

JANUARY 2019

New Grad? 6
Compelling Ideas

5 Qs with Pearle
Vision's Alex Wilkes

One O.D.'s
Smart Move

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Optometry TODAY!

BEST PRACTICES FOR TODAY'S
CORPORATE EYECARE PROFESSIONAL

THE MANAGED CARE CONUNDRUM

A road map to managing
insurance to your benefit

PAGE 10

— + —

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Is Managed Care Really a Conundrum?

Welcome to the third issue of *Corporate Optometry Today!*, where we delve into the world of managed care to determine just how some corporate optometrists are realizing success in the realm.

In *COT!*'s wide-reaching survey of corporate optometrists in 2018, a full 44% of respondents said that "Profitability with Managed Care" is the most compelling topic they'd like to see us cover.

"Managed care has influenced optometrists' career paths. I believe it has resulted in limiting O.D.s to more routine eye care and over a decade of stagnated reimbursements rates."

—Steve Udesky, O.D., a fill-in optometrist for For Eyes in Illinois, tells us in *The Managed Care Conundrum*, page 14

In addition, when asked "What is the biggest business challenge you are facing today?" an abundance of corporate O.D. survey respondents listed managed care. Some of their replies include:

- » "Insurance reimbursement."
- » "By far, it is low reimbursement from vision plans, which make up 80% of my patients."
- » "Cheap vision plans."
- » "Lower insurance reimbursements to O.D.s that are in corporate offices."



- » "Getting on any several of the local medical panels—UnitedHealthcare and Aetna, for example—has been fruitless [for us]."
- » "Third-party plans."

For guidance on this hot topic, we turn to Contributing Editor Maria Sampalis, O.D., who pens our cover feature on managed care this month. Here, in *The Managed Care Conundrum* feature (page 10), Dr. Sampalis looks at how managed care has influenced corporate O.D.s' practice models, plus she checks in with three corporate O.D.s for their best tips on the topic.

And, there's so much more in this content-packed issue of *COT!* On page 14, check out our lively interview with Alex Wilkes, Pearle Vision's senior vice president and general manager, who answers *Corporate Optometry Today!*'s 5 big questions on franchising today.

Our New Grad column, on page 8, looks into six reasons why corporate optometry is a great choice for the neophyte.

Want more? **Check out our NEW Facebook page: @CorporateOptometryToday!**

We hope you enjoy the issue!

Erinn Morgan

Editor-in-Chief + Editorial Director
Corporate Optometry Today! + *Eyecare Business*



In this issue of *COT!*, we look at ways corporate optometrists can win with managed care.



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COTI PINPOINTS THE KEY TRENDS OF INTEREST FOR CORPORATE OPTOMETRISTS



Walmart + Health Care

Discount retail giant Walmart is making inroads to partner more closely with its customers for health care (including eye care). According to a report on cnn.com, recent moves include a deal with Anthem to encourage its Medicare enrollees to buy their over-the-counter health and wellness supplies at Walmart, and the opening of 19 in-store urgent care centers in the South. Seems like a sage move, as the path to healthcare providership has already been paved with its 3,000 in-store vision centers, free health screenings at 4,700 locations, discount Rx drug plans, and its offering of free hands-on help in enrolling in Affordable Care Act and Medicare policies. —*Susan Tarrant*

Digital Destination

Got a handle on the digital landscape for your business? Here, we share the top five digital marketing strategies for 2019 from entrepreneur.com.

- 1. Video Marketing:** Pro tip: try streaming live on Facebook or Instagram.
- 2. Artificial Intelligence:** AI is on a roll in digital marketing—especially via chatbots.
- 3. Voice Search:** “Hey, Siri...” Take note that voice search is changing search results.
- 4. Marketing Automation:** Think, how can you automate marketing tasks to make time for other tasks?
- 5. Authenticity:** Here's to keeping it real. A Stackla report states 86% of consumers indicate that authenticity highly influences their decision to support a product or brand. —*Kerri Ann Raimo*



Membership Perks

In a move seemingly aimed at taking back some of Amazon's health product business, CVS started a pilot program in Boston that includes free delivery on most prescriptions and online purchases, access to a pharmacist helpline, a 20% discount on CVS-branded products, and a monthly \$10 coupon. The Care-Pass costs \$48 per year—about half the cost of an Amazon Prime membership.

