

2013 EDITION

A compendium of Preferred Practice Patterns and practice performance benchmarks for independent optometrists affiliated with Walmart and Sam's Club

Maximize

Your Practice Potential



Optometric
Business
Academy™
For ODs affiliated with Walmart and Sam's Club

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*A compendium of Preferred Practice Patterns
and practice performance benchmarks*
for independent optometrists affiliated with
Walmart and Sam's Club

2013 EDITION

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on behalf of the Optometric Business Academy™.

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Foreword

Maximize Your Practice Potential is published exclusively for optometrists affiliated with Walmart and Sam's Club by the Optometric Business Academy™ (OBA). This ongoing professional education program is designed to share the techniques used by the most successful affiliated ODs to build their practices.

The Walmart Health and Wellness Division understands that mutual success depends on creating an exceptional patient experience, which this compendium is designed to help you create.

As the data contained in this compendium makes clear, your practice setting offers enormous potential for professional and financial success. The “Preferred Practice Patterns” presented here were compiled from discussions with many of your successful colleagues, as well as leading practice management consultants, who have studied thousands of independent practices across the country.

We encourage you to regularly visit www.oba-ce.com, for the latest ideas and information to help you make your practice grow. The resources found there are also designed to assist you in developing your practice.

Chad Overman, OD
Director Professional Relations
Health and Wellness
Walmart

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Scattered throughout this 2013 edition of *Maximize Your Practice Potential*, you’ll find a select number of *OBA Marketing Diamonds*. To learn more about these “winning ideas from your colleagues” and all of the OBA Marketing Diamonds, visit oba-ce.com. There you also will find archived issues of *Acuity In Business*, the quarterly publication of the Optometric Business Academy that regularly reports on *OBA Marketing Diamonds*.

SECTION

1

Introduction and Objectives

Introduction

More than 4,000 optometrists in the U.S. practice full- or part-time within a Walmart or Sam's Club location, representing nearly 11 percent of all practicing optometrists. More than 7 percent of the eye exams performed in the U.S. are by Walmart- and Sam's Club-affiliated optometrists.

Because of the very high volume of consumers who shop at Walmart and Sam's Club stores, an independent optometric practice located there has a great opportunity to build a large and highly profitable business. The gross fee income of well-established affiliated practices, with an optometrist of eight years or more longevity at the location, averages more than \$200,000 annually, yielding an average net income of more than \$160,000. This is well above the median net income of \$105,000 that the American Optometric Association (AOA) reported for all optometrists for calendar 2006 and above the median net income of \$140,000 for self-employed ODs.

Like all other optometrists, those affiliated with the Walmart Health and Wellness Division receive excellent training in the clinical management of patients. Like other optometrists, affiliated doctors also received little instruction in optometry school about business management, which can be just as critical to financial success.

Success in a practice located at Walmart or Sam's Club is not automatic. It comes only with *proactive* effort and planning by affiliated ODs to:

- Build awareness among store shoppers
- Create an exceptional patient experience to foster loyalty with support from Vision Center Associates

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- Institute effective recall systems to assure regular eye exams
- Recommend eyewear solutions that enhance patient satisfaction

Newly affiliated doctors have repeatedly asked for information on the best methods used by their Walmart and Sam's Club colleagues in the management areas identified above. This manual responds to this frequently expressed information need. It is also designed to be used by established practices that desire to improve performance.

The Preferred Practice Patterns outlined in the manual were developed from conversations with some of the most successful doctors affiliated with Walmart and Sam's Club, from leading optometric practice management consultants and from other experts on business and service quality management.

Objectives

The objectives of the compendium are to convey:

- Practical, easy-to-institute patient procedures and processes that will assure a high-quality patient experience that exceeds expectations and produces strong patient loyalty
- Proven Preferred Practice Patterns that will increase professional fee revenue
- Business management techniques that will optimize practice productivity and profitability
- Realistic benchmarks against which to compare your practice performance and to guide goal-setting

As an independent optometrist affiliated with Walmart or Sam's Club, it is your responsibility to establish your own methods of patient care, consistent with the laws governing optometric practice in your state. The ideas and standards proposed in this manual are presented in the spirit of sharing the lessons learned by your successful colleagues, but in no way dictate how you will practice.

