



## CLIENT ADVISORY

### Employee Benefits

December, 2009

## Vision Benefits: An Overlooked Cost Control Strategy

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#### ACTION:

If your firm offers vision care benefits, begin an education campaign to leverage the value of this benefit as a preventative care strategy.

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Employers nationwide are recognizing preventative care as one of the most powerful tools for controlling healthcare costs. Preventative care strategies can range from discounted or free annual physical exams to reward programs for completing jobsite health screenings to reduced premiums for participating in voluntary exercise, weight loss and smoking cessation programs.

Astute employers and human resource professionals understand the impact an unhealthy workforce can have on medical care costs and medical insurance renewal rates. While medical costs have been outpacing inflation for years, employers with unhealthy employees feel the sting of exponentially higher medical insurance renewal rates every year.

#### Cost Control Strategies

Controlling healthcare costs and the resulting medical insurance premiums requires the simultaneous deployment of multiple preventative care strategies. Attempting to control costs with a single strategy is akin to bailing out a sinking boat with a single bucket; ten buckets working in unison will generate much better results.

One preventative care strategy is proper vision care; however, many employers overlook this valuable tool due to general misconceptions regarding the benefits of an eye exam. A recent survey indicated that 97 percent of employers associate going to an eye doctor with getting new eyeglass prescriptions, but only 60 percent associate eye exams with diagnosing systemic diseases. In reality, regular eye exams can play an important role in reducing overall medical expenses by providing early detection of eye and systemic diseases caused by such widespread health issues as diabetes and hypertension.

Vision care is not covered by most medical insurance programs therefore many larger employers offer vision insurance plans as part of their overall employee benefits package. Getting full value from your vision plan as a preventative care strategy requires educating employees on the use of this benefit and the value of annual eye exams. Most vision plan providers offer a range of educational material, from payroll inserts to break room posters to informational brochures and white papers.

### Valued by Employees

If you do not currently provide a vision plan as part of your benefits package, consider investigating this coverage as both a cost control tool for medical expenses and as a desirable benefit for your employees. Based on national statistics, approximately 50 percent of your current workforce need or have corrective lenses and more than 80 percent of those over 45 need or have corrective lenses; therefore, this benefit will undoubtedly be appreciated. In addition to a vision plan's value as a preventative health care strategy, correcting even minor vision problems in your workforce could increase productivity by 25 percent or more.

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#### ACTION:

Correcting minor vision problems increases workforce productivity by 25% or more. \*

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### Costs

In terms of cost, vision coverage is a highly cost-effective benefit, especially when compared to medical costs. The annual cost per employee for vision care is approximately \$70-\$80 compared to \$4,256 for medical premiums, according to the federal Bureau of Labor Statistics.

### Summary

Adding benefits during the current economic environment may seem to run contrary to common sense; however, the strategy makes sense on two different levels. First, adding a vision plan and properly communicating its value to employees is actually a preventative care tool which will have a positive impact on your medical program costs. Second, adding a vision plan offers employers a relatively inexpensive "good news" benefit which can help offset the negative impact of announcing increased benefit costs or program cuts to employees.

*Seacrest's managing partner of its employee benefits practice, C. Steven Eagle, CLU, ChFC, CEBS, CPCU, participated in a national educational symposium on vision care in 2009. Mr. Eagle served as a guest panelist in discussions focusing on disease management through proper eye care, vision benefit trends and vision care education strategies.*

*This notice is provided as information only and should not be considered a legal opinion. If you have questions about this Client Advisory, please contact Seacrest Partners at 912-544-1900.*