If successful (the company hopes to expand nationwide), we may see the program crawl into CVS optical centers. Will other big-box chains with established vision centers adopt similar membership programs to encourage one-stop shopping and healthcare access? —*S.T.*



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A Smart Choice

A look at 6 reasons
[+ 2 business models]
why corporate optometry
is a great choice for
new grads

CORPORATE OPTOMETRY is a popular option for new graduates. And with good reason.

Beginning a career in optometry as an employed O.D. within a corporate entity provides several benefits that are attractive to a young doctor: steady above-average income, good benefits, stability, and a desirable work-life balance. Furthermore, the ability to quickly transition to owning their own business is easily accomplished in corporate optometry with many sublease opportunities.

Here, we outline six reasons why young O.D.s might choose corporate optometry... and we break down the employment and sublease business models. ➔





EMPLOYMENT MODEL

Under the employment model, the optometrist is a straight employee of the corporate optical chain. Studies have shown that young, new-grad O.D.s prefer being employed over self-employed (more than older generations of optometrists).

Here's why:

- » **Financial Stability.** When a new optometrist is still repaying student loans, debt can easily begin to grow. The financial stability of being an employed O.D. within corporate optometry has provided many young doctors the ability to tackle their student debt quickly.
- » **Income.** A salary survey conducted by *Corporate Optometry Today!* revealed O.D.s employed in a corporate location earned slightly higher salaries than independent O.D.s. Those higher salaries—with bonus structures and the ability to increase income through abundant fill-in opportunities—can provide an attractive career option for young O.D.s.
- » **Tuition Help.** Some corporate chains provide tuition reimbursement for every year that an O.D. works there. For a young grad struggling with student debt, that's a very attractive feature.

SUBLEASE MODEL

Being employed within corporate optometry provides many benefits to new graduates besides steady income and benefits: It allows new graduates an opportunity to personally grow and learn how an optometry business is managed. A "sublease" model of employment provides O.D.s with the opportunity to transition to full ownership.

“The financial stability of being an employed O.D. within corporate optometry has provided many young doctors the ability to tackle their student debt quickly.”

- » **Small Sublease.** Many sublease leases are “small subleases” (typically coverage is three to four days a week based on location revenue and patient volume, average seven to 10 patients a day). This can be very attractive to a young O.D. who would like to have a work-life balance and own their own business.
- » **Flexibility.** The small sublease model can be a great option for an optometrist with a young family, as some newer sublease locations provide a flexible schedule for a young mom or dad. As the family grows so will their business, and the attention can be switched to the business as family responsibilities change.
- » **Turnkey.** Small subleases are typically turnkey operations with low overhead, providing higher net income sooner than other self-employment and independent models.

There is less financial risk in corporate optometry, which many young O.D.s find attractive due to the security, income stability, and a learning curve for the business aspects of optometry—all the right reasons to join corporate optometry whether it is employed or sublease. **COT!**

—*Maria Sampalis, O.D.*

The Managed Care Conundrum

BY MARIA SAMPALIS, O.D.

Got concerns about managed vision care? Here, we look at how it's influenced corporate O.D.s' practice models

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In our industry, we have seen a shift of many younger O.D.s choosing to work for a corporate optometric location over trying to enter private practice. And it's understandable—with increased student debt, lower insurance reimbursements, and an increasing competitive playing field, it makes sense that younger O.D.s gravitate toward the employment or sublease model of corporate optometry.

However, O.D.s in corporate optometry models should be aware of the impact managed care plays on the business. Research shows that sublease businesses in corporate optometry often have 40% or more of their patients on managed care plans. This number has grown tremendously over the years, and it will likely continue to grow.

This fact makes for a complex road to navigate in corporate optometry. Here, we examine various business models for corporate optometry and hear →



“Managed care has influenced optometrists’ career paths. I believe it has resulted in limiting O.D.s to more routine eye care and over a decade of stagnated reimbursement rates.”

—STEVE UDESKY, O.D.



from optometrists in the field about the real-life, current impact of managed care and where they see it going in the future.

The Employment Model

Being employed by a corporate location can be attractive for younger, millennial optometrists as private practices (with their overhead costs and decreased reimbursement rates) may not be able to compete with the salaries and benefits that are given in corporate optometry. New grads who prefer the employment model will seek corporate optometry positions.



STEVE
UDESKY, O.D.

▶ REAL-LIFE IMPACT

Steve Udesky, O.D., is a fill-in optometrist for For Eyes in Illinois

“Managed care has influenced optometrists’ career paths. I believe it has resulted in limiting O.D.s to more routine eye care and over a decade of stagnated reimbursement rates.

