

VSP Choice Plan® Proposal

Prepared for Town of Allenstown



The VSP Choice Plan is a full-service plan that offers low costs, a focus on health, and real provider choices.

Guaranteed Lowest Out-of-Pocket Costs

Our Member Promise guarantees that employees are completely satisfied with their eye care and eyewear from VSP network providers, or we'll make it right. This includes satisfaction with out-of-pocket costs, consumer's #1 priority in a vision plan. We guarantee your employees will have the lowest out-of-pocket costs for equivalent glasses with VSP network providers, compared to your current vision plan, if applicable. One of the ways we reduce patient out-of-pocket costs is by applying fixed copays toward popular lens enhancements. Progressive lenses are a great example with a flat copay of \$55 for any standard progressive, and our standard formulary is more than twice the size of some other vision competitors. Unlike most competing vision plans, we also offer a wholesale frame pricing guarantee allowing us to cover more frames.

A Focus on Health - VSP's Eye Health Management Program®

For every dollar our clients spend on a VSP eye exam, they can expect on average, a four-year total return on investment of \$1.45 in avoided medical costs and **improved employee productivity** according to a recent independent study by Human Capital Management Services. And VSP network providers detected signs of certain chronic conditions before any other healthcare provider. We've also seen a 22% increase in members with diabetes getting an annual exam thanks to our exam reminders.

Real Provider Choices

Your employees can choose their provider from **81,000 access points**, including the largest national network of independent doctors and nearly 15,000 participating retail chain access points.

VSP Doctors - 91% offer early morning, evening and weekend appointments. 24-hour access to emergency care.

Participating Retail Chains¹ - Your employees get the convenience of popular retail chains like these and more.



Direct Pay Convenience - It's simple for your employees to use their VSP out-of-network benefits at Walmart® and Sam's Club®. Employees say, "I have VSP," and we do the rest. Hundreds of frames are available at no extra cost.



VSP Benefits subject to applicable copays²

Exam Services	Comprehensive WellVision Exam® covered-in-full after copay		
	Contact lens exam - fitting and evaluation (when choosing contacts): Standard and Premium fit : Covered in full with a copay. Member receives 15% off ³ of contact lens exam services; ⁴ member's copay will never exceed \$60		
	Routine retinal screening covered after an up to \$39 copay ³		
Lenses	Glass or plastic:	Single vision	Covered-in-full after copay
		Lined bifocal	Covered-in-full after copay
		Lined trifocal	Covered-in-full after copay
		Lenticular	Covered-in-full after copay
Frame	● Frames covered-in-full after copay up to the retail allowance of \$130 ⁵		
	● Frame allowance is guaranteed by a \$50 wholesale allowance at VSP doctors, ensuring nearly 12,000 frames are covered-in-full		
	● Members who select a featured frame brand including bebe®, Calvin Klein, Cole Haan, Flexon®, Lacoste, Nike, Nine West, and more will receive an extra \$20 toward their frame allowance. ⁶		
	● 20% off ³ any amount above the retail frame allowance ⁴		
	● Members can choose from virtually any frame on the market		

Our proposal is based on the scope of the obligations that VSP agrees to undertake. VSP will comply with state and/or federal rules and regulations as they pertain to pre-paid vision plans with a defined benefit

Lens Enhancements	The most popular lens enhancements are covered after a copay, saving members an average of 20-25% ⁴ ; members should see their VSP network provider for special pricing on additional lens enhancements. Maximum copay on standard lens enhancements:		
	Lens Enhancement	Single Vision	Multifocal
	Standard progressives plastic	N/A	\$55
	Premium progressives plastic	N/A	\$95-105
	Custom progressives plastic	N/A	\$150-175
	Standard anti-reflective coating	\$41	\$41
	Solid tints & dyes (pink I&II)	No copay	No copay
	Solid plastic dye (except pink I&II)	\$15	\$15
	Plastic gradient dye	\$17	\$17
	UV protection	\$16	\$16
	Factory applied scratch-resistant coating	\$17	\$17
	Polycarbonate for children	No copay	No copay
	Polycarbonate	\$31	\$35
	Photochromic plastic	\$70	\$82
Elective Contact Lenses (instead of lenses & frame)	<ul style="list-style-type: none"> Prescription contact lens materials covered-in-full up to \$130 retail allowance VSP members get exclusive mail-in savings⁷ on eligible contacts at VSP doctors Members can choose from any available prescription contact lens materials 		
Necessary Contact Lenses (instead of lenses & frame)	<ul style="list-style-type: none"> Covered-in-full after copay for members who have specific conditions at VSP doctors Covered up to \$210 after copay for members who have specific conditions at participating retail chains 		
Additional Pairs of Glasses⁸	20% off ³ unlimited additional pairs of prescription glasses and/or non-prescription sunglasses ⁴		
Primary EyeCare ProgramSM	Supplemental coverage for non-surgical medical eye conditions, such as pink eye and other urgent eye care - \$20 copay per visit at VSP doctors		
Laser VisionCare ProgramSM	Discounts average 15-20% off or 5% off a promotional offer for laser surgery, including PRK, LASIK, and Custom LASIK ⁹ through VSP doctors		
Low Vision	Supplemental testing covered every two years. 75% coverage for approved low vision aids, up to \$1,000 (less any amount paid for supplemental testing) every two years at VSP doctors		
Eye Health Management Program[®]	Exam reminder letters sent to VSP members with diabetes who have not had an eye exam in 14 months		

