

A Word about Insurance Plans, Eyewear Plans, HSAs and FSAs

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With open enrollment for benefits just around the corner for many, we are frequently asked for our opinions regarding benefits for eye care. In this blog, I will try to simplistically define the differences. In order to do that, I will define some terms.

Routine Eye Exam: A comprehensive routine eye exam checks your vision and the health of your eyes through a series of tests. During a routine eye exam, your vision is tested and a prescription for eye glasses is determined. If a medical condition is found, going forward your exams could be permanently medical exams.

Medical Eye Exam: An eye exam that checks your vision and monitors the health of the eye as it relates to your medical condition through a series of tests. This type of exam does not necessarily generate an eyeglass prescription.

Refraction: This is the part of the exam that determines your prescription. It is always performed during a comprehensive routine eye exam. It can be performed during a medical exam but most insurance companies will make you pay for this on your own.

Materials: Eyeglasses or Contact Lenses

Out of Pocket Charge: If a charge is out of pocket, it means that the insurance company will not pay for it and you are responsible.

Deductible: This is the amount that you must pay for before your insurance pays on your behalf.

Co-pay: This is the amount that an insurance company assigns to a particular service, which you owe up front. There may or may not be a co-pay for preventative services.

Co-insurance: This is a percentage of the cost of the procedure that the insurance companies insist that you share.

Insurance Companies vs. Eyewear Plans vs. FSA and HSAs

Examples of Insurance Companies are Medicaid, Medicare, Anthem Blue Cross Blue Shield, Cigna and Aetna. Some of these insurance companies pay only for medical exams while some will pay for routine and medical exams. For example: Medicare will only cover a medical exam. To determine if you need glasses, a refraction will be done. The refraction is not covered by Medicare and is therefore an out of pocket charge. When dealing with an insurance company, there may be co-pays, out of pocket charges, deductibles, and co-insurances. Very few insurances companies provide materials.

Most eyewear plans pay ONLY for routine services and materials. Examples of Eyewear Plans include VSP (Vision Service Plan), EyeMed, VCP (Vision Care Plan) and Spectera. Again, these are not insurances and they do not cover all services or contribute 100% of the cost of what your doctor will recommend for eyeglasses or contact lenses. They are meant to contribute to the cost of such items and provide you

with a discount towards them. VSP and EyeMed provide a wider selection of products and a better contribution towards the cost of products than VCP and Spectera.

A Health Savings Account (HSA) or a Flexible Spending Account (FSA) is an account where you have allocated your money (pre-tax) to be used for your qualifying health expenses. Some examples of qualifying products are all prescription materials (eyeglasses or contact lenses), exams, medical testing, co-pays, deductibles, co-insurance, and out of pocket charges. HSAs and FSAs do not allow you to use those funds on non-prescription sunglasses. The main difference between a HSA and a FSA is that a FSA's funds expire. A HSA's funds follow you from year to year.