“The employment model offers a low-stress opportunity to make a good living and have other benefits that are unavailable to those who chose to lease or own a private practice.”

The Medical Model

With managed care playing such a large role in their patient base, decreasing reimbursements will force corporate O.D.s to adapt and evolve. One of those evolutions? They will embrace the medical model.

This model can provide a higher patient retention rate and higher reimbursement rates. Many corporate O.D.s have the technology to di-

agnose, monitor, and treat medical patients. I believe that as optometry evolves and scope-of-practice laws change, we will see more medical-based optometry in our future.



LEE
FORD, O.D.

▶ REAL-LIFE IMPACT

Lee Ford, O.D., subleases from two Walmart locations in Alabama

“My patient load is about 25% to 35% vision care plans. If you count Medicare and Medicaid, I see over 80% managed care. I have my staff pull medical coverage on every annual so that if there is a significant finding during the wellness exam, we are able to discuss the cost of the next visit in the exam room.

“I have found that this streamlines the encounter. Patients are more likely to follow your orders if you let them help in making out their treatment plan. I also use a lot of screening tests on every annual wellness visit (OCT, FDT, specular microscopy, blood pressure, and dry eye questionnaire with tear testing as needed) to help patients understand (compare the ‘normal results’ to today’s) what I want them to come back to check on and why. You can’t find a problem if you aren’t looking.”

The Private Practice to Corporate Model

With the expansion of corporate opticals and increased competition, the corporate optometry model will become more popular. This shift is due to the influence of managed care, its lower reimbursement rates, and the increased costs of running a business today.



Laurie
LESSER, O.D.

▶ REAL-LIFE IMPACT

Laurie Lesser, O.D., practices with South Florida Regional Eye Associates in the Miami/Ft. Lauderdale area, affiliated with America’s Best Contacts and Eyeglasses

“I think optometry is experiencing what medical doctors in all fields have been dealing with for many years: the realization that we need to see more patients to compensate for lower reimbursement rates. And corporate optometry practices are often better suited for the level of efficiency and patient flow that is necessary to stay profitable.

“Unlike corporate O.D.s, private practice O.D.s are affected not only by



“Pearle Vision Ignite is designed exclusively for independent eye-care providers and/or practice owners and includes benefits ranging from access to our turn-key supply chain to operations support and processes that allow them to focus on caring for patients.”



THE INSIDE LINE... WITH

Alex Wilkes

Pearle Vision's Senior VP and GM answers
COT!'s 5 questions BY STEPHANIE K. DE LONG

In this exclusive interview with *Corporate Optometry Today!*, Alex Wilkes shares what's new and next for Pearle Vision, plus how the face of franchising is changing.

Founded in 1961, Pearle Vision currently has 413 franchised and 114 corporate locations across North America. The goal, according to Wilkes? "To help our franchisees—whether a new location or converted independent practices via the new Ignite program—maintain strong margins and increase sales volumes."

EVOLUTION

Q. How does Pearle meet O.D.s' changing needs?

A. "Pearle Vision is a doctor-centric brand, founded by an optometrist. We keep this question at the forefront: 'What can we do to help you do what you do best, while still driving traffic and results for your location?' Our answers have ranged from developing an operating platform like eyecon to creating a national and local marketing plan that attracts new patients."

DIFFERENT AVENUES

Q. What is the brand's new Ignite program?

A. "We saw an opportunity to present a different ownership path for today's O.D. Pearle Vision Ignite is designed exclusively for independent eyecare providers and/or practice owners and includes benefits ranging from access to our turnkey supply chain to operations support and processes that allow them to focus on caring for patients. In addition, royalties are paid only on incremental sales post-conversion."

DEVELOPMENT AGREEMENTS

Q. What exclusivity rights are available for franchisees?

A. "Another key growth pipeline vehicle for Pearle Vision is area development agreements. This allows potential franchise owners to purchase the rights to exclusively develop an available geographic area with a minimum of three locations. This provides a clear path to multi-unit ownership without the chance of another franchisee opening in the area."

ALTERNATIVE CHANNELS

Q. What about a nontraditional Pearle Vision location?

A. "We are opening our first alternative channel franchise location at Cincinnati

Children's Hospital Medical Center in 2019. We will continue to explore other similar opportunities across various categories."