SECTION

2

Practicing within Walmart and Sam's Club

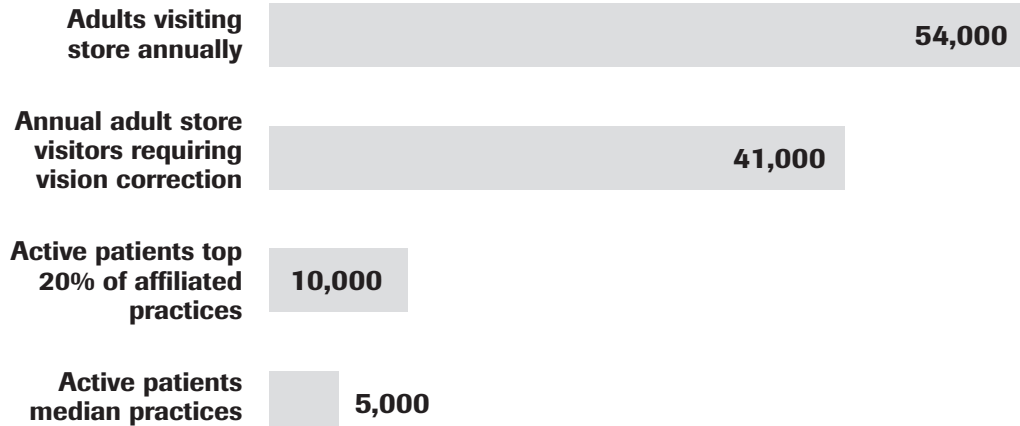
A huge potential patient base

The old cliché says that there are three keys to retailing success: “Location, location, location.” Without a doubt, the primary advantage of an optometric practice at Walmart is the incredible location with unmatched traffic. Yet many affiliated doctors fail to capitalize fully on the opportunity provided by their prime real estate.

A former chief operating officer of Walmart's U.S. stores, estimated that 140 million people visit a Walmart location in the U.S. every week and 87 percent of U.S. adults (203 million people) shop at Walmart over the course of a year. Those staggering figures, unequaled among U.S. retailers, translate to more than 37,000 weekly shoppers per store and an average of 54,000 visiting each store once or more annually.

Jobson Medical Information estimates that 76 percent of American adults use vision correction devices. That means that more than 41,000 people requiring correction visit the average Walmart store over the course of a year. A typical affiliated practice has 5,000 active patients—equivalent to just 12 percent of the vision-corrected customer base of typical Walmart stores.

Active Patient Potential at Walmart Locations



Source: Walmart and PAA estimates

Shoppers are drawn to Walmart by its unmatched value proposition. These value-conscious shoppers can readily be attracted to eye care practices located in the stores, offering similar value. Consumers view Sam’s Club in a similar way, because Sam’s Club is the largest wholesale club company in the world. The average store has 80,000 members, concentrated among prosperous small business owners who seek good value. They visit a Vision Center there seeking efficient, professional service and value. Many loyal Walmart and Sam’s Club customers do not choose affiliated ODs for eye care simply because they are not aware the service is available in the stores.

The largest and most financially successful affiliated practices develop patient bases exceeding 10,000 people—equal to 25 percent or more of the vision-corrected shoppers in the average store. That capture rate is within the reach of most affiliated ODs, but it does not automatically occur. It requires practice building effort and investment over several years.

Currently most affiliated practices do not realize the full potential of their location, investing too little effort and funds to maximize their revenue production. An analogous situation would be an owner of a bountiful orchard who chooses to pick only the lowest hanging fruit, unwilling to invest in a ladder to harvest the more difficult-to-reach crop above ground level.

How do Walmart Vision Center patients compare to private practice patients?

Data from Jobson Medical Information’s VisionWatch survey shows how the demographics of Vision Center patients compare to those using private practice eye care professionals. The data are for people who purchased frames at either a Walmart location or private practice during 2009. Walmart patients skew younger with somewhat lower household incomes, compared to

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private practice patients. With this demographic profile, it's understandable that Walmart patients are looking for value. The average price paid by Walmart Vision Center patients for a complete set of glasses (frames and spectacle lenses) is \$162, compared to \$259 for private practice ECPs. Offering good customer value and quality care are at the core of the Walmart Health and Wellness Division's mission.

