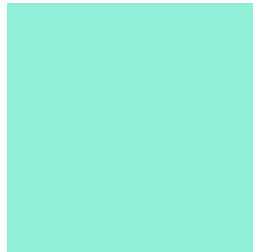
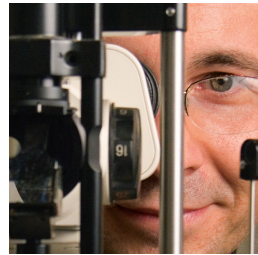


Vision Care: Focusing on the Workplace Benefit

Fall 2008



■ Introduction

The upcoming presidential election demonstrates that our health care system is at a crossroads: the rising cost of health care and health insurance coverage are top concerns for most Americans,¹ and our political leaders appear poised to consider reforms. Studies show that in 2007 health care expenditures in the United States surpassed \$2 trillion and are expected to reach \$4 trillion by 2016.² As Americans watch health care costs skyrocket, employer-based health coverage takes on more importance. Yet, at the same time, employers struggle harder and harder each year to maintain those benefits.

Premiums for employer-based health insurance rose by more than six percent last year and have increased 100 percent since 2000.³ While employers are forced to increase employees cost-sharing responsibilities, many are exploring ways to add benefits, such as vision care coverage. For employees, this fluctuation in health benefits trends means that salary is just one of the many factors to consider in choosing the best work environment. According to a 2008 Kaiser Family Foundation public opinion poll, 23 percent of American workers made job decisions based primarily on health insurance coverage considerations.⁴

The Vision Council has compiled *Vision Care: Focusing on the Workplace Benefit* to explore the value of vision benefits for both employees and employers. Healthy vision for employees means better quality of life while for employers it can mean a healthier workforce, higher productivity and fewer absences. Offering vision coverage can be an additional way to attract quality employees.

For the purposes of this report, a “vision impairment” is defined as eyesight that cannot be corrected to a normal level, and “vision problems” or “vision disorders” refer to all sight-related issues that may or may not be treated with eyeglasses or other measures prescribed by an eye care professional. For detailed definitions of vision conditions, see page 8.

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■ Prevalence of Vision Problems

Vision disorders are the second most prevalent health problem in the country, affecting more than 120 million people.⁵ According to a 2008 report from the National Eye Institute (NEI), part of the National Institutes of Health (NIH), two-thirds of all adults report wearing some type of eyewear, and nearly one-quarter report they have an eye condition or disease.⁶ It is expected that these numbers will only increase as our population ages. An estimated 11 million Americans have uncorrected vision problems, ranging from refractive errors (near- or far-sightedness) to sight-threatening diseases such as glaucoma or age-related macular degeneration.⁷

■ Impact On The Workplace

Given their prevalence, it is not surprising that vision problems have a direct and dual relationship to the workplace. For the employee, vision problems are a common consequence of many different types of work, and for the employer, vision disorders can carry a steep price tag in terms of reduced productivity.

HEALTH

Vision problems are especially prevalent among computer users. Nearly 90 percent of those who use a computer at least three hours a day suffer vision problems associated with computer eye strain.⁸ In addition to computer-related vision problems, on-the-job eye injuries affect more than 800,000 American workers each year and 90 percent of them are preventable.⁹

COST

The prevalence of vision problems comes with a price tag, not only in terms of direct financial costs, but also in terms of the implications on workplace productivity and efficiency. The annual financial burden of major adult vision disorders exceeds \$50 billion: \$35.4 billion to the U.S. economy and \$15.9 billion to individuals with vision problems and their caregivers.¹⁰

SPOTLIGHT ON VISION PROBLEMS

By Elaine G. Hathaway, MD, New Brunswick Eye Associates

Nearly one-third of Americans over the age of 40 have a vision problem, and the number of blind or visually impaired Americans is expected to double by the year 2020 due to the aging population.

The U.S. Census Bureau expects the numbers of Americans age 65 and older to more than double by the year 2040, reaching 80 million. While most of us will experience a number of changes with advancing age, including normal changes in our vision, it's important to know that permanent vision loss is not a normal part of aging.

Regular eye exams for anyone aged 40 or older are highly recommended, not only because of the many changes in vision that often begin during this period, but also because the eyes offer insight for your physician into possible underlying health conditions.

Many serious eye conditions have no early warning signs. Glaucoma and age-related macular degeneration can cause permanent vision loss if left undetected, and can only be diagnosed through an eye exam. In addition to vision problems, serious health conditions such as diabetes and hypertension can also be detected through an eye exam.

