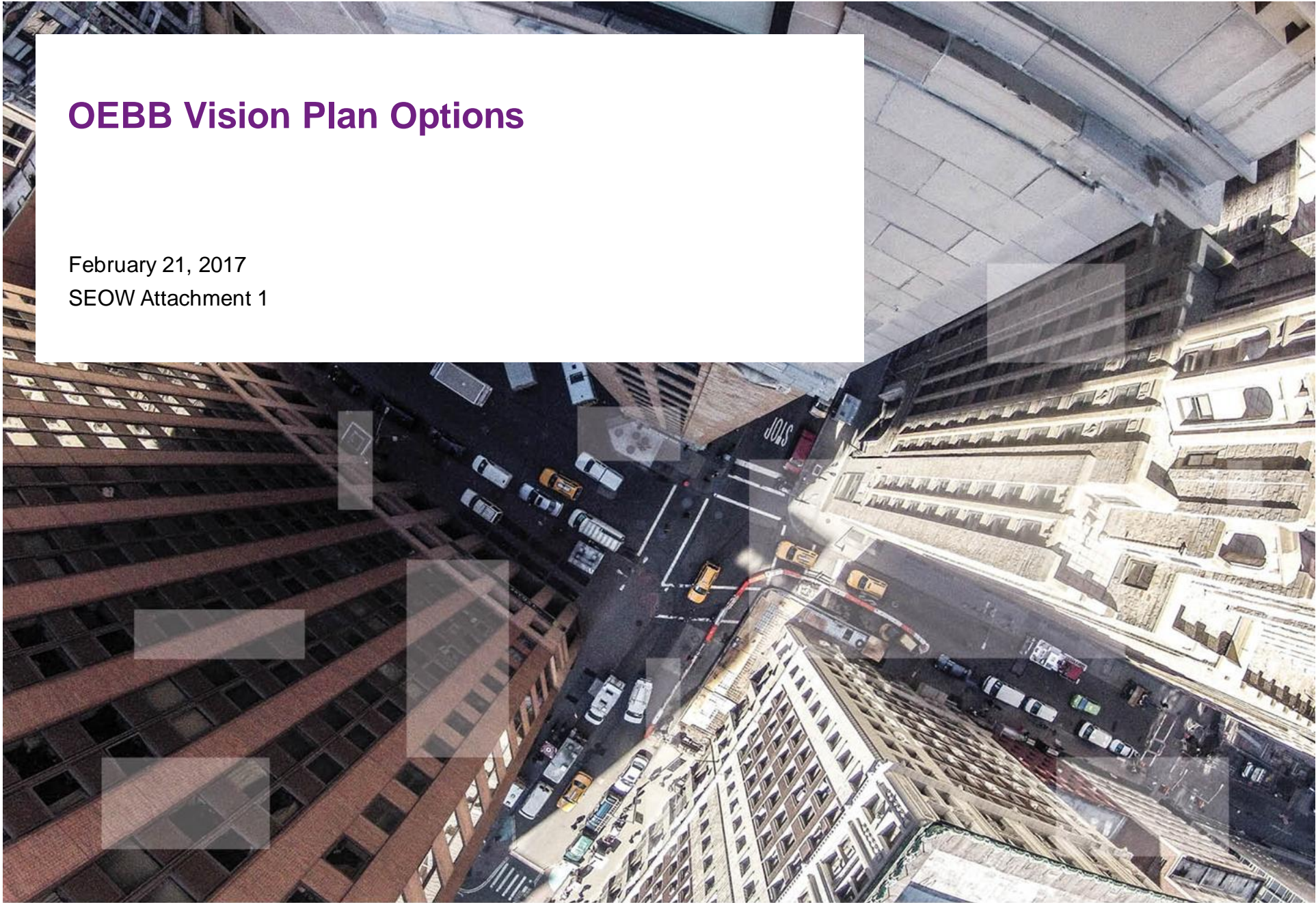


OEBB Vision Plan Options

February 21, 2017
SEOW Attachment 1



Agenda

- Vision apparent successful proposers
 - Process to finalize plan designs from RFP
- Summary of current vision options
- VSP Choice plans
- Potential vision plan offerings by carrier
- Next steps

Vision apparent successful proposers

Process to finalize plan designs from RFP

- Vision RFP process resulted in an additional vendor, VSP
 - Kaiser and Moda will continue to offer vision plans to OEGB members
- During the RFP process, VSP proposed an alternate plan design/network for consideration by the Board
- Today we will:
 - Review VSP's alternate plan design and network
 - Propose options for vision plan offerings to OEGB members
 - Recommend a set of plan options to be considered during the rate and benefit finalization process