	Percent of Frame Units	
	Walmart	Private Practice
Gender		
Female	48%	56%
Male	52%	44%
Age		
18-34	37%	27%
35-44	20%	20%
45-54	19%	22%
55 and over	24%	31%
Household Income		
Under \$60,000	54%	42%
\$60,000 and over	46%	58%
Average Price Paid		
Frames	\$81	\$137
Lenses	\$78	\$142
Total	\$162	\$259

Source: Jobson Medical Information, Vision Watch, year ending 12/09.

It's your practice

A universal conviction among the optometrists who have achieved outstanding financial success while affiliated with Walmart: "It's *my* practice—these are not just Walmart's customers, these are *my* patients."

Practicing within a Walmart or Sam's Club frees the doctor from many of the chores associated with running a private practice, including facilities and equipment management, product acquisition and sales, and, in one-door states, staffing. Although an affiliated doctor is able to spend most of his or her time on patient care, interviews with high-earnings doctors show their success comes from planning and initiating ideas to increase patient traffic and build strong

patient loyalty. Adopting a passive approach and waiting for Walmart to deliver patients to your doorstep will ensure that you will not maximize your practice potential.

As the owner of your practice, it is your responsibility to grow your practice. Your revenue will grow in direct proportion to the personal ownership you assume for everything that affects your patients at your location. This includes taking a leadership role with the Vision Center staff at your location.

What Sam Walton taught the world

Sam Walton, Walmart's founder and inspirational leader, is an American icon. He created the world's largest retail company, starting with a single store in Rogers, Ark., in 1962. This accomplishment had nothing to do with luck or being at the right place at the right time. Success flowed from Walton's values and work habits, which he was able to embed deeply in the Walmart culture, making it possible for the company to continue to grow and prosper after his death in 1992. Any business manager can learn valuable management lessons from Walton, including optometric practice owners.

Here are some of Walton's values, beliefs and work habits that, if adopted, can make optometric business managers successful, as they have Walmart itself.

Continuously search for improvement and excellence

Walton made it a personal goal to improve some aspect of his business every day. Despite the incredible success of his business model, he was never satisfied. He constantly traveled the country talking to his Associates and observing activity at the stores. He sought good ideas from a store that could be used throughout the company, and he spotted problems that needed correction. He made notes and tape recordings of what he observed and made lists of the things he wanted to try. He then followed up with subordinates to encourage the changes. He was a "tinkerer" and encouraged continuous experimentation with new ways to increase sales or cut costs. His goal was for his company to be the best—a goal that was infectious and motivated everyone working for the company.

"I think my constant fiddling and meddling with the status quo may have been one of my biggest contributions to the later success of Walmart."

—Sam Walton: Made in America

Make the customer the boss

The final two lines of the famous Walmart cheer are:

"Who's number one?
THE CUSTOMER!"

For Walton, making the customer boss involved offering the lowest prices anywhere on the large array of staples that every family consumes—with satisfaction guaranteed. He carefully studied buying habits to learn what merchandise customers wanted. He made sure the shelves

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were always stocked. He made shopping at Walmart convenient. And he made “small town friendliness” the standard for his Associates as they assisted customers.

“The art of successful retailing is to give your customers what they want.... We have never doubted our philosophy that the customer comes ahead of everything else.”

—Sam Walton: Made in America

Pay meticulous attention to numbers

Walton understood the power of quantitative information. It told him what was working and what was not. He built powerful management information systems that provided him up-to-the-minute data on what was selling and what his costs were.

“I found out early that one of my talents is remembering numbers...numbers just stick with me and always have....I guess we’ve always known that information gives you a certain power.”

—Sam Walton: Made in America

Do it now

Walton was a doer. He encouraged debate among his managers, but once a merchandising decision was made during a Friday meeting, he expected immediate, system-wide execution on Saturday. He would not tolerate the attitude: “Let’s think about it.” Because of the strong bias to action of its corporate culture, Walmart’s ability to execute new programs across its thousands of stores is legendary and a major competitive advantage. The company’s Sundown Rule requires that all Associates respond to requests from internal or external customers on the same day requests are received.

Leverage the power of technology

While Walton was tight-fisted and reluctant to part with his hard-earned money to invest in new technology, he signed the checks and his company pioneered many of the applications of computer technology and warehousing automation that have transformed supply chain logistics throughout the world. He had no interest in the technology for its own sake, but only as a means to lower costs and better serve the customer.

