Employer-sponsored vision care brought into focus

Employee participation in vision care plans doubled from 1980 to 1986 in medium and large firms; coverage rose 150 percent for white-collar workers and 60 percent for blue-collar workers

RITA S. JAIN

In recent years, vision care has emerged as a prominent part of the health care package. Vision care benefits provide a variety of services to plan participants that are not usually covered by regular health insurance plans, such as eye examinations, eyeglasses, contact lenses, and orthoptics (eye muscle exercises). In an era when concern over rising premiums has prompted employers to add various "cost containment" features to their health care plans, the growth of vision care represents a significant benefit improvement.

This article is based on data from the Bureau of Labor Statistics 1980–86 surveys of benefits for full-time employees in medium and large firms. The 1986 survey data were from a sample of 1,500 establishments, which represented approximately 46,000 business establishments employing 24 million workers.[1] Data were tabulated for three broad occupational groups: professional and administrative workers, technical and clerical workers, and production workers. The first two groups are considered white-collar workers, in contrast to blue-collar or production workers.

Vision care plan participation, 1980–86

The mid-1980's were years of rapid growth in vision care plan coverage. According to the 1986 Employee Benefits Survey, vision care, wholly or partially financed by employers, was available to 40 percent of full-time employees in medium and large firms—nearly double the 21 percent recorded for 1980. Coverage rose 150 percent for white-collar workers and 60 percent for blue-collar workers during this period.

Participation in vision care plans was relatively unchanged from 1980 to 1982. Beginning in 1983, participation grew steadily, and by 1986, nearly twice as many workers had coverage as in 1980. Although blue-collar workers were more likely to have vision care benefits in 1980, the faster growth rate for white-collar workers put them on a par with their blue-collar counterparts by 1986. The following tabulation shows the percent of full-time health insurance participants with vision benefits in medium and large firms between 1980 and 1986:

Year	*All participants*	*Professional and administrative*	*Technical and clerical*	*Production*
1980	21	16	17	25
1981	22	17	18	26
1982	22	18	19	25
1983	28	25	24	32
1984	30	26	26	33
1985	35	32	33	37
1986	40	39	41	40

Rita S. Jain is an economist in the Division of Occupational Pay and Employee Benefit Levels, Bureau of Labor Statistics.

Table 1. Participants in vision care plans by extent of coverage for selected benefits, medium and large firms, 1986
[In percent]

Type of vision benefit	Total	Covered	Covered in full up to usual, customary, and reasonable charge	Subject to separate vision care limits				Subject to overall limit of health care plan	Not covered	Coverage not determinable
				Total	Scheduled allowance	Portion of usual, customary, and reasonable charge	Copayment			
All participants:										
Examination	100	93	32	56	42	4	13	4	7	—
Eyeglasses	100	77	10	64	47	3	15	3	23	—
Contact lenses	100	70	3	65	60	3	15	2	29	(1)
Orthoptics	100	4	(1)	1	—	—	1	3	96	(1)
Professional and administrative participants:										
Examination	100	93	32	56	39	4	14	6	7	—
Eyeglasses	100	70	9	57	42	3	13	3	30	—
Contact lenses	100	67	4	61	54	3	13	2	33	(1)
Orthoptics	100	4	(1)	1	—	—	1	3	96	(1)
Technical and clerical participants:										
Examination	100	92	28	59	42	3	15	5	8	—
Eyeglasses	100	70	7	59	44	3	13	5	30	—
Contact lenses	100	66	4	61	56	3	13	1	34	(1)
Orthoptics	100	4	(1)	2	—	—	2	2	96	(1)
Production participants:										
Examination	100	92	34	55	44	4	10	3	8	—
Eyeglasses	100	85	12	70	51	3	18	2	15	—
Contact lenses	100	75	2	69	66	3	18	3	25	(1)
Orthoptics	100	3	(1)	—	—	—	—	3	97	(1)

[1]Less than 0.5 percent.

NOTE: Because of rounding, sums of individual items may not equal totals. Dashes indicate no employees in these categories.

