

VISION: A KEY SOLUTION FOR YOUR CLIENTS' WELLNESS NEEDS





Introduction

Research shows that wellness plans are extremely important to your clients. Employers have very solid reasons for embarking on a wellness program, including increased productivity and lower health costs for their employees. They are struggling to achieve their goals, however. Many employers aren't sure how to begin a program; even the most advanced employers in terms of wellness are seeking ways to improve their wellness activities.

Being able to provide a solution to employers built around wellness is a key differentiator for brokers and advisers. Not only will you improve the productivity of their employees, you will improve your relationships with clients. Given the importance of the topic to employers, this is an opportunity to deliver on employer needs and differentiate yourself in the marketplace.

“[A stand-alone vision plan is a] cross sell opportunity — clients feel like they are offering something to their employees but at a low cost compared to medical benefits.” — Survey Respondent/Broker

At the same time, there is jarring mismatch between employer needs and broker offerings in terms of wellness benefits. A research study on benefit brokers (See Methodology) commissioned by VSP and conducted by the research unit of SourceMedia — publisher of *Employee Benefit Adviser* — found that many brokers weren't optimizing benefits portfolios to achieve wellness goals. Many brokers experienced challenges and felt offering wellness was not in their area of expertise, or that clients may not be able to facilitate and administer wellness activities. There is a gap — and hence also an opportunity — when it comes to recommending wellness tactics.

So how should brokers go about filling this gap? The key findings in this white paper detail:

- New research about where employers are located along the “wellness curve” of implementing a wellness plan
- The connection between vision and wellness

- Economic facts that brokers can share with employers who aren't convinced about the benefits of a wellness program
- New research about where brokers themselves are in terms of their wellness offerings
- How brokers can pull this market information together to better serve clients

This white paper focuses on the lowest hanging fruit of wellness benefits: vision. Vision is a low-cost yet high-return wellness benefit that is easy to implement.

Understanding Your Clients: Employers' Attitudes Toward Wellness and Vision

Employers are in very different stages of adoption on the “wellness curve,” according to recent research (See Methodology), which shed light on employers' commitment to wellness and vision. Some have well-established programs, whereas others are considering such a program but don't know how to begin. Understanding and identifying these differences among employers — including how they value vision as a benefit — is important for brokers selling to them and serving these unmet needs.

EMPLOYERS 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 wellness



VISION: A KEY SOLUTION FOR YOUR CLIENTS' WELLNESS NEEDS

Research Report

Employers who are very committed to wellness and vision — the 18% who offer a formal wellness program with vision included in that program — tend to be very large companies in key sectors such as healthcare, education and manufacturing. They understand that vision is an important component of wellness that has a very positive ROI. These employers are continuously looking for improvements they can make to their wellness programs and, as a result, could benefit from partnership with a knowledgeable broker. Broker-provided solutions could include educational tools, strategies to transform the employer's culture, wellness engagement programs and wellness program budgeting and costs. Increasing employee engagement with a vision benefit is a particularly strong tactic, because it increases long-term preventive cost reductions.

Employers in other categories are disproportionately concerned with the cost and ROI of wellness programs as opposed to wellness outcomes. In fact, they may not be doing any cost/benefit analysis at all and may not be calculating ROI correctly when it comes to wellness. Therefore, it is important for benefit brokers who want to sell vision and wellness to these employers to explain the role of vision in a wellness program. These employers need to be educated about the true economics of implementing a vision plan and the high ROI associated with this benefit. It is important to note that wellness activities are a long-term investment in medical cost deferral and in the lives of employees.

What Your Clients Need to Understand: How Vision Can Jump-Start a Wellness Plan

How should brokers convince employers that vision is an important part of a wellness program? The economic facts speak for themselves: Vision is a low-cost yet high-reward benefit with a positive ROI, making it an easy way to jump-start a wellness program.

A vision program is a critical aspect of wellness because it improves employee productivity and lowers medical costs. Vision programs don't just help employees see more clearly; they are useful in detecting the early signs of chronic conditions such as diabetes, high cholesterol and hypertension, and can play a vital role in disease management programs.

These hypotheses about the economic impacts of vision care on employee health and employer healthcare costs were quantified in a study by Human Capital Management Services Group (HCMS). The HCMS study found a 145% ROI on the initial dollar investment in exam services (for VSP WellVision Exams®).¹ Brokers can share these quantitative findings with clients who need to see the value of vision.

“[Vision programs] can be good identifiers of diabetes or pre-diabetes.” — Survey Respondent/Broker

The reasons for this high ROI are multi-factor. Early deduction led to reduced costs, in terms of fewer hospital admissions and ER visits; lower plan costs; and fewer lost-time costs at work. And eye exams are a relatively inexpensive medical screening tool and benefit. To put a number on these savings, six employers in the study with 60,000 employees saved a total of \$13.1 million over four years.

Beyond ROI, implementing a vision program offers other economic advantages. Offering vision improves employee engagement and is a benefit that employees value highly. And research into employee benefit trends has shown that employees who are satisfied with their benefits are twice as loyal to their employers.²

Market Segmentation Among Benefit Brokers: Which Benefits Are They Selling?

