



SMARTER EYE HEALTH MANAGEMENT

Five key components your vision plan should provide to help you control healthcare costs.

EXECUTIVE SUMMARY

Controlling healthcare costs is the #1 objective for benefits management professionals.¹ With 75% of healthcare costs attributed to chronic conditions, such as diabetes, high cholesterol, and hypertension, this has become challenging.² Fortunately, 90% of chronic conditions are preventable with earlier diagnosis and intervention.²

Many employers are adopting wellness programs and other preventive care measures to help manage healthcare costs. These programs, although beneficial, are insufficient in curbing costs due to chronic conditions. To achieve the optimum cost avoidance, it's crucial to identify chronic conditions early and slow the progression in employees.

The VSP Eye Health Management Program® (EHM) provides employers with an efficient way to identify chronic conditions earlier and achieve significant cost avoidance. Through this program, VSP clients have realized savings of more than \$4.5 billion in avoided healthcare costs and improved human capital performance.³

This is the only eye health management program that provides employers five essential tools for managing chronic conditions and controlling healthcare costs—and promoting overall employee wellness.

A comprehensive eye exam can detect signs of serious chronic conditions like diabetes, high cholesterol, and hypertension—before costly symptoms emerge.

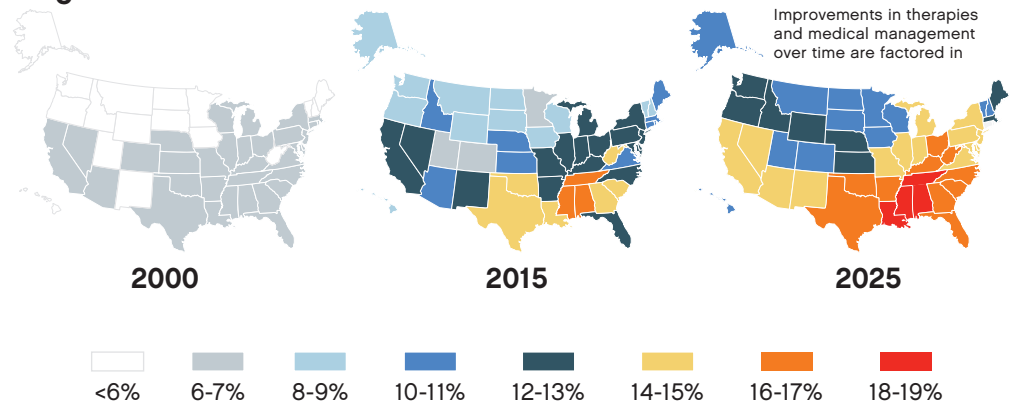
INTRODUCTION

The Epidemic of Chronic Conditions

Chronic conditions like diabetes, high cholesterol, and hypertension affect 133 million Americans—1 in 2 adults. Not only does that represent a decreased quality of life for millions of people, it also cost the U.S. \$673 billion in 2010.⁴

And the incidence is growing. The Institute for Alternative Futures forecasts that 17 in 100 will have diabetes by 2015.⁵

EXHIBIT 1: Progression of Diabetes



Sources: CDC Behavioral Risk Factor Surveillance System; Narayan, Impact of Recent Increase in Incidence on Future Diabetes Burden, *Diabetes Care* 2006; 29:2114-2116, Boyle, Projection of the year 2050 burden of diabetes in the US adult population, <http://www.pophealthmetrics.com/content/8/1/29>; Institute for Alternative Futures projections

EARLIER DETECTION OF CHRONIC CONDITIONS WITH VISION CARE

The CDC recognizes that eye exams are an important and cost-effective measure in managing the impact of diabetes.⁶

Vision exams can be incredibly effective preventive care. In fact, the Center for Disease Control recognizes that eye exams are an important and cost-effective measure in managing the impact of diabetes.⁶

The VSP Eye Health Management Program focuses on earlier detection and management of both eye and related health conditions through the VSP doctor network. These eyecare professionals use the VSP proprietary national Health Information Technology (HIT) platform to track patients with early signs of diabetes, high cholesterol, hypertension, and diabetic retinopathy. VSP shares HIPAA-compliant patient condition data with health plans and disease management pathways to enable proactive management of employee health.

The Impact of Earlier Detection

VSP doctors are frequently the first to detect early-stage conditions, and the 2010 HCMS study showed that these patients remained healthier than people who delayed a preventive vision or physical exam that could lead to detection of chronic conditions.⁷ Earlier detection helps employers increase productivity and retention, while lowering healthcare costs.

THE FIVE KEYS TO MANAGING CHRONIC CONDITIONS AND CONTROLLING HEALTHCARE COSTS

Out-of-pocket costs are the single biggest influencer of utilization, because they're consumers' #1 priority in a vision plan.

