

FACULTY FINANCE COMMITTEE RECOMMENDATION ON THE VSP VISION PLAN December 7, 2009

By a vote of 7 to 0 the Faculty Finance Committee recommends faculty do not support the proposal to implement the proposed VSP Vision Plan.

The EyeMed plan offered (at 100% cost) to JCU employees was discontinued by EyeMed as of the new calendar year. A “replacement plan” (or “EyeMed Access Medium” as it is labeled on the attached comparison sheet) was offered by EyeMed with superior features but at a 31% increase in price of premiums. In response to the increase in price of premiums, JCU HR found a new plan offered by VSP that has benefits similar to the expiring EyeMed plan as long as the insured stays within the VSP network. However, nearly all of the out-of-network costs to the insured are higher than those of the expiring plan. Also, the network providers of the VSP plan are different from those of the expiring EyeMed plan and, as such, the VSP plan would require that subscribers find new providers to take advantage of the lower in-network products and services. The premiums for the new VSP plan are slightly less than those for the expiring plan. Further, there is a new four-tier pricing for premium replacing the current three-tier pricing scheme. (Please see the JCU HR website for the VSP plan at <http://www.jcu.edu/fas/hr/vision.htm>.)

Recommendation of the Faculty Council Finance Committee:

The committee determined that the difference of about 34% in price of premiums between the EyeMed replacement plan and the VSP plan is compensated for by superior allowances and lower costs for eye care products. The new VSP plan is already being offered to JCU staff and administrators. However, the Finance Committee contends that JCU Faculty should ask HR to provide the EyeMed replacement plan.

That option is the default option if the Faculty votes “NO” to the new VSP plan.

Therefore, the committee recommends a NO vote on the new VSP plan

Coverage	EyeMed Access B (present plan; discontinued)	EyeMed Access Medium	VSP	Difference: VSP vs. EyeMed Medium
Eye Exam Copay	\$10	\$10	\$10	\$0
Frames				
Retail allowance	\$100	\$120	\$120	\$0
Discount off remaining balance	20%	20%	0%	-20%
Conventional Lenses Copay (SV, Bi, Tri)	\$25	\$10	\$25	\$15
Contact Lenses				
Conventional contact lenses				VSP allowances and discounts are lower (see notes below):
Wholesale allowance (1)	\$115	\$135	\$46	-\$89
Retail allowance (2)	\$115	\$135	\$120	-\$15
Discount off remaining balance	15%	15%	20%	5%
Disposable contact lenses				
Allowance	\$115	\$135	\$120	-\$15
Discount off remaining balance	0%	0%	0%	0%
Conventional Lens Options, Member Costs				VSP costs are the same or higher:
UV Coating	\$15	\$15	\$17	\$2
Tint	\$15	\$15	\$15	\$0
Scratch Coating	\$15	\$15	\$17	\$2
Polycarbonate	\$40	\$40	\$40	\$0
Progressive (in addition to Bifocal copay)	\$65	\$65	\$70-105	\$5-40
Anti-reflective	\$45	\$45	\$75	\$30
Contact Lenses				VSP discounts are the same or higher:
Conventional contact lens discount	15%	15%	15%	0%
Disposable contact lens discount	0%	0%	15%	15%
Frequency				VSP frequency limits are the same:
Exam	12 months	12 months	12 months	0
Frames	24 months	24 months	24 months	0
Lenses	12 months	12 months	12 months	0
Out-of-Network Reimbursements				VSP reimbursements are generally lower:
Eye Exam	\$35.00	\$35.00	\$34.00	-\$1.00
SV Lenses	\$25.00	\$25.00	\$17.00	-\$8.00
Bifocal Lenses	\$40.00	\$40.00	\$30.00	-\$10.00
Trifocal Lenses	\$55.00	\$60.00	\$43.00	-\$17.00
Frames	\$45.00	\$48.00	\$38.25	-\$9.75
Contact Lenses	\$92.00	\$95.00	\$210.00	\$115.00
Added Value				
Laser Surgery				VSP laser surgery coverages are the same:
Lasik or PRK retail price	15%	15%	15%	0%
Lasik or PRK promotional price	5%	5%	5%	0%
Additional Purchases				VSP additional coverages are mostly non-existent:
Second-pair discount	40%	40%	0%	-40%
Partials discount	20%	20%	0%	-20%
Non-covered accessories discount	20%	20%	0%	-20%
Additional discount for frames >\$120	\$0.00	\$0.00	20%	\$24.00
Rates				VSP Rates are lower, but the rate lock is half as long:
Employee (est. 88)	\$6.03	\$8.12	\$6.17	-\$1.95
Employee + Spouse (est. 43)	\$11.38	\$15.40	\$10.39	-\$5.01
Employee + one or more Children (est. 15)	\$11.98	\$15.40	\$10.61	-\$4.79
Family (est 66)	\$17.57	\$22.64	\$17.10	-\$5.54
Average premium difference from 2009	na	31%	-3%	-34%
Rate guarantee	na	4 years	2 years	2 years less
Notes				
(1) One would need to spend \$1958 more before the VSP is a better plan				
(2) One would need to spend \$100 more before the VSP is a better plan				