Some warning signs of vision problems include:

- Cloudy or blurry vision
- Colors that seem faded
- Poor night vision
- Double or multiple vision
- Loss of peripheral (side) vision

Studies have shown direct correlations between the correct vision prescription and productivity and efficiency. Every year, vision disorders alone account for more than \$8 billion in lost productivity,¹¹ and uncorrected vision can decrease employee performance by as much as 20 percent.¹² Whether people with eye problems suffer general discomfort, functional impairment or extreme pain, their productivity has been proven to decline. In fact, even those who are symptom-free but are living with uncorrected vision can suffer reduced productivity and accuracy.¹³

Even employees with perfect attendance can be less efficient if they are working with uncorrected impairments such as vision disorders. This is also known as “presenteeism” and results in 32 times more productivity losses than absenteeism alone.¹⁴

The loss of productivity due to vision disorders or eye injuries spans across all industries from manufacturing or construction jobs to office-based work such as accounting, engineering, editing or software development.

■ Public Awareness of Vision Problems

Vision health is highly valued by most Americans. According to the NEI, 71 percent of adults report loss of eyesight as a 10 on a scale of 1 to 10 when rating conditions that would affect their day-to-day living.¹⁵ A March 2008 VisionWatch report conducted by The Vision Council and Jobson Optical Research finds 100 million American adults report having had their eyes examined in the past year, leaving approximately 125-130 million people who did not have their eyes examined.¹⁶

The NEI survey also found that despite high levels of awareness of certain eye diseases, many are unfamiliar with the specifics of serious eye conditions, and are unaware that they may develop with no warning signs. While 90 percent of adults have heard of glaucoma, only eight percent know there are no early warning symptoms. Further, while over half (51 percent) of adults report that they have heard of diabetic eye disease, only 11 percent know that eye diseases caused by diabetes usually have no early warning signs.¹⁷

Chart 1 - Discrepancies among knowledge of disease and warning signs

Glaucoma	
Adults who have heard of glaucoma	90%
Adults who know there are no warning signs	8%

Diabetic Eye Disease	
Adults who have heard of diabetic eye disease	51%
Adults who know there are no warning signs	11%

Source: *The National Eye Institute Survey of Knowledge, Attitudes, and Practices Related to Eye Health and Disease, 2007.*

■ Consumer Views On Vision Coverage

Despite the value they place on healthy vision, many Americans have real concerns about paying for that care. Nearly 40 percent of Americans fear they cannot afford adequate treatment, and the same percentage admits to postponing or avoiding care because of the cost.¹⁸

Of the 43 percent of American adults not covered by a managed vision care plan, 63 percent said they would either “probably” or “definitely” sign up for vision care coverage if presented with the opportunity – even if they had to pay a small fee each month – and about two-thirds said they would be more willing to get an eye exam if they had some type of vision care coverage.¹⁹

■ Employer Views On Vision Coverage

With health care costs escalating each year, employers are increasingly forced to pass along some of the financial burden of insurance coverage to employees. Over the past decade, the average employee contribution to the health insurance premium for family coverage has increased 117 percent, from \$1,543 in 1999 to \$3,354 in 2008.²⁰

Chart 2 - Average Health Insurance Premiums and Worker Contributions for Family Coverage, 1999-2008

	1999	2008	PERCENT CHANGE
Employer Contribution	\$4,247	\$9,325	119%
Employee Contribution	\$1,543	\$3,354	117%

Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2008.

Vision benefits are offered by employers of all sizes – from large employers such as auto manufacturers to small business such as family-owned restaurants and dry cleaners – as they look for ways to ease the pain of increased cost-sharing for employees. Vision coverage is a relatively inexpensive benefit to offer employees, typically costing one-tenth that of medical benefits,²¹ and is highly valued by employees.²² In fact, according to industry analysts, benefits such as dental and vision plans are popular with employers and are often utilized more than medical plans.²³

POPULARITY OF VISION BENEFITS AMONG EMPLOYERS

By Kitty Nix, Vice President for Human Capital Management, Ventera Corporation

Human resource professionals are increasingly helping employers of all sizes add vision coverage to their benefits package. Health benefits are virtually in constant fluctuation due to the skyrocketing costs of health care. Employers of every size are finding it more challenging each year to provide the same level of benefits they have provided in the past. Vision coverage is an economical way to add a popular benefit to the package offered to employees while possibly softening the blow of rising cost-sharing responsibilities of the employee.

Employers recognize that a healthy workforce is a more productive, as well as happier workforce. They often find that between uncorrected vision problems, which are estimated to cost businesses more than \$8 billion in lost productivity each year, and on-the-job eye injuries (estimated at \$300 million annually), offering vision coverage to employees often pays for itself in terms of fewer absences and higher levels of productivity. Studies have shown that employers gain as much as \$7 for every \$1 spent on vision coverage.

Further, vision benefits are so popular among employees, that such coverage helps employers stay competitive in the job market and remain “employers of choice.” And with the myriad of options available in terms of the structure of the benefit, vision care is an easy and cost-effective way to include added benefits to the packages offered to employees.