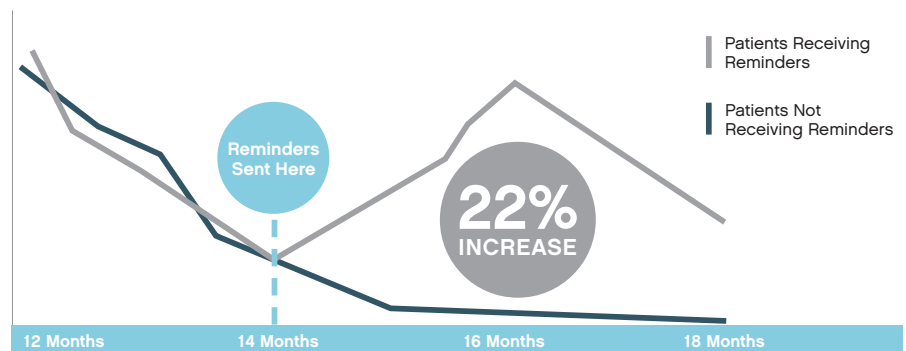
To positively affect healthcare costs and to be effective at enabling earlier detection and intervention, a vision plan needs to accomplish five things:

1. Drive Utilization

A vision plan can only double as effective preventive care if employees actually use their benefit. VSP members have the highest utilization of any vision plan.⁸ One reason is that VSP delivers the lowest out-of-pocket costs, which are the single biggest influencer of employee utilization.⁹

A second method of increasing utilization is by engaging employees with proactive communications. For example, VSP sends complimentary eye exam reminder letters to members who have been identified with diabetes and haven't had an eye exam in more than 14 months. This results in 22% more members returning for an eye exam.¹⁰

EXHIBIT 2: Diabetes Patients return as a result of the VSP exam reminder program



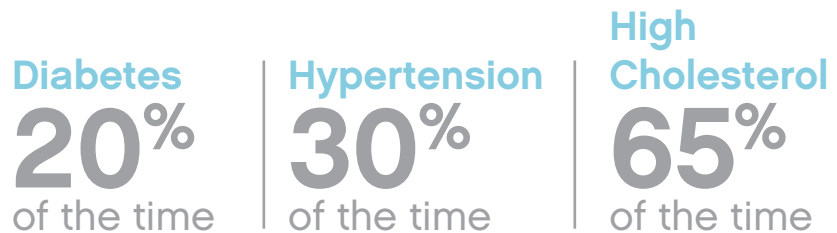
Because VSP members are three times more likely to get an annual vision exam, they have triple the opportunity for earlier detection of chronic conditions.

2. Identify Chronic Conditions Earlier

Analysis of VSP exam claims showed that people with a VSP vision plan are three times more likely to get an annual eye exam than a routine preventive physical.¹¹ This means that VSP doctors are more likely to detect signs of chronic conditions such as diabetes, high cholesterol, and hypertension through a WellVision Exam® than are general healthcare providers through traditional medical exams.

These facts represent more than a hypothetical advantage. In fact, VSP doctors often are the first to detect early-stage conditions. The 2010 Human Capital Management Services (HCMS) study determined that 65% of the time, VSP doctors detected symptoms of high cholesterol before any other health care provider recorded the condition. Additionally, earlier detection rates were 20% for diabetes and 30% for hypertension.¹²

EXHIBIT 3: Rate of Earlier Detection by a VSP Provider



3. Collect Actionable Data

It's crucial for a vision plan to collect patient-specific data you can use to improve employee health and lower healthcare costs. Since 2005, VSP doctors have identified and collected actionable data for more than 3.1 million members with chronic conditions.¹³

EXHIBIT 4: Total Medical Data Collection Tool (MDCT) National Patient Condition Counts

Number of Patients with...	Patient Count
At Least One Condition	3,182,819
Diabetes	1,452,162
Diabetic Retinopathy	100,053
High Cholesterol*	285,462
Hypertension	1,504,065

*High cholesterol data collected from April 2011

VSP data from May 1, 2005 to November 30, 2012

Note: Patient counts are distinct within each reporting category

If your vision partner shares only aggregate data, you can't take action to enroll employees in programs that help them manage their health.

4. Connect Employees with Health Partners

Earlier detection leads to higher productivity and significant downstream savings only when an employer is able to use the information to help improve employee health.

If your vision partner only shares aggregate data, you can't take action to enroll employees in programs that help them manage their health. VSP shares HIPAA-compliant patient condition data with more than 130 of the nation's largest health plans and disease management vendors—more than any other vision plan.

5. Track and Share Results

Offering a vision plan that captures tangible results is the best way to positively affect your bottom line. VSP provides customizable reporting tools to identify and measure the things that matter most, like utilization, identification of chronic conditions, and out-of-pocket savings.