Summary of OEGB's current vision options

	Moda Health	Moda Health	Moda Health	Kaiser Permanente
Vision plan	Opal Plan	Pearl Plan	Quartz Plan	Vision Plan**
Benefit maximum	\$600*	\$400*	\$250*	\$250
Network	Any licensed provider	Any licensed provider	Any licensed provider	Kaiser
Routine eye exam				
Benefit	Plan pays 100% up to plan maximum	Plan pays 100% up to plan maximum	Plan pays 100% up to plan maximum	Covered under the medical benefit***
Frequency	Once per plan year	Once per plan year	Once per plan year	
Lenses (Either one pair of lenses or contacts)				
Benefit	Plan pays 100% (up to plan maximum)	Plan pays 100% (up to plan maximum)	Plan pays 100% (up to plan maximum)	Plan pays 100% up to plan maximum
Frequency	Once per plan year	Once per plan year	Once per plan year	Once every 12 months
Frames				
Benefit	Plan pays 100% (up to plan maximum)	Plan pays 100% (up to plan maximum)	Plan pays 100% (up to plan maximum)	Plan pays 100% up to plan maximum***
Frequency	Under age 17: once per plan year Age 17 and older: once every two plan years	Under age 17: once per plan year Age 17 and older: once every two plan years	Under age 17: once per plan year Age 17 and older: once every two plan years	Once every 12 months

*Exam and hardware charges all apply to the plan year maximum on Moda Plans

**Must be enrolled in a Kaiser Medical Plan to enroll in the Kaiser Vision Plan

***Kaiser members under age 19: No charge for one pair of standard frames and lenses or contacts every 12 months

OEBB current vision enrollment

Previous vision plans	2014 – 2015 members	2015 – 2016 members	Current vision plans	2016 – 2017 members
Moda Vision Plan 1 (\$250)	26,889	26,200	Moda Quartz (\$250)	23,581
Moda Vision Plan 2 (\$350)	14,517	13,487	Moda Pearl (\$400)	31,019
Moda Vision Plan 3 (\$450)	28,242	25,041		
Moda Vision Plan 4 (\$600)	34,852	39,515	Moda Opal (\$600)	48,478
Moda Vision total	104,500	104,243		103,078
Kaiser Vision Plan 5	17,474	17,717		19,061
Total enrollment	121,974	121,960		122,139

VSP Choice Plans

Full service vision plans with expanded network

- VSP proposed an alternate plan design — Choice Plan — option during the RFP process
- Components of VSP Choice plans:
 - Exams covered in full after a copay
 - Fully covered lenses, select lens options, and frames up to frame allowance
 - Negotiated discounts on frames and lenses/benefits
 - Not subject to retail mark-ups
 - Additional discounts on frames that exceed the frame allowance
- VSP Choice includes a larger network of providers than their non-Choice plans:
 - Costco
 - Walmart
 - Shopko
 - Vision Works

VSP Choice Plan Value

	Member	Plan
Exam:	<p>VSP Provider: Covered in full –minus any applicable co-pay</p> <p>Out-of Network: Allowance minus any applicable co-pay</p>	<p>VSP Provider: On average 64% savings off U&C</p> <p>Out-of-Network: Covered up to allowance</p>
Materials:		
<ul style="list-style-type: none"> Lenses (Single, Bi-focal, Trifocal) Frames 	<p>VSP Provider: Covered in full minus any applicable co-pay. Covered up to retail frame allowance and 20% discount on amount over allowance</p> <p>Out-of Network: Allowance minus any applicable co-pay</p>	<p>VSP Provider: On average 63% savings off U&C. Frames reimbursed on wholesale amount 40% savings</p> <p>Out-of-Network: Covered up to allowance</p>
<ul style="list-style-type: none"> Contacts (in-lieu of glasses) 	<p>VSP Provider: Covered up to contact lens allowance. 15% discount off contact lens fitting and evaluation not to exceed \$60.00 co-pay (standard and premium fitting).</p> <p>Out-of Network: Covered up to allowance</p>	<p>VSP Provider: U&C Covered up to contact lens allowance.</p> <p>Out-of-Network: Covered up to allowance</p>

