in Full Polycarbonate lenses for dependent children	Covered: Progressives with \$25 copay Anti-Reflective Coating with \$25 Copay Scratch Resistant Coating, Covered in Full Polycarbonate lenses for dependent children

FULLY INSURED PROGRAM

	Current Core Plan (HSS Pays 100% of Cost)	Proposed Buy-Up Plan (Pre-Tax Employee Contribution)	
	Current Monthly Rates	HSS Administered Employee Monthly Cost	VSP Administered Employee Monthly Cost
Employee Only	\$3.95	\$9.36	\$10.86
Employee + Spouse	\$7.92	\$14.04	\$15.54
Employee + Family	11.20	\$29.32	\$30.82

ADMINISTRATION OPTIONS

There are two administration methods that are available to HSS, and are currently being considered.

HSS
In-House

VSP
Administrative
Services

WE MAKE IT EASY WITH VSP'S OWN TPA SERVICES



Turnkey Enrollment
Communications



Open and Ongoing
Enrollment



Collect Member
Premiums



Deliver Award-
Winning Customer
Service

TURNKEY ENROLLMENT COMMUNICATIONS

VSP provides member communications to simplify enrollment, including:

Enrollment
Letter

Member
Benefit
Summary

Online
Resources
– VSP TPA
Only

Renewal
Notice –
VSP TPA
Only

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

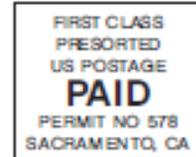
Employee Only	\$X.XX	\$X.XX
Employee + One	\$XX.XX	\$XX.XX
Employee + Child(ren)	\$XX.XX	\$XX.XX
Employee + Family	\$XX.XX	\$XX.XX

Coverage comparison is based on your plan options and national averages for comprehensive eye exams and most commonly purchased brands. Based on applicable laws, benefits 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 copays, 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



[CLIENT] employees,
enroll in VSP Vision Care.
Your enrollment dates:
[Month Year] – [Month Year]

First Last
Address 1
City, State Zip Code

CALL CENTER SUPPORT



AWARD WINNING CUSTOMER SERVICE

Members enjoy service from our world class certified customer service team.

15 YEARS
IN A ROW



EASY AS 1-2-3



COLLABORATE WITH VSP

- ✓ Developed plan design recommendation
- ✓ Partner to determine best method of administration



ENDORSE THE PRODUCT

- ✓ Receive Board approval in May 2017 to move forward and implement the buy-up plan for a January 1, 2018 effective date.



COMMUNICATION STRATEGY

- ✓ May 2017: Begin implementation

THANK YOU