Study the competition

Throughout his life, Walton made a point of visiting his competitors’ stores at every opportunity. He also questioned his management peers at other companies and his suppliers about their business methods. He knew that his company could never invent every good idea, and he wanted to gather as many of them as he could and implement them.

Respect Associates

Walton was genuinely interested in what his employees had to say. Store Associates knew that and, despite Walton’s great wealth and influence, would walk right up to him and share their

ideas. Six of Walton's 10 rules for building a business encourage demonstrating respect for Associates. He urges business owners to treat Associates as partners, communicate constantly and share information with them, set high goals and keep score, praise often, celebrate success and listen closely to ideas to improve the business. Walton attributed many of the company's best ideas directly to Associates.

"All of us like praise. So what we try to practice in our company is to look for things to praise. We want to let our folks know when they are doing something outstanding, and let them know they are important to us."

—Sam Walton: Made in America

Key priorities for affiliated ODs

There are four key priorities shared by all affiliated ODs seeking to maximize practice revenue.

1. To increase the patient base by attracting a significant share of the shoppers at the location.
2. To create an exceptional patient experience that will assure patient retention and referrals.
3. To achieve a consistent, regular schedule of eye exam visits by the patient base.
4. To broaden the range of services offered, beyond refraction, to include medical eye care.



Fast and Free Communication

Jennifer G. McKay, OD
Savannah, Ga.

Cross stamps off of your list of expenses. With walmartod.com email accounts, patient communication is free and easier than ever. Dr. McKay began collecting email addresses from all patients on patient history forms in April. The following month, she experienced the best revenue she's ever had in the previous four years.

Once a patient's contact information, along with exam date and birth date, are included in the database, email communications can be sent out immediately. Dr. McKay uses the email feature to send thank-you notes promptly after an exam. She also sends newsletters, e-birthday cards and annual exam reminders.

Not only is taking advantage of the free walmartod.com email cost-effective for your practice, but it is also better for the environment than printing postcards for recall. "This is a great way to stay green and high-tech at the same time," Dr. McKay says.

Dr. McKay's uniquely original marketing idea earned her the top prize of \$1,000 in

the OBA's 2009 Marketing Idea Contest. Dr. Schwindt and Dr. Bhuta were second-place winners in the contest. Many other winning practice marketing ideas appear throughout this new edition of *Maximize Your Practice Potential*. Look for the OBA Marketing Diamond logo to find them. Also visit the Marketing Resources page of oba-ce.com for many other winning Marketing Diamonds and other practice-building tools you can put to work to help your practice thrive.



Charge It

Aaron Schwindt, OD
Lawrence, Kan.

“Through our merchant service provider, we bought gift cards with our name on them,” says Dr. Schwindt. “We can load the cards with any amount using our credit card machine, and there is no cost for this service. The cards themselves cost about \$1 each. Since the cards can only be used in our office, these can be used as credits toward an eye exam,” he says.

The cards can be sold as gifts, which are especially popular in the holiday season. Dr. Schwindt says this is effective. “The recipients of the gift card may not have planned to see us for their next eye exam, but now they will.” The practice also loads a pile of cards with \$5 each and sends a staff member to pass them out in the entryway. “This is more effective than passing out a coupon because the card is more tangible.”



A Reminder with Every Call

Priya Bhuta, OD
Naples, Fla.

Dr. Bhuta created a stick-on lens cloth that measures about 3”x3” to be stuck onto the back of patients’ cell phones. The lens cloth includes all the practice contact information. She tells patients they can use it to wipe clean the face of their dirty cell phones. The lens cloths cost about 50 cents each, and patients appreciate the ease with which they can find practice information. It’s always at hand. “It has increased our recalls,” she says. “We hand out the stick-on lens cloths at the end of the exam, along with their prescription and the reminder that we will see them next year.”

For most affiliated ODs financial success has little to do with financial management, as expenses are low and predictable. Staff management is an important priority for the minority of practices hiring their own support staff, but not for most affiliated ODs.

Keys to success

In April 2006, the Optometric Business Academy asked 185 Health and Wellness Division market managers to identify the traits and work habits of the most successful optometrists with whom they interact. The ranking below provides you overall guidance on the mindsets to adopt that are most likely to improve your performance. The first trait on the list was mentioned much more frequently by the market managers than any other as a key to success.