VSP Choice Plan Value

Extra Value Discounts	Member	Plan
<ul style="list-style-type: none"> • Non-Covered Lens Options • Covered Lens Options 	<p>VSP Provider: 20-25% discount off U&C or covered in full with applicable co-pay.</p> <p>Out-of-Network: U&C</p>	<p>VSP Provider: Covered lens options savings of 40% off U&C</p> <p>Out-of-Network: Not covered, no impact</p>
<ul style="list-style-type: none"> • Featured Frames (Nike, Cole Haan, Flexon, Bebe, Calvin Klein, Columbia, and many more) 	<p>VSP Provider: Get an Extra \$20.00 towards featured frames (includes retail providers except Costco). In 2016 VSP members saved 18 million by selecting a featured frame brand.</p> <p>Out-of-Network: N/A</p>	
<ul style="list-style-type: none"> • Contact Lens Rebates 	<p>VSP Provider: Rebate on Baush & Lomb and CooperVision. VSP members saved 4.3 million in 2016</p>	
<ul style="list-style-type: none"> • Discounted Laser Vision Care 	<p>Contracted Provider: Average 15%-20% savings off U&C Pricing</p>	
<ul style="list-style-type: none"> • Tru-Hearing 	<p>Savings up to 60% on brand name hearing aids. In 2016 VSP members and their guests saved 3.4 million on hearing aids</p>	

VSP Choice Plan – Member Savings Example 1

	Average U&C (Retail) Cost in OR	Cost with VSP Choice Plan - Standard	Cost with VSP Choice Plan - High
Example 2	Exam with Copay	\$ 203.67	\$ 10.00
	Frame - Metal (WFC \$114.95 / RFC \$349.95)	\$ 349.95	\$ 159.96
	Bifocal Lens (material copay included)	\$ 171.05	\$ 20.00
	Progressive Lens - Varilux Physio	\$ 158.00	\$ 105.00
	Anti-Reflective Coating - Crizal Previncia UV	\$ 135.00	\$ 85.00
	Backside UV Coating ¹	\$ 22.00	Covered
	Polycarbonate for Progressive Lens	\$ 64.00	\$ 35.00
	20% Discount Applied:	N/A	N/A
	Exam and Material Allowance Applied:	N/A	N/A
	Member Out-of-Pocket on Day of Service	\$ 1,103.67	\$ 414.96

* Extra \$20 featured frame brand promotion applies to the retail frame cost for full-service VSP Plans and is subject to change

¹ Backside UV is required on all Crizal Anti-reflective Coatings.

RFC - Retail Frame Cost WFC - Wholesale Frame Cost

VSP Choice Plan is a registered trademark of Vision Service Plan.

Costs are estimated based on VSP doctor U&Cs. Retail costs will be higher.

VSP Choice Plan – Member Savings Example 2

		Average U&C (Retail) Cost in OR	Cost with VSP Choice Plan - Standard	Cost with VSP Choice Plan - High
Example 3	Exam with Copay	\$ 203.67	\$ 10.00	\$ 10.00
	Frame - Plastic (WFC \$112.95 / RFC \$329.95)	\$ 329.95	\$ 143.96	\$ -
	Bifocal Lens (material copay included)	\$ 171.05	\$ 20.00	\$ 20.00
	Progressive Lens - Varilux Ellipse 360	\$ 227.00	\$ 150.00	\$ 15.00
	Anti-Reflective Coating - Crizal Avancé UV	\$ 135.00	\$ 85.00	\$ 15.00
	Backside UV Coating ¹	\$ 22.00	Covered	Covered
	Photochromic Tint - Transitions®	\$ 115.00	\$ 82.00	\$ 82.00
	20% Discount Applied:	N/A	N/A	N/A
	Exam and Material Allowance Applied:	N/A	N/A	N/A
	Member Out-of-Pocket on Day of Service	\$ 1,203.67	\$ 490.96	\$ 142.00

* Extra \$20 featured frame brand promotion applies to the retail frame cost for full-service VSP Plans and is subject to change

¹ Backside UV is required on all Crizal Anti-reflective Coatings.

RFC - Retail Frame Cost WFC - Wholesale Frame Cost

VSP Choice Plan is a registered trademark of Vision Service Plan.

Costs are estimated based on VSP doctor U&Cs. Retail costs will be higher.