Extent of coverage

Approximately four-fifths of the participants received vision care benefits from their regular health insurance plan, and the remainder had benefits provided under separate vision care plans. Even for the former group, vision benefits typically were covered under special provisions that were rarely coordinated with other health care benefits.

Vision care plans cover such services as eye examinations, eyeglasses (including frames), contact lenses, and orthoptics (exercises to improve the functioning of the eye muscles). Eye examinations provide the information needed for lens prescriptions and for the diagnosis of disease or injury. Treatment of eye disease or injury, however, is covered by regular health care plans rather than as a vision care benefit. (Some regular health plans cover contact lenses after cataract surgery or examinations and eyeglasses required because of accidental injury or surgery.)

Provisions for eye examinations covered 93 percent of vision care participants in 1986. Seventy-seven percent of the participants had provisions for eyeglasses, and 70 percent for contact lenses. Only 4 percent, however, had coverage for orthoptics. Coverage differed among occupations, as table 1 shows. Blue-collar workers were more likely to be in plans that paid for eyeglasses and contact lenses than were white-collar workers—a pattern that has remained essentially unchanged since 1980.

Although participation in vision care plans has grown considerably since 1980, the proportion of participants in plans paying for eyeglasses and contact lenses has declined. This is due less to changes in vision care plans themselves than to the increasing prominence of Health Maintenance Organizations (HMO's).[2] (Participation in HMO's rose from 2 percent of employees in 1980, to 3 percent in 1983, and to 13 percent in 1986.) In 1986, for example, three-fourths of the HMO participants were in plans that also provided vision benefits, compared with 28 percent of participants in other types of health insurance plans. Generally, HMO vision benefits included only eye examinations, while traditional insurers usually covered eyeglasses and contact lenses, as well as examinations. Thus, while the growth in HMO enrollment has contributed to the rise in vision care participation, it has caused the proportion of participants with coverage for eyeglasses and contact lenses to decline. The following tabulation shows the changing mix of services provided by vision plans in 1980, 1983, and 1986:

Services covered	Percent of participants		
	1980	1983	1986
Total	100	100	100
Eye examinations only	11	10	19
Examinations and eyeglasses	13	7	7
Examinations, eyeglasses, and contact lenses	68	78	64
Orthoptics only	5	3	3
Other combinations of services	3	2	7

Methods of reimbursement

Vision care plans pay for covered services in one of four ways: (1) full or partial payment up to the usual, customary, and reasonable charge for the service (UCR);[3] (2) payment according to a schedule (list) of cash allowances, which specifies the maximum amount payable for each type of service; (3) the copayment method, in which the participant pays the initial cost of each service and the plan pays the remaining portion; and (4) payment subject to overall health insurance plan deductible or coinsurance requirements.[4]

Table 2. Participants in vision care plans with scheduled allowances by provisions for examinations and eyeglasses, medium and large firms, 1986

Allowance	Percent of participants
Eye examinations:	
Total participants	100
Allowance per examination	89
$15 or less	3
$16–$20	8
$21–$25	48
$26–$30	8
$31–$35	4
$36–$40	12
$41–$45	3
$46–$50	2
Amount not determinable	(1)
Allowance not on a per examination basis, or also applicable to other vision care expenses	11
Eyeglasses, per pair of single vision lenses:	
Total participants	100
Allowance per pair	91
Less than $20	1
$20	(1)
$21–$29	4
$30	1
$31–$39	7
$40	21
$41–$49	9
$50	6
$51–$59	20
$60	7
$61–$69	2
$70 or more	10
Amount not determinable	4
Allowance not on a per pair of eyeglasses basis, or also applicable to other vision care expenses	9

[1]Less than 0.5 percent.

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 3. Participants in vision care plans with scheduled allowances by provision for contact lenses, medium and large firms, 1986

Provision for contact lenses	Percent of participants having allowances payable under—		
	Any condition	Ordinary conditions	Special conditions
Total participants	100	100	100
Participants covered	100	81	100
Allowance per examination	93	81	39
Less than $25	1	3	—
$24–$49	15	43	—
$50–$74	23	19	(1)
$75–$99	46	12	1
$100–$149	6	2	1
$150–$199	(1)	1	14
$200–$249	—	1	12
$250 or more	(1)	—	10
Allowance not determinable	(1)	—	—
Other type of allowance[2]	7	—	40
No specified maximum	—	—	21
Participants not covered[3]	—	19	—

[1]Less than 0.5 percent.