Trends In Coverage

According to the Kaiser Family Foundation’s 2008 Employer Health Benefits Survey, vision benefits are on the rise among large employers (200 or more employees). However, the total number of employers who offer vision coverage remains stagnant. In 2007, 21 percent of employers offered vision coverage compared to 17 percent in 2008. The number of employers offering health care and dental benefits also remained the same during this period.²⁴

Chart 3 - Percentage of firms offering health benefits that also offer or contribute to a separate dental or vision benefit plan, 2008

	DENTAL BENEFITS	VISION BENEFITS
FIRM SIZE		
200-999 Workers	79	44
1,000-4,999 Workers	87	58
5,000- or More Workers	88	60
All Small Firms (3-199 Workers)	43	15
All Large Firms (200 or More Workers)	82	49
REGION		
Northeast	34	10
Midwest	40	19
South	48	19
West	54	20
ALL FIRMS	44%	17%

Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2008.

The amount of cost-sharing passed along to the employee is nearly as important as whether the coverage is offered or not. According to the NEI, 67 percent of adults report that all or part of the cost of a regular eye exam provided by an eye care professional was covered by health insurance.²⁵ A 2007 study of employee benefit trends conducted by MetLife showed that 29 percent of employers pay the

full cost of employee health benefits, 22 percent pay the full cost of dental insurance, and 18 percent pay the full cost of vision coverage.²⁶

VISION COVERAGE OPTIONS

Direct Reimbursement Plans:

This type of plan allows employers to predetermine how much they are willing to spend on a vision benefit. Employees are reimbursed for a set amount or percentage up to a maximum amount. Typically the money can be spent on eye exams, eyeglasses or contact lenses. Many companies elect to combine this type of coverage for vision care with dental coverage offered to employees.²⁷

Managed Care Vision Plans:

A basic managed care vision benefit provides some coverage for an annual eye exam, lenses and frames or contacts. Comprehensive plans include coverage for glaucoma screening, safety eyewear, scratch resistant lenses or, in a few cases, laser eye surgery. Under this type of plan, employees must visit an optometrist or ophthalmologist in the managed care plan network.²⁸

Discount Vision Plans:

Under a discount vision plan, employees receive access to a network of eye care professionals who have agreed to offer services at lower than retail prices, along with specific services such as eye exams and prescription lenses. Rather than paying a co-payment and having the plan pay the balance, under a discount vision plan, the employee pays the entire cost of the services but at a lower price that the network provider has agreed to charge.²⁹

General Health Care Coverage:

Some employers elect to include their vision benefit under their basic health care coverage. Typically, under this type of plan, the company’s HMO or PPO will pay for an eye exam. Coverage for eyeglasses or contacts lenses may be optional.³⁰

■ Conclusion

Rising health care costs are an unrelenting concern for employers and employees alike. Increasingly, employers are finding it difficult to cover the expense of offering health benefits and are cutting back on the benefits they offer, or are passing along more and more of the cost-sharing responsibility to their workers. As a result, many Americans find themselves making employment decisions based at least in part on health care coverage.

Because of the direct relationship between health and productivity, the attractiveness of vision coverage to employees, and the relative low expense of offering a vision plan, we expect to see more employers offering such coverage in the future.

It is important for employers and employees to know that many serious eye diseases have no early warning symptoms and that an eye exam can detect not only vision-threatening conditions such as glaucoma and age-related macular degeneration, but other serious health problems such as diabetes and hypertension. Understanding the types of vision plans available and taking advantage of that coverage is an important step to remaining healthy and productive.

■ Definitions of Vision Disorders

Age-Related Macular Degeneration – Age-related macular degeneration (AMD or ARMD) is a condition that progressively damages the central portion of the retina (the macula) leading to loss of sharp, clear central vision.

Blindness – Legal blindness is defined as visual acuity that is worse than 20/200 with the best possible correction in the best seeing eye.

Cataract – A cataract is a clouding of the eye's naturally clear lens. Early on cataracts often result in rapidly changing refraction requiring frequent changes in eyeglass prescription. Eventually cataracts may cause decreased vision, changes in color perception, decreased night vision and problems with glare.

Diabetic Retinopathy – A secondary complication of diabetes, diabetic retinopathy occurs when small blood vessels in the retina are damaged. These blood vessels may then swell, leak fluid, become blocked or grow abnormal new vessels and scar tissue. If left untreated this may eventually lead to loss of vision or blindness.

Glaucoma – Glaucoma occurs when the fluid pressure inside the eye is too high for the eye, resulting in damage to the eye's optic nerve. This may lead to loss of peripheral (side) vision and, if not treated, to further loss of vision and blindness.

Refractive Errors – Refractive errors are the most common eye disorders. Refractive errors occur when the shape of the eye doesn't bend light properly, so images become blurred. The four most common refractive errors are myopia (nearsightedness), hyperopia (farsightedness), astigmatism and presbyopia.

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