VSP Choice Provider Network

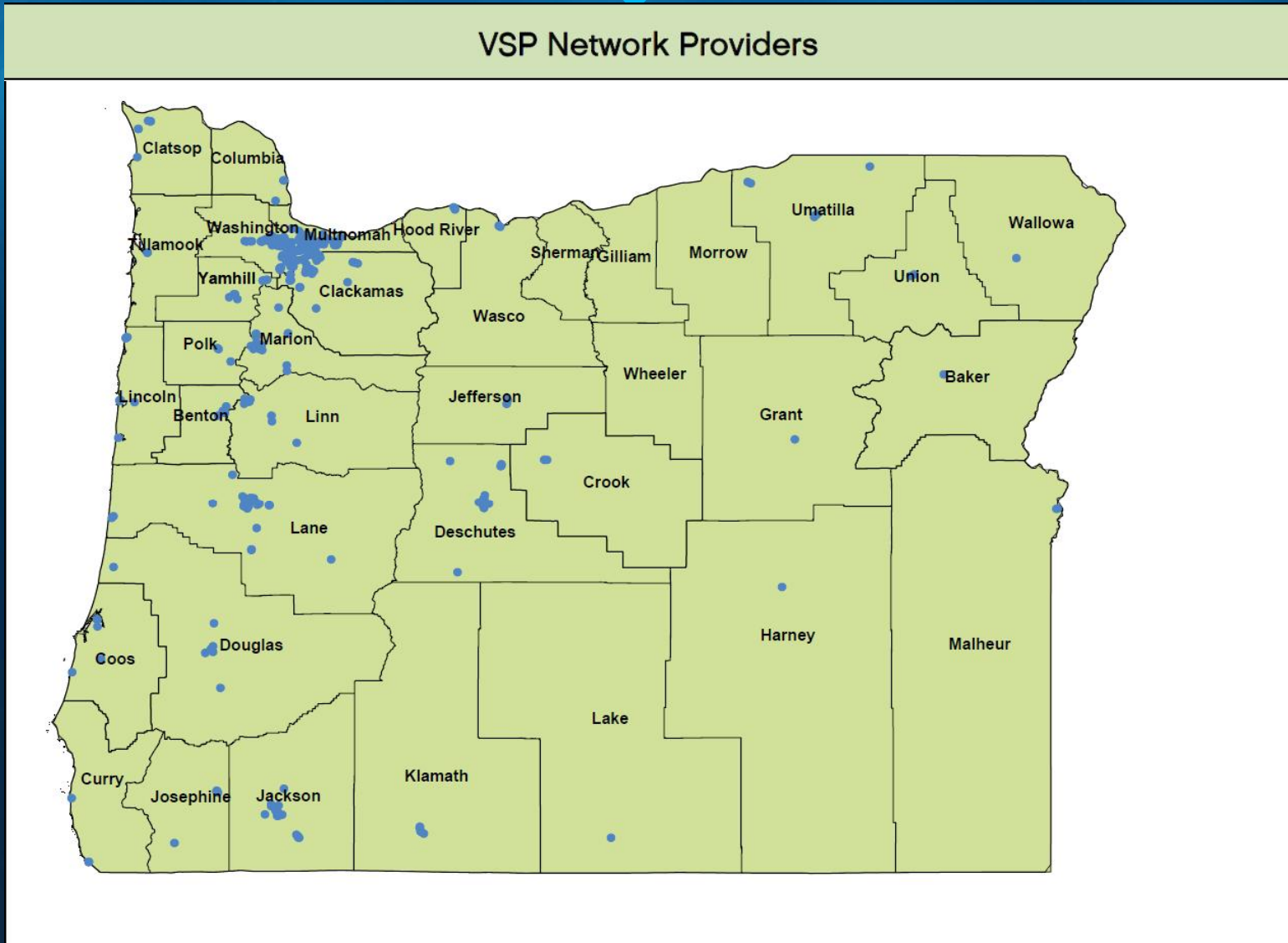
VSP Choice Network

- 77,800 Nationwide Locations
- 1,312 Oregon Locations
- 451 – ODs
- 116 – MDs
- 31 - counties

Choice plan includes the following additional Retail Locations

- Costco Optical – 15 Oregon Locations
- Walmart – 27 Oregon Locations
- Visionworks – 10 Oregon Locations
- Shopko Eye Center – 3 Oregon Locations

