

VISION: AN EFFECTIVE TOOL FOR WELLNESS





Introduction

Employers see the value of implementing wellness plans, but face different challenges when it comes to implementing plans for their employees. Some already have a well-developed program in place, but continue to search for new methods to improve employee wellness. Others haven't even begun implementing a wellness plan and are searching for how to get started and where the biggest payoff might be.

Recent research (See Methodology) — commissioned by VSP® Vision Care and conducted by the research unit of SourceMedia, publisher of *Employee Benefit News* — sheds light on the current state of employer-sponsored wellness plans. The research revealed stark differences among employers in their approaches to wellness. In particular, findings show that vision is often an underutilized and undervalued component of wellness. That is, there is a “gap” in employer adoption of vision as a key wellness tactic. Moreover, even employers with well-established wellness programs that include vision may not be getting the most out of their plan. Overall, findings reveal that employers don't understand the value of a vision offering in the context of a wellness plan, and may be using too narrow a cost-benefit analysis — or no economic analysis at all — when trying to evaluate these offerings.

“Providing a wide range of affordable insurance products in an employee's benefits package is critical to attracting the best workers available.” — Survey Respondent/Employer

Key findings in this white paper detail:

- The current state of wellness programs among employers
- The ROI of implementing a vision plan as a part of a wellness strategy
- The barriers to adopting a vision plan in the context of a wellness strategy
- How employers can improve their vision plan regardless of what stage they are at in implementing their wellness program

The Economic Rationale for a Vision Plan

A vision plan is the lowest-hanging fruit in terms of improving employee wellness on several fronts, including: ROI, health outcomes and ease of implementation. As a low-cost, high-value benefit, vision can play a critical role in employers' wellness programs — regardless of their stage of adoption of wellness.

Vision programs don't just help employees see more clearly; a strong vision program can help detect chronic conditions such as diabetes, high cholesterol and hypertension, and can play a vital role in disease management programs. Addressing these medical issues early and consistently can reduce the overall medical costs to an employer, improve employee productivity and reduce employee absenteeism.

The economic impacts of vision care on employee health and employer healthcare costs were quantified in a study¹ by Human Capital Management Services Group (HCMS Group). The HCMS study found a 145% ROI on the initial dollar investment in exam services (for VSP WellVision Exams®). ROI came in the form of early detection of chronic conditions, where the eye exams were the first indicator of diabetes (34% of cases), hypertension (39% of cases) and high cholesterol (62% of cases). Early detection led to reduced costs through lower overall plan expenses; fewer hospital admissions and ER visits; and less employee out-of-office time. To put a dollar value on these savings, the employers highlighted in the study saved a total of \$13.1 million over four years.

Beyond ROI, implementing a vision program offers other advantages, which could be termed a “halo effect.” As a low-cost benefit for employers, a vision plan can be offered at relatively low to no-cost to employees. In an age where employees have seen their medical costs rise from year to year as they become increasingly responsible for shouldering a greater percentage of their medical premiums, low-cost benefits are harder to come by — particularly a benefit like vision care that has applications beyond just vision correction. Such benefits may ultimately lead to more employee “stickiness,” thus reducing turnover, which is a known cost to employers. Indeed, research into employee benefit trends has shown that, “employees who are satisfied with their benefits are twice as loyal to their employers.”²

¹ Study commissioned by VSP and conducted by HCMS from November to December 2012. Study sample consisted of randomly selected, geographically representative shops with nearly 850 private-practice independent doctor locations and nearly 450 retail chain locations.

² As quoted in VSP research based on MetLife 11th Annual Study of Employee Benefits Trends, 2013



THE STATE OF THE INDUSTRY: Adoption of Vision and Wellness Programs among Employers

Despite the compelling ROI of offering a vision plan, there are stark differences among employers when it comes to adoption of these benefits. Put another way, there is a “wellness curve” among employers, with some employers quite advanced in their wellness offerings including vision, whereas other employers are not even sure how to begin a formal wellness program. There is a “gap” among employers in their offerings, with identifiable barriers to adoption inhibiting greater utilization of vision screenings.

Overall, research showed that a majority of employers are offering wellness programs, with dental and vision common voluntary benefits included in these programs.

The study uncovered reasons why adoption of wellness programs is not more widespread. Respondents cited, among other reasons: low priority, lack of resources, lack of time, convincing management and ROI as key reasons hindering greater uptake.

“Lacking a vision plan is not competitive.” — Survey Respondent/Employer

To make the overall findings more actionable, SourceMedia research differentiated employers into segments based on attitudes, behaviors and perceptions relating to wellness and wellness programs. Employers who are truly committed to wellness and vision as a wellness tactic tend to share certain defining characteristics. The employers at the top of the wellness curve — the 18% who offer a formal wellness program including vision as part of their wellness program — tend to be very large companies in key sectors such as healthcare, education and manufacturing. More than two out of three of these employers note that vision is an important component of wellness. This group is also most likely to be an advocate for eye health as a part of wellness. These employers cited vision as a “low-cost option” as the top benefit of including vision in wellness, with the second highest benefit being employee health/wellness.

