

## Engineering Work Force Asks For A Vision Benefit, Firm Responds With Company-Paid Discount Plan

Each year at the annual enrollment for its benefits plans, Scientific Research Corporation, a government contracting firm specializing in engineering services, surveys employees on its benefit offerings. Two years ago, in response to overwhelming employee demand, the company added a vision care benefit.

The vision care benefit is the most basic plan offered by Preferred Vision Care (PVC), a PPO network of providers, but the company provides the benefit as a 100% employer-paid program.

"The reason we are paying the full cost of the plan is because it is a very inexpensive program," explained Kathleen Borsh, HR administrator at Scientific Research. "Employees and dependents can take advantage of the discounts offered by the PVC network providers in buying new glasses or contacts."

The PVC network extends nationwide. Scientific Research's 450 employees are located not only in the headquarters office in Atlanta but also in seven other offices across the nation.

### A GOOD FIT

The kind of work that employees at Scientific Research perform played a role in the company's decision to offer a vision benefit. "Employees are in front of computers all day or working on very small parts when they are building things. They need good eyesight to perform their jobs," Ms. Borsh commented. Furthermore, company demographics reveal a highly educated and a reading-intensive work force. The vast majority of workers have university degrees, and a good percentage of them are engineers with specialized degrees. Most employees are in their 30s and early 40s.

The discount vision care plan is the one benefit at Scientific Research for which all employees are automatically enrolled; for other benefits, which are optional, employees pay at least some part of the premium.

According to Ms. Borsh, from a human

resources standpoint, administration of the vision care plan is minimal. Each month she sends a spreadsheet to PVC showing all new hires and those employees being annually renewed in the plan. She also sends a check to cover those additions, and PVC sends members an enrollment kit, which includes their PVC ID card, a brochure that explains the plan, and a list of providers in the employee's postal zip code zone.

Employees are happy about the coverage offering because "it adds one more piece to their buying power," Ms. Borsh said, adding that some employees complain that the discounts are available only through network providers.

"If HR people are looking for low-cost vision care, from our experience, this plan is a good program," Ms. Borsh advised.

PVC is the PPO network of Spectrum Vision Systems, headquartered in Overland Park, Kan. It provides a vision care plan directly and indirectly through alliances with other insurers to some 20,000 plan sponsors. Altogether, more than 4.5 million members are enrolled in its vision care plans.

Members are served by a network of 8,409 provider locations, roughly half independent providers and half commercial providers, such as Pearle Vision, J.C. Penney, and Wal-Mart. As explained by vice president of sales John T. Meitner, PVC began as a network of independent providers but because the customer base was requesting more access to the big vision care chains, the network expanded to bring in more commercial providers.

The company offers two plans—Preferred Vision Care Basic, which provides members a discount on prescription eyewear, and Preferred Vision Care Plus, which includes a covered eye examination along with the discount on materials.

The Basic Plan (the plan offered by Scientific Research), provides members with discounts of 20% to 60% off the retail price of prescription eyewear. According to Mr. Meitner, this plan tends to be provided by





employers with limited budgets for benefits, and often is offered as a voluntary product.

"Every frame, every lens, and every lens option that's available in the U.S. market today is covered under the PVC plan," Mr. Meitner asserted, "so if a member wants to have a very expensive designer frame with progressive lenses, he or she can get the covered discount."

The discounting formula used by PVC is the wholesale cost plus a fixed dispensing fee, and "in most cases this formula is always less expensive than the alternative formula of a retail cost minus a percentage formula," Mr. Meitner explained.

Preferred Vision Care Plus is the Basic plan with a 100% covered eye examination for the card holder and all immediate family members. The standard frequency for coverage of exams is every 24 months, but if a plan sponsor wants a little richer benefit the network will offer eye exam coverage every 12 months.

PVC also offers a laser surgery benefit through a contract with the Laser Vision Institute; members pay a flat rate of \$895.00 per eye.

#### **INTERNET ADMINISTRATION**

PVC employs the Internet not only as an informational tool, but as an administrative tool as well. Understanding that many small

plan sponsors have cost concerns relating to the administration of benefits, PVC targets firms of under ten employees for online enrollment on its site (companies larger than that size may participate as well). Under this plan, an employer representative or employees can go to the PVC Web site, go to the online sign-up page, complete enrollment information, give a credit card number, and within 21 to 30 days receive a PVC card and the standard membership kit that all members normally receive through their employers.

PVC also uses the Internet to provide two other benefits—a mail-order prescription benefit and a hearing benefit. The mail-order prescription benefit provides members a discount on prescriptions by allowing them to print the order form from the Internet, which they fill out with prescription drug information and drug ID number. Members mail the form with payment and the filled prescription will be mailed directly to their homes.

The hearing benefit allows members to access discounted hearing examinations and hearing aids discounted up to 58% from a network of 1,500 certified audiologists through the HearPO Network. Members receive discounts by presenting their PVC ID card to the provider.

PVC also administers self-funded plans. ♦