1. OD is highly engaged in practice building/demonstrates ownership of the practice.
2. OD promotes teamwork with the Vision Center staff.
3. OD adapts coverage schedule to meet patient demand.
4. OD possesses excellent patient communication skills.
5. OD maintains high standard of professionalism.

Put Associates to work to build your practice

To maximize net income, an independent optometrist affiliated with Walmart and Sam's Club must nurture strong relationships with the team of people working in the store, as well as with the local operations manager of the Walmart Health and Wellness Division.

In one-door states, most affiliated optometrists are supported by the optical staff who are employed by Walmart and also have duties in the adjacent Vision Center. Establishing effective teamwork with this group is critical to your practice success. While not required by your contract with Walmart, your guidance and training of this staff will help you achieve your high standards of patient care. In turn, this investment in staff will positively impact patient loyalty, which is critical to your long-term success.

Your Vision Center manager is your on-site co-manager

Each Vision Center has a manager responsible for retail optical sales and for hiring, training and supervising the staff in one-door states. With your direction, the manager controls scheduling and patient flow, including appointment-making in one-door states.

In highly successful practices, the doctor and the manager closely coordinate their activities to deliver quality patient care. Jointly you must mold the staff and office processes to achieve the high standards of service you aspire to provide. Creating efficient, smoothly functioning methods of operation with the Vision Center manager will assure you maximize the revenue from each hour you spend at the office. To the extent that there is minimal interaction between you and the Vision Center manager, it is unlikely that the financial return of your practice will be optimized.

In two-door states, where there is physical separation between the optometrist's office and the Vision Center, affiliated optometrists hire their own support staff to do scheduling, pre-testing and record-keeping. But in other respects it is just as important for two-door state doctors to build strong relationships with Vision Center managers and staff.

Your market manager can help

The stores within each geographic area are managed by a market manager in the field operations group. This individual has responsibility to oversee all Vision Center operations for 10 to 15 stores to achieve the Walmart Health and Wellness Division's financial goals.

Market managers are responsible for recruiting doctors, negotiating doctor contracts and providing on-going guidance and assistance to affiliated professionals. They are able to authorize equipping a second exam room as your practice grows. They can authorize and help you get support for your practice marketing programs within the Vision Center and store. Your market manager can open a window to the successful techniques used by other doctors in your area.

Establishing a relationship of trust and respect with your market manager will pay big dividends. District managers are extremely busy people working to achieve the company's financial goals and to assemble efficient teams within their assigned Vision Centers.

You will succeed in building a strong relationship with your market manager when you demonstrate a proactive interest in practice building, display a quantitative knowledge of your office production and show a willingness to help develop the Vision Center staff to improve the patient experience.

Here are the topics that Walmart market managers say they spend the most time discussing with their affiliated doctors:

- Teamwork with the Vision Center staff
- Office hours and coverage
- Practice marketing
- Patient communication/product recommendations
- Walmart Health and Wellness Division goals
- New products/product portfolio
- Staffing and training

So be prepared to discuss these topics with your market manager during each visit. Much of your interaction with your district manager will be informal and unplanned. However, it is a good practice to have a list of any current issues you want to discuss.

You should know the non-optical Associates

Beyond the optical department and operations manager responsible for your location, other Walmart Associates in the store in which you practice can help you build traffic. Making yourself highly visible to these people will encourage them to spread the word to Walmart and Sam's Club shoppers that a highly skilled eye care professional is located on the premises. The hundreds of Associates at each location are also often an important source of new patients. Making yourself visible during the early months of your practice at Walmart or Sam's Club can give a quick boost to your patient count, establishing an annuity that you will harvest in the years ahead.

Every morning before the store opens there is a meeting of all Associates to review the day's events and sales goals. This provides an excellent opportunity to get to know the people who work at your location.

Learn from your optometric peers

In most markets there are many other optometrists affiliated with Walmart or Sam's Club who have valuable insights about practice management and marketing that you can put to work in your practice. Get to know your fellow doctors and attend the doctor meetings that your district manager periodically conducts in your area. Make it a habit to call your local colleagues with any questions you have about your practice. Share your ideas openly with your colleagues. When you nurture these relationships, you will quickly establish a local support group, which may be able to help when you need coverage assistance.