VSP Choice Plan Coverage Map



Summary of potential vision plan offerings

	Plans offered
<p>Option A — seven vision plans</p> <ul style="list-style-type: none"> Continue current Kaiser and Moda plans, add three VSP plans that mirror the Opal, Pearl and Quartz designs 	<ul style="list-style-type: none"> Kaiser Vision Moda Opal Moda Pearl Moda Quartz VSP Opal VSP Pearl VSP Quartz
<p>Option B — five vision plans</p> <ul style="list-style-type: none"> Retain Moda vision plans with the most enrollment, add a medium and enhanced level option with VSP's choice plan design 	<ul style="list-style-type: none"> Kaiser Vision Moda Opal (600) Moda Pearl (400) VSP Choice Plan A VSP Choice Plan B
<p>Option C — offer one vision plan from each carrier</p>	<ul style="list-style-type: none"> Kaiser Vision Moda — new \$500 plan VSP Choice Plan C

Option B — detail

	Kaiser	Moda Opal	Moda Pearl	VSP Choice Plan A In-network benefit	VSP Choice Plan B In-network benefit
Plan Year Maximum	\$250	\$600*	\$400*	N/A	N/A
Network	Kaiser	Any licensed provider	Any licensed provider	VSP Choice network	VSP Choice Network
Routine Eye Exam					
Benefit:	Covered under the medical plan	Plan pays 100% (up to plan maximum)	Plan pays 100% (up to plan maximum)	Plan pays 100% after \$10 copay	Plan pays 100% after \$10 copay
Frequency:		Once per Plan Year	Once per Plan Year	Every 12 months	Every 12 months
Lenses:					
Basic lens benefit:	Plan pays 100% (up to plan maximum)	Plan pays 100% (up to plan maximum)	Plan pays 100% (up to plan maximum)	\$20 copay (applied towards lenses & frame): Glass or plastic single vision, lined bifocal, lined trifocal, or lenticular lenses	\$20 copay (applied towards lenses & frame): Glass or plastic single vision, polycarbonate , lined bifocal, lined trifocal, or lenticular lenses
Lens enhancements				20-25% discount off all non-covered lens options	\$15 copay for anti-reflective or progressive
Frequency:	Once every 12 months	Once per plan year	Once per plan year	Once every 12 months	Once every 12 months
Frames / Contacts:					
Benefit:	Plan pays 100% (up to plan maximum)	Plan pays 100% (up to plan maximum)	Plan pays 100% (up to plan maximum)	Covered in full up to retail allowance of \$150 ; 20% off amount over retail allowance for frames	Covered in full up to retail allowance of \$300 ; 20% off amount over retail allowance for frames
Frequency:	Once every 12 months	Age 0-16: Once/Plan Year 17+: Once/two Plan Years	Age 0-16: Once/Plan Year 17+: Once/two Plan Years	Once every 12 months	Once every 12 months

*Exam and hardware charges all apply to the plan year maximum on Moda Plans

**Must be enrolled in a Kaiser Medical Plan to enroll in the Kaiser Vision Plan

***Kaiser members under age 19: No charge for one pair of standard frames and lenses or contacts every 12 months

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http://natct.internal.towerswatson.com/clients/612555/OEBB2017HB/Documents/OEBB_Vision_Plan_Options_SEOW.pptx

Option C — detail

Vision Plan	Kaiser	Moda \$500	VSP Choice Plan C In-Network Benefit
Plan Year Maximum	\$250	\$500	N/A
Network	Kaiser	Any licensed provider	VSP Choice network
Routine Eye Exam			
Benefit:	Covered under the medical plan	Plan pays 100% (up to plan maximum)	Plan pays 100% after \$10 copay
Frequency:		Once per Plan Year	Every 12 months
Lenses:			
Basic Lens Benefit:	Plan pays 100% (up to plan maximum) ***	Plan pays 100% (up to plan maximum)	\$0 copay (applied towards lenses & frame): Glass, plastic or polycarbonate single vision, lined bifocal, lined trifocal, or lenticular lenses
Lens Enhancements			\$20 copay for anti-reflective or progressive
Frequency:	Once every 12 months	Once per plan year	Once every 12 months
Frames/ Contacts:			
Benefit:	Plan pays 100% (up to plan maximum) ***	Plan pays 100% (up to plan maximum)	Covered in full up to retail allowance of \$250; 20% off amount over retail allowance for frames
Frequency:	Once every 12 months	Age 0-16: Once/Plan Year 17+: Once every two Plan Years	Once every 12 months

*Exam and hardware charges all apply to the plan year maximum on Moda Plans

**Must be enrolled in a Kaiser Medical Plan to enroll in the Kaiser Vision Plan

***Kaiser members under age 19, No charge for one pair of standard frames and lenses or contacts every 12 months

Next steps

- Recommend Options B and C to be considered in the rate and benefit finalization process
 - Both options provide a variety of network and benefit levels