That tracking has resulted in significant savings. For every employee who sought care after early detection during a VSP WellVision Exam, employers saved the following over two years:¹⁴

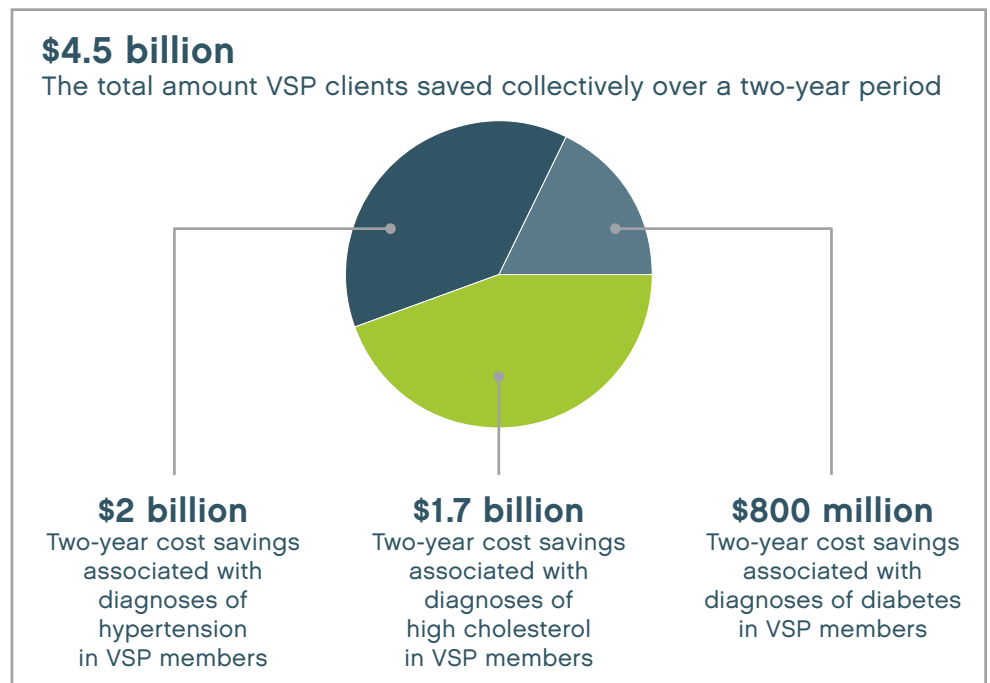
EXHIBIT 5:



It all adds up to savings of more than \$4.5 billion over a two-year period.

EXHIBIT 6:

Actual Avoided Costs Realized by VSP Clients



VSP has the only eye health management program that provides employers with the 5 essential tools to manage chronic conditions and control healthcare costs.

RECENT EXAMPLES OF COST AVOIDANCE CONSUMER VISION PLAN RESEARCH

VSP clients have succeeded in reducing their healthcare costs and improving their human capital performance. Results vary depending on the type of plan and individual employee population, but here are several examples that demonstrate how VSP helps with cost avoidance:

- At an energy company with 53,000 enrolled employees, VSP identified 138 previously unknown diabetics.¹⁵ For each identification, the employer may avoid \$2,787 in healthcare costs, resulting in \$397,000 in potential cost avoidance.¹⁶
- At a healthcare company with 27,000 enrolled employees, VSP identified 312 previously unknown diabetics,¹⁷ resulting in \$897,000 in potential cost avoidance.¹⁸
- At a manufacturing company with 57,000 enrolled employees, VSP identified 841 previously unknown diabetics,¹⁹ which translates into \$1.9 million in potential cost avoidance.²⁰

SUMMARY OF KEY INFORMATION

- 1. Employer healthcare costs can be significantly reduced.**
The great majority of healthcare costs result from chronic conditions, and can be significantly reduced by earlier detection and intervention.
- 2. An eye health management program that identifies signs of chronic conditions and enables rapid intervention is a key resource.** An eye health management program that focuses on earlier detection and management of both eye and related health conditions doubles as effective preventive care, slowing the progression of chronic conditions, improving patient quality of life, and saving healthcare costs.
- 3. VSP provides employers with five essential components to control healthcare costs.** The VSP Eye Health Management Program engages employees in preventive healthcare, identifies chronic conditions earlier, and collects and shares actionable data with health plans and disease management vendors to provide cost-saving results.

VSP has the only eye health management program that provides employers with all the essential tools for managing chronic conditions and controlling healthcare costs.



SOURCES

- ¹MetLife 10th Annual Survey of Employee Benefits Trends, 2012
- ²CDC, Chronic Disease Prevention and Health Promotion
- ³Human Capital Management Services (HCMS) study on behalf of VSP, 2010
- ⁴CDC prevalence statistics and direct and indirect cost impacts
- ⁵Institute for Alternative Futures, Diabetes 2025 Research, 2011
- ⁶Ann Albright, PhD, RD, Director, Division of Diabetes Translation, Centers of Disease Control and Prevention (CDC)
- ⁷HCMS study
- ⁸Ipsos National Vision Plan Member Research, 2012
- ⁹Jobson Consumer Perceptions of Managed Vision Care, 2012
- ¹⁰VSP Eye Health Management Program (EHM) data, 2012
- ¹¹Archives of Internal Medicine, "Preventive Health Examinations and Preventive Gynecological Examinations in the United States," 2007 and VSP internal data, 2010
- ¹²HCMS study
- ¹³VSP EHM data
- ¹⁴HCMS study
- ¹⁵VSP EHM data
- ¹⁶HCMS study
- ¹⁷VSP EHM data
- ¹⁸HCMS study
- ¹⁹VSP EHM data
- ²⁰HCMS study