Out-of-Network Benefits subject to applicable copays²

Exam	Reimbursed up to \$45	Frame	Reimbursed up to \$70
Lenses:			
Single vision	Reimbursed up to \$30	Contact lens exam & materials	
Lined bifocal	Reimbursed up to \$50	(in lieu of lenses & frame):	
Lined trifocal	Reimbursed up to \$65	Elective	Reimbursed up to \$105 ¹⁰
Lenticular	Reimbursed up to \$100	Necessary	Reimbursed up to \$210

Exclusions¹¹ There may be some materials and services with either limited or no coverage under this plan. Please contact your VSP representative for more information.

¹ Participating retail chains upon request. Benefits may vary at participating retail chain locations.

² When covered-in-full services are obtained from a VSP network provider, the patient will have no out-of-pocket expense other than any applicable copays. Services and eyewear obtained through out-of-network providers are subject to product availability and the same copays and limitations. Please refer to rate page.

³ Based on applicable laws, benefits may vary by location.

⁴ Costco published prices already include discounts instead of those noted.

⁵ Costco allowance of \$70 is equivalent to the frame allowance at other VSP network providers (average frame at Costco is \$68).

⁶ Reflects current promotion, evaluated annually. Promotion/featured frame brands are subject to change and the promotional allowance does not apply at Costco Optical. In the event of a conflict between this information and your organization's contract with VSP, the terms of the contract will prevail.

⁷ Rebates subject to change.

⁸ 20% off applies to unlimited additional pairs of glasses valid through any VSP network provider within 12 months of the last covered eye exam.

⁹ Custom LASIK coverage only available using wavefront technology with the microkeratome surgical device. Other LASIK procedures may be performed at an additional cost to the member. Laser VisionCare discounts are only available from VSP-contracted facilities.

¹⁰ If \$100 allowance is purchased, out-of-network providers will reimburse up to \$85.

¹¹ Coverage shall be governed solely by the terms of your VSP contract.

VSP CHOICE PLAN®
COMMERCIAL BUSINESS RATES
 Voluntary Participation 0-24% Employer Paid
 10-50 Enrolled Employees
 For Clients Headquartered in New Hampshire
 Valid Until January 1, 2018



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Plan Guidelines

- Individual Experience is not available for Pooled Groups
- 24 month rate guarantee and contract term
- These voluntary pooled rates are based on enrollment of 10-50 employees
- Rates are based on our sliding 10% commission scale and the agreement that VSP will receive these amounts over the full plan term
- Platform participation and associated fees are not included
- The first copay applies to the eye examination and the second copay applies to materials
- Rates include all applicable taxes and health assessment fees known as of the date of the proposal

Plan Frequencies

	PLAN C	PLAN B
Eye Exam	12 Months	12 Months
Lens	12 Months	12 Months
Frame	12 Months	24 Months

The difference in the following plans is the intervals when services are available, as shown above. The base rates quoted reflect VSP's standard in-network retail allowances of \$130 for frames and \$130 for elective contact lenses.

MONTHLY RATES

4-Rate Basis	Employee Only	Employee + One	Employee + Children	Employee + Family
PLAN C Copay: \$10/\$25	\$9.76	\$15.61	\$15.94	\$25.70
Total:	\$9.76	\$15.61	\$15.94	\$25.70

4-Rate Basis	Employee Only	Employee + One	Employee + Children	Employee + Family
PLAN B Copay: \$10/\$25	\$7.40	\$11.84	\$12.09	\$19.49
Total:	\$7.40	\$11.84	\$12.09	\$19.49

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