[2]Benefits were subject to a dollar limitation which applied to all vision care expenses during a year or other specified period.

[3]Coverage was limited to special conditions.

NOTE: Dashes indicate no employees in this category. Because of rounding, sums of individual items may not equal totals.

The methods used vary somewhat by type of service, as illustrated in table 1. About one-third of the participants were in plans that paid in full up to the UCR charge for eye examinations, while 10 percent were in plans that paid in full for eyeglasses. Contact lenses were rarely covered at the full UCR rate. Three to four percent of participants were in plans that paid a portion of the UCR rate, typically 50 or 80 percent.

The most common method of reimbursement was through a schedule of maximum cash allowances. This method applied to about four-tenths of the participants for examinations and eyeglasses, and to 60 percent for contact lenses.

Table 2 shows the range of payments that plan schedules allowed for vision care services. Allowances for eye examinations were commonly set at $21 to $25 and rarely exceeded $40. Maximum payments for a pair of eyeglasses (frames and single vision lenses) ranged widely, but most commonly were $40 to $60.

In plans covering about four-tenths of the participants, reimbursements for contact lenses depended on whether the lenses were required as a result of surgery. Maximum allowances were usually either not specified or set at $150 or more if lenses were needed after cataract surgery or other special conditions (table 3). Otherwise, allowances were lower, generally ranging from $25 to $100. In the remaining plans, maximum allowances were the same regardless of surgery, and were usually set at $50 to $100.

About one-sixth of the participants were under the copayment method of reimbursement. Essentially the

opposite of the scheduled cash allowances method, copayment arrangements pay the balance of covered charges after the employee has paid an initial amount of expense. Copayments ranged considerably, depending on the type of service provided, as illustrated in table 4.

Participants were most often required to make a copayment of $3 or $5 for each eye examination. Copayments for eyeglasses and contact lenses were commonly set at $5 per visit or $10 per prescription. About one-fourth of the participants in copayment plans were required to satisfy one copayment, usually an annual payment of $10, rather than a separate copayment for each use of vision care services.

A few participants were subject to the reimbursement methods of the regular health care plan. In these cases, two types of reimbursement provisions usually applied. First, vision care expenses were included along with other types of medical expenses in meeting an overall deductible (a specified amount of medical expense that an insured person must pay before benefits will be paid by the plan). Second, the participant paid a specified percentage (usually 20 percent) of the charges for covered services that exceeded the deductible, and the plan paid the rest.

Special plan limits

Most vision care plans imposed limitations on how frequently covered services would be reimbursed. Participants in a plan were commonly limited to one eye examination per 6- or 12-month period and to one set of lenses per 1- or 2-year period. Other special limits also applied. Most plans did not cover the extra cost of oversized, photosensitive, or multifocal plastic lenses; nor did they cover prescription sunglasses or duplicate glasses. As noted previously, some plans did not cover contact lenses unless required by cataract surgery.

Table 4. Participants in vision care plans with copayment provisions, by type and amount of copayment, medium and large firms, 1986

Copayment provision	Percent of participants		
	Eye examinations	Eyeglasses	Contact lenses
Total	100	100	100
Per visit	70	35	34
$1	4	—	—
$2	5	(1)	(1)
$2.50	1	1	—
$3	11	1	1
$4	2	—	—
$5	35	23	24
$7.50	1	1	1
$10	7	5	5
$15	2	2	1
$20	3	2	2
More than $20	(1)	(1)	(1)
Per prescription	—	41	41
$5	—	1	2
$7.50	—	7	7
$10.00	—	32	32
More than $10	—	1	(1)
Per year	28	23	23
Less than $10	2	1	1
$10	23	19	20
$15	3	2	2
Other period	2	2	2

[1]Less than 0.5 percent.

NOTE: Dashes indicate no employees in this category. Because of rounding, sums of individual items may not equal totals.