MARKETING + MESSAGING

Q. How does your marketing build relationships?

A. "One of the other key benefits of affiliating with Pearle Vision is our award-winning marketing campaigns. In 2017, we launched the Small Moments campaign, which signaled the end of our infamous BOGO offer and has separated us from the promotion-heavy competition in our category.

"It's not just about selling glasses, but about caring for the people behind the glasses because we know that is what builds trust and creates lasting relationships.

"Additionally, we launched 'Ben's Glasses' as part of the Small Moments campaign in 2017, and in August, we launched the campaign's second phase with 'Olivia.'

"This latest iteration of Small Moments further set apart Pearle Vision's commitment to genuine eye care and building trust with each of our patients." **COT!**

4 UNIQUE BENEFITS OF CORPORATE OPTOMETRY

Elizabeth Christoff, O.D.



Elizabeth Christoff, O.D.

Elizabeth Christoff, O.D., has been with America's Best Contacts & Eyeglasses in Louisville for a year. When it comes to business modalities, she's done it all, including working for an ophthalmologist and owning her own private practice for 14 years.

1

WHY CORPORATE?

“With the challenges of health care and retirement planning, **I decided corporate as a salaried employee made sense.**”

2

THE PLUSES

“I like all the benefits I didn't have before, plus not managing the business side. On the professional side, there's a lot of support, too. We're a team.”

3

PATIENT RELATIONSHIPS

“I always heard patients don't care who you are in corporate. I'm finding you can absolutely build those relationships, that people ask for you.”

4

CORPORATE CAREERS

“It's not just for new grads. I see doctors of every age here and many who've been with the company for 25 years. That's really cool.” **COT!**

—Stephanie K. De Long



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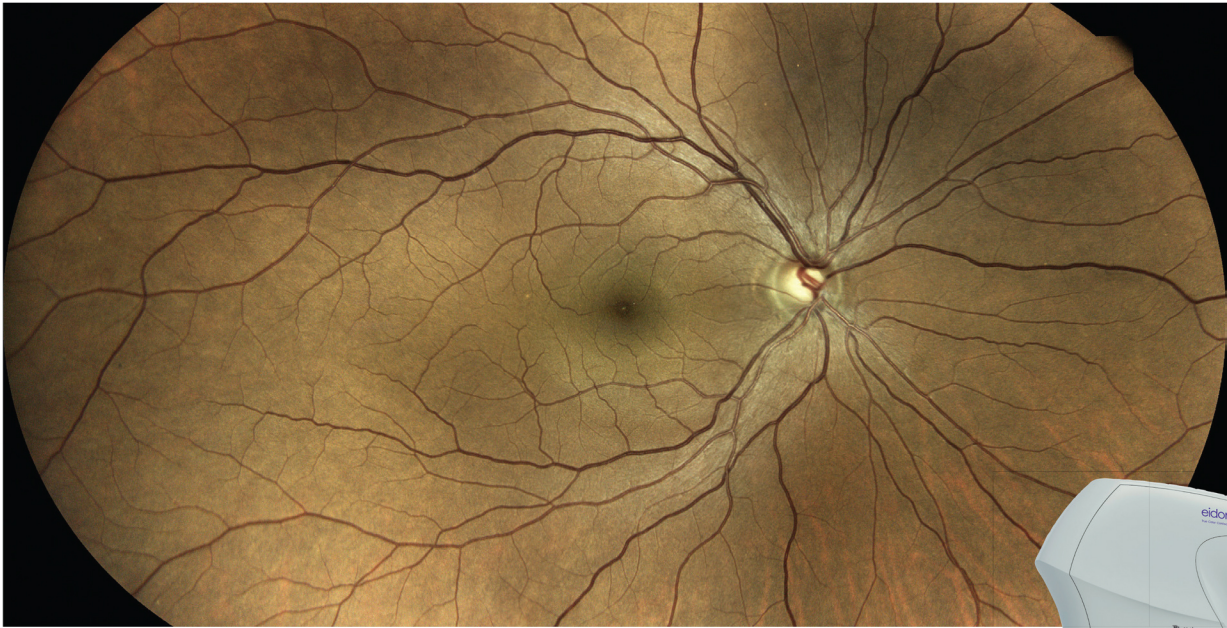
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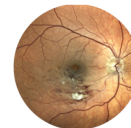
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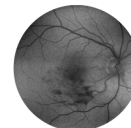
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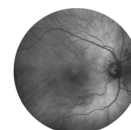
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