There are 13 study groups around the U.S. of Walmart and Sam's Club affiliated optometrists. If you practice near one of these groups, learn how to plug into this powerful network.



Surveys Make Web Site Interactive

Saied Hashemi, OD
The Colony, Texas

As part of his practice web site, through EyeCarePro.net, there's a patient survey that grades office staff, wait time, scheduling, the doctor and fees, and it asks if the patient would come back for another exam. "It gives us valuable feedback to better serve our patients and improve areas that are lacking," says Dr. Hashemi. To promote this anonymous survey, a sign in the reception area encourages patients to go online. That strategy has two benefits: patients become aware of the web site and familiar with practice services and services offered online, such as appointment-making, and more people take the survey, providing quick feedback. The practice staff also collect patient emails and can send reminders to patients to take the survey.

As consumers use the Internet more than Yellow Pages to look for information, it's important to update and promote your practice web site, Dr. Hashemi says. It's well worth the \$37 per month for web site maintenance. "We receive about 12 appointments online per month, and patients feel more comfortable expressing their feelings about our office performance." During weekly staff meetings, the doctors discuss the results from the surveys to encourage staff to continue those positive aspects that are being noticed and to correct the negatives. "The staff love it and push to have a good score. Overall, we are getting more hits to our web site by just putting a sign in our reception area."



Feedback request sends patients to web site.



Let Them Eat Cake

Kari Carpenter, OD
Lexington, Ky.

Throughout the year, Dr. Carpenter's practice sends its referring specialists delicious thank-you gifts, such as chocolate cake or whoopie pies from a local bakery. "We buy these gifts from businesses that come to us for their eye care," she says, which keeps those businesses connected to her practice. The cost is about \$200 a month, but the result is sweet. "We are getting referrals constantly from retinal, cataract or ocular plastics surgeons for visual fields and refractions or to treat corneal abrasions."

Preferred Practice Patterns—Interaction with Associates and colleagues

1. *First thing in the morning, every day, discuss the day's events with the Vision Center manager.* Review the appointment calendar, discuss new Walmart Health and Wellness Division initiatives, discuss customer service issues, etc.
2. *Conduct a weekly staff meeting within the Vision Center.* Use this time to resolve customer service issues, discuss process improvements, review new product features and benefits, discuss your practice marketing efforts and train new

staff members on practice methods. A 30- to 60-minute meeting that begins at 8:00am before store opening usually works best. Identify a specific aspect of the practice to improve at each meeting. Periodically review the “Preferred Practice Patterns” in this compendium that apply to staff during the meeting. A weekly meeting is critical to maintaining rapport with the staff and aligning practice and Vision Center goals.

3. *Assist with the training of new Vision Center Associates.* Effective delegation to the staff and training them about optimizing patient interactions will maximize your productivity, career satisfaction and patient loyalty. No one is more capable or knowledgeable than you to instruct the staff about the basics of vision, pre-testing methods and professional patient interactions. Your personal example will largely create the service standards in your office and the Vision Center.
4. *At every opportunity, reinforce to patients the experience and professionalism of the Associates working in the Vision Center.* Some patients have doubts about the training and knowledge of the Vision Center staff, simply because they work at a large discount store. If you have competent, skilled people working with you, be sure to compliment their experience in front of patients. In return, request that Associates endorse your professionalism to patients, whenever appropriate.
5. *At least once a week, attend the store meeting that occurs daily before opening at each location.* At the meetings you will hear about store priorities and promotional efforts and meet Associates who can help you create awareness of your practice among shoppers. More than 300 Associates work in one Walmart store. Typically more than half of the Associates and their families require vision correction. They represent a primary target audience of your practice.
6. *Informally meet with the market manager every time he or she visits the store.* Each time the market manager visits the Vision Center is an opportunity to voice your needs, request equipment maintenance, learn about corporate plans and priorities and hear about what other local doctors are doing to build their practices.
7. *Conduct a quarterly business review with your market manager.* Prepare an agenda for the review to assure that all important topics are covered. Present your practice productivity trends, identify obstacles to practice goals and potential solutions to problems, ask questions about successful techniques used by other affiliated optometrists, ask about Division goals and priorities, review your marketing plans and request assistance to achieve goals. At the end of the review summarize in writing the action steps that have been agreed upon, and give a copy to the district manager.