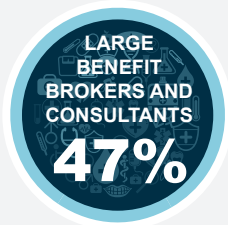
Despite the opportunities to sell wellness programs including vision to employers regardless of where they are on the wellness curve, some benefit brokers are lagging in offering wellness benefits or don't offer these benefits at all, according to research. Many offer vision as a benefit but haven't connected the dots to understand that vision can also be the foundation of a wellness plan. The segmentation of these brokers is largely determined by the size of their firms. The main takeaway is that the offerings from many broker segments are not tightly aligned with the needs of employers when it comes to vision and wellness.

¹ Study was commissioned by VSP and conducted by HCMS between November and 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 MetLife 11th Annual Study of Employee Benefits Trends, 2013



SEGMENTATION AMONG BENEFIT BROKERS



- Firm size: 100 to 500+ employees/ consultancy employees
- Sell to very large employers
- Currently selling/servicing wellness programs including vision



- Firm size: 1 to 9 employees
- Consult with very large employers
- Currently consulting on wellness programs that don't offer vision as a component



- Firm size: 1 to 9 employees
- Sell to small employers
- Offer vision as a voluntary benefit but not as part of a wellness plan
- Not selling/servicing/consulting wellness plans

Large benefit brokers in this study tend to sell wellness programs. Their clients' top priorities are healthcare cost savings, ROI and employee engagement and participation. And they have found a solution for these client needs: a vision plan. Vision insurance was described as the number one voluntary benefit sold by the large benefit brokers.

Brokers in the other segments in the study are less committed to vision, and don't emphasize it as a wellness solution. The smaller brokers, who tend to serve smaller clients, offer vision as a benefit but don't provide formal wellness-related services or make the connection to vision. Benefit consultants do offer wellness programs but for this market segment vision is not regarded a high-value component of wellness.

These findings show that many brokers are missing an opportunity when it comes to providing wellness and vision benefits. Benefit consultants and smaller brokers need to understand that vision benefits can be a key component of a wellness program, given its role in detecting early signs of chronic disease. These brokers would profit from repositioning vision as a wellness benefit, moving into the joint vision and wellness space to better serve client needs.

Putting It all Together: How Brokers Can Seize the Opportunity

Wellness offerings are a key strategy to develop relationships with clients. Indeed, wellness "improves client relationships" was cited by 66% of brokers as the main reason for offering this benefit.

It can nonetheless be challenging for smaller brokers, or consultants, to provide wellness solutions to all employers. The barriers to selling wellness, cited by brokers are, "not our expertise" (22%); "not a priority" (15%); "can't measure ROI" (12%); and "don't know enough about it"(11%).

Vision plans, however, are an easy benefit to offer regardless of your size, and your client's size. They are easy to administer, tangible to your client and low cost. Vision also brings high rewards, with positive ROI. Therefore, all brokers, regardless of their size, should consider offering vision as part of a wellness program.

The universality and appeal of vision also plays out on the client side. Regardless of where your clients are along the "wellness curve," vision provides a definite "value add." For employers who already have a well-established vision and wellness program, the right vision plan can offer the tools necessary to further engage employees and improve outcomes.

Other segments of clients may need more convincing. For employers who offer a wellness program that doesn't include vision, selling them a vision plan is an easy win, which can produce tangible improvements in the overall wellness of employees at a low cost. For employers who are thinking about implementing a wellness program but don't know how to begin, adding a vision plan or emphasizing its impact on health outcomes is a way to jump-start an offering. In all cases, brokers must explain the connection between wellness and vision, but the economic and health outcome facts speak for themselves.



VISION: A KEY SOLUTION FOR YOUR CLIENTS' WELLNESS NEEDS

Research Report

Working with the right partner is important, too. VSP has unique characteristics that distinguish it from other vision providers. VSP is the only national not-for-profit vision care company; the wellness needs of members have always been at the core of the company's mission. In addition, the company has strong brand awareness among consumers, which translates to higher enrollment, engagement and plan usage. VSP's unique characteristics and capabilities tightly align with the needs of employers. The company is the nation's largest vision insurer, providing vision care and improved wellness to one in five Americans.

A clear-sighted benefit broker will understand the true value offering vision plans to clients, particularly in terms of benefits versus costs: Vision is one of the most compelling yet underutilized tactics for employee wellness. Selling the right one is a way to improve employees' health and your relationship with their employer along with it. Offering the right vision program is the easiest way for a benefit broker to truly differentiate themselves. ●

Survey Methodologies

In February 2015, SourceMedia Research conducted two online studies — one among benefit brokers and one among employers. Sample for the broker survey (224 respondents) was drawn from *Employee Benefit Adviser* subscribers. Respondents include benefit brokers, agents and consultants. Sample for the employer survey (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 Adviser* and *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