These employers may be at the top of their game when it comes to vision but are still searching for improvements. In particular, this group seeks to “transform their culture” when it comes to wellness and are seeking easy-to-use wellness and education tools for employees.

The remaining three employer segments are disproportionately concerned with the cost and ROI of wellness programs as opposed to wellness outcomes. This is a surprising concern, given the high ROI associated with vision programs. Employers in these categories may not be calculating ROI correctly or may not be doing any cost-benefit analysis at all when it comes to vision. Instead, they may be narrowly focused on the cost outlays associated with wellness and vision-screening programs, and not considering the benefits.

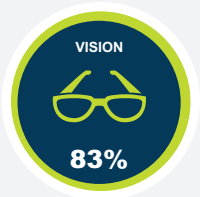
As a low-cost benefit for employers to offer, a vision offering is an ideal entry point for starting or expanding a wellness program—particularly for employers that are hesitant to expand their offerings based on financial and ROI concerns.

KEY FINDINGS: EMPLOYERS AND WELLNESS

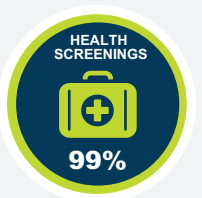
Currently implementing a formal wellness program



Top voluntary products offered by employers



Top wellness activities for employers





EMPLOYER SEGMENTED BY THEIR VISION AND WELLNESS STRATEGIES



VISION & WELLNESS
combined plan



VISION & WELLNESS
offered separately



VISION ONLY
considering a wellness plan



VISION ONLY
not considering
a wellness plan

Conclusion: A Call to Action

The majority of employers in the study are implementing a wellness plan. However, wellness can be defined many ways. To be effective, a wellness program needs to actually improve employee productivity and outcomes, and also engage employees.

The right comprehensive vision exams are a particularly effective component of wellness programs. Employers who don't have a vision program are missing a key method of employee engagement, and a proven method for improved productivity and health outcomes with highly positive ROI due to high participation.

For employers who don't currently offer a vision plan, or don't understand its value as part of a wellness plan, offering one is an easy win. A vision program can pay for itself and contribute to the overall wellness culture at a company.

For those employers who already have a fully developed wellness and vision program, such a program can be enhanced further, with improved tools and resources and more effective communication strategies.

In both cases, helping employees engage with the vision benefit can lead to higher enrollment. This creates a virtuous circle of high enrollment, high employee engagement, high early chronic disease detection and positive ROI.

The short and long-term ROI associated with vision plans, and the gaps in implementation of these plans, gives rise to a call to action. One recurring finding in the research is the role of "management buy-in" in terms of uptake of both vision and broader wellness programs. Executive buy-in is a critical driver of plan adoption and implementation.

A clear-sighted executive will understand the true value of a vision plan, particularly in terms of its long-term benefits versus its costs: Vision is one of the most compelling yet underutilized tactics for employee wellness.

To reach these positive outcomes, however, it is not enough to have just any vision plan. Employers need a comprehensive vision plan focused on employee wellness — one that also offers the tools necessary to garner that engagement.

Consider VSP

VSP has unique characteristics that distinguish it from other vision plans. VSP is the only national not-for-profit vision care company; wellness is not just an ancillary activity as a means to sell glasses. Instead, the wellness needs of members has always been at the core of the company's mission. Additionally, the company has strong brand awareness among consumers, which translates to higher enrollment, engagement and use of the plan. VSP's unique characteristics — and capabilities — tightly align with the needs of employers, whether they are trying to implement a basic wellness program or change the overall wellness culture at the company.




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Research Report

This is particularly true when it comes to costly chronic conditions such as diabetes, hypertension and high cholesterol. VSP WellVision Exams screen for these diseases. Beyond screening, VSP was an early adopter to implementing an eye health management program. Members who have been identified as diabetic and have not received a Well-Vision Exam in the past 14 months will receive an email reminder. At no charge, the Exam Reminder Report tracks follow-up eye exam visits after VSP sends reminders to employees, providing additional opportunities to direct employees to a disease management pathway.

These integrated activities drive down unnecessary utilization of health services and reduce health costs, because employees are getting the preventive care they need.

Learn more about how VSP can help your company reach its goals at www.vspdetectsfirst.com. 

Survey Methodologies

In February 2015, SourceMedia Research conducted an online research study. Sample (364 respondents) was drawn from *Employee Benefit News* subscribers. Respondents include HR/benefits/finance professionals from employers with 50+ employees who make benefits/wellness-related decisions at their organizations. SourceMedia developed a segmentation of the respondents from each survey using a latent class analysis.

About VSP

VSP® Vision Care puts members first and guarantees their satisfaction. As the only national not-for-profit vision company, we give organizations the best value, choices, and care. What's the real benefit of working with VSP? Spending less and getting more, customization with less complication, and fewer sick days with more rewarding moments. www.vsp.com

About SourceMedia

SourceMedia Research (a unit of SourceMedia, publisher of *Employee Benefit News*) provides complete custom B2B research solutions for strategists, marketers, agencies and others seeking in-depth insight into select segments of the financial services industry. SourceMedia Research combines a strong technical competency in market research with deep market knowledge and focus. www.sourcemedia.com