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8. *Build a relationship with the store manager.* Personally invite the manager and his or her family to rely on you for eye care. Demonstrate your interest in building traffic by sharing your programs to bring people to the store. Convey your enthusiasm for having your practice located within the most successful retailer in the world.
9. *Build a relationship with the greeters who welcome shoppers at the front of the store.* Tell them about your background and education and invite them to rely on you for their eye care. Ask them to help you spread the word about your practice by handing out flyers that you produce to market your practice.
10. *Introduce yourself to the pharmacists* in the store. Express your willingness to help pharmacy customers with common eye complaints.
11. *Create a network with other optometrists affiliated with Walmart and Sam's Clubs in your community.* As you start your practice, introduce yourself to other doctors in your area with a phone call. Ask them for suggestions on how to handle aspects of your new practice that you may question. Periodically arrange informal get-togethers with individual doctors to share practice growth ideas. Attend all local doctor meetings arranged by your district manager. Make it a habit to call your colleagues for advice.
12. *When starting a new practice in a two-door state, call your state optometric association for guidance on establishing accounts with major credit card companies.*

SECTION

3

Office Productivity Measurement

Practice management consultant Jerry Hayes, OD, Jacksonville, Fla., says, “Whatever you measure—improves.” Most successful business owners and eye care professionals know that ongoing quantitative measurement of performance is vital to diagnosing problems and creating plans to optimize financial return. Among the principal reasons Walmart has become the leading U.S. retailer is its superior management of information about customer demand.

Financial measurement is seldom emphasized in optometry schools but is basic and essential to build a successful practice within Walmart or Sam’s Club. The recommended measurement techniques are straightforward, simple and well within the capability of all affiliated optometrists to perform.

Productivity benchmarks

Confidential surveys were conducted annually among optometrists affiliated with the Walmart Health and Wellness Division from 2006-2012 to establish productivity benchmarks, providing standards of comparison for your practice. The tables that follow are based on response from more than 1,700 practices throughout the U.S. The norms yielded by the surveys are consistent with other measurements done by the Walmart Health and Wellness Division and are considered reliable and representative.

Gross professional fee income

The annual median gross fee income for affiliated optometrists during 2011 was \$168,000; for practices in all Walmart locations (excluding Sam’s Club) it was \$180,000; for Sam’s Club locations the median gross fee income was \$105,000. The average affiliated practice in operation for two full years experienced a 7 percent increase in gross revenue during 2011, above

Maximize Your Practice Potential

the average for eye care practices nationwide and above the same store sales growth rate of Walmart stores.

The 20 percent of affiliated practices with the highest gross fee income during 2011 had median gross fees of \$328,000, indicative of the high earnings potential of affiliated doctors.

2011 Gross Professional Fees by Location

	2011 Gross Professional Fees Median
Walmart	\$180,000
Sam's Club	\$105,000
Total Locations	\$168,000

The median represents the midpoint among affiliated doctors: half were above and half below the value shown.

2011 Gross Professional Fee Quintiles

	2011 Gross Professional Fees* (Median)
Highest 20% (5)	\$328,000
(4)	\$256,000
Median 20% (3)	\$170,000
(2)	\$125,000
Lowest 20% (1)	\$69,000
Total Locations	\$168,000

*In this quintile analysis and those that follow, respondents are grouped into fifths of the total sample for key performance variables to illustrate the range of response.

Gross fee income by years of operation

All national surveys document the excellent, long-term income growth potential available to affiliated optometrists. It revealed a strong positive correlation between the number of years a doctor practices at a location and the gross fee income of the practice. Optometrists at locations for less than three years had a median fee income of \$85,000 in 2011. Optometrists at their current location for eight or more years enjoyed median gross practice revenue of \$220,000. The net income these established practices achieve well exceeds the national median for optometrists in private-practice settings. Average income of affiliated optometrists grows steadily through the first 10 years at a location, with strong gains often beginning during the third year.

The median affiliated practice generates 23 percent of the total revenue produced by the optical location, including both Vision Center sales and professional fees earned by the independent OD. Larger practices tend to generate a higher share of total optical location revenue.