Employee contributions to plan premiums

Four-fifths of the participants in vision care plans had the benefits provided through their regular health insurance plan. Although reimbursement methods and benefit limits generally applied separately to the vision care portion of the plan, employee premium payments were usually specified for the health care plan as a whole. In these cases, it was impossible to determine how much, if any, of the employee premium was intended to help finance the cost of vision care. As the following tabulation shows, total employee premium payments differed little when plans with vision care benefits were compared with those without such benefits:

	Regular health plans		
	Without vision care benefits	*With vision care benefits*	*Separate vision care plans*
Individual coverage			
Percent of participants in:			
Contributory plans	41	36	11
Noncontributory plans	59	65	89
Average monthly employee contribution	$12	$14	$ 8
Family coverage			
Percent of participants in:			
Contributory plans	63	48	14
Noncontributory plans	37	52	86
Average monthly employee contribution	$42	$40	$15

Not only were plans with vision care benefits less likely to require employee contributions than plans without such benefits, but monthly premiums on average were about the same regardless of the presence of vision benefits.

In contributory plans, employee are required to contribute toward plan premiums. In noncontributory plans, premiums are fully financed by the employer. Average monthly employee contributions were computed only for plans that specified a fixed monthly premium for the employee.

Approximately one-fifth of the vision care participants had their benefits provided under special vision care plans. Of these employees, about one-tenth contributed toward the cost of their coverage. Monthly premium payments for individual coverage averaged about $8, while contributions for family coverage amounted to about $15. (These data, however, apply to a very small number of employees and are subject to higher than normal sample error.) □

——FOOTNOTES——

[1]The 1986 survey results are reported in *Employee Benefits in Medium and Large Firms, 1986*, Bulletin 2281 (Bureau of Labor Statistics, 1987). The survey is part of a series of annual studies conducted from 1979 to 1986 in private sector establishments employing at least 50, 100, or 250 workers, depending on the industry. Industrial coverage includes: mining; construction; manufacturing; transportation, communications, electric, gas, and sanitary services; wholesale trade; retail trade; finance, insurance, and real estate; and selected services. The 1980–85 results are reported in the following BLS bulletins: 1980 survey (Bulletin 2107); 1981 survey (Bulletin 2140); 1982 survey (Bulletin 2176); 1983 survey (Bulletin 2213); 1984 survey (Bulletin 2237); and the 1985 survey (Bulletin 2262).

[2]Health Maintenance Organizations provide comprehensive health care on a prepayment rather than fee-for-service basis. For additional information on HMOs, see Allan Blostin and William Marclay, "HMOs and other health plans: coverage and employee premiums," *Monthly Labor Review*, June 1983, pp. 28–33.

[3]The usual, customary, and reasonable rate (UCR) is a rate that is: not more than the provider's usual charge; within the customary range of fees in the locality; and is reasonable, considering the circumstances.

[4]The deductible is a specified amount of medical expense that an insured person must pay before benefits will be paid by the plan. Coinsurance is a provision where both the (insured) participant and the insurer share, in a specified ratio, the health care expenses resulting from an illness or injury. The coinsurance percentage is the portion of charges paid by the insurer.

Is the 40-hour week immutable?

Most workers—women as well as men—have a strong work commitment, typically asserting that they would continue to work even if it were financially unnecessary to do so. But this psychological commitment to work is not always reflected in the work histories of women, who move in and out of the labor force and between full-time and part-time jobs as a consequence of their changing family responsibilities. Permitting workers to tailor their working hours to their family circumstances would both reinforce their work commitment and contribute to the development of a more productive and satisfied labor force.

Much of the stress experienced by parents—mothers and fathers—is a consequence of the existing structure of work. But the 5-day, 40-hour workweek need not be considered immutable. Indeed, this "normal" work schedule is itself a fairly recent phenomenon, dating back only to the 1930's. Employment policies offering greater flexibility in working hours through both temporary leaves and a reduction in work hours could substantially alleviate the conflicts and strains working parents now face.

—PHYLLIS MOEN
"New Patterns of Work," *Work & Family: A Changing Dynamic* (Washington, The Bureau of National Affairs, 1986), p. 219.