Source of fee income

Some 48 percent of fee income for affiliated optometrists during 2011, on average, was derived from eyeglass exams, 42 percent from contact lens exams and 10 percent from medical eye care. The ratio of income from contact lens exam and fitting fees by affiliated doctors is on average somewhat higher than for optometrists in private practice settings. Share of income attributed to medical billing by affiliated ODs is gradually increasing, but is less than that among private practices. This indicates an opportunity to expand revenue through greater focus on this source of fees.

Some 30 percent of fee income is collected from third party payors by affiliated ODs, 70 percent direct from patients. Larger affiliated practices derive a somewhat higher share of their income from third party payors. Affiliated ODs are accredited providers for a median of eight vision insurance plans.

3rd Party Collection % of Fee Income by Size of Practice

Practice Size	3rd Party Collections % of Fee Income (Median)*
\$291,000+	40%
\$200,000-\$290,000	34%
\$150,000-\$199,000	28%
\$105,000-\$149,000	28%
Under \$105,000	24%
Total affiliated practices	30%

Fee income per exam

Affiliated doctors earned a median of \$65 per exam during 2011, including both eyeglass and contact lens exams. Between 2005 and 2011, median fee income per exam has grown an average of 2.8 percent annually.

The national affiliated doctor surveys did not explore differences between eyeglass and contact lens fees. But the fee averages and the source of income data suggest that the average fee (including any discounted fees) for eyeglass exams ranged between \$45 and \$50, while contact lens exam fees averaged \$65 to \$70.

The 20 percent of practices with the highest average fees had income per exam of \$86 or more during 2011, while those in the lowest fee quintile had fee income per exam of \$48 or less. The spread in median exam fees by size of practice was narrow. Larger practices had somewhat higher revenue per exam. There is no statistical validation that lower fees result in higher practice revenue.

Fee Income per Exam Performance Quintiles*

Fee Income per Exam Quintiles	Fee Income per Exam Median
Highest 20% (5)	\$86
(4)	\$73
Median 20% (3)	\$65
(2)	\$58
Lowest 20% (1)	\$48
Total affiliated practices	\$65

Fee Income per Exam by Size of Practice

Practice Size	Fee Income Per Exam (Median)*
\$291,000+	\$70
\$200,000-\$290,000	\$68
\$150,000-\$199,000	\$65
\$105,000-\$149,000	\$64
Under \$105,000	\$59
Total affiliated practices	\$65

*Excludes medical eye care income.

Patient visits

The median number of complete eye exams performed by affiliated practices during 2011 was 2,299. By comparison, according to American Optometric Association (AOA) surveys, during 2008 the average practicing optometrist in the U.S. administered 2,171 complete exams, working 49.5 weeks per year and 38.1 hours per week.

The average number of medical eye care office visits by patients during 2011 to affiliated practices was 380. Medical eye care visits account for 10 percent of total office visits in affiliated practices. 41 medical eye care visits occur annually per 1,000 active patients in affiliated practices, less than the medical visit ratio achieved by private practice ODs (68 per 1,000 active patients).

Fee revenue per OD hour

The median affiliated optometrist earned \$86 of gross fee income per hour worked during 2011. Between 2005 and 2011, hourly OD revenue has increased at a compound annual growth rate of 5.3 percent.

Affiliated ODs in larger practices earn considerably higher fee income per hour, primarily because they see more patients per hour and secondarily because their exam fees are somewhat above the median for all affiliated ODs.

Fee Income per OD Hour by Size of Practice

Practice Size	Fee Income Per OD Hour (Median)*
\$291,000+	\$130
\$200,000-\$290,000	\$104
\$150,000-\$199,000	\$84
\$105,000-\$149,000	\$68
Under \$105,000	\$56
Total affiliated practices	\$86

Exams per OD hour

Exams per OD hour is the most important performance indicator for affiliated optometrists. High earners conduct significantly more exams per hour. The largest practices grow by seeing more patients per hour, not primarily by working more hours. The ratio is improved by generating more traffic, effective scheduling and delegation.

Maximize Your Practice Potential

For affiliated optometrists, the median number of exams conducted per hour during 2011 was 1.15. According to AOA data, the average number of exams conducted per hour by all U.S. practicing optometrists during 2008 was 1.15, or 45 exams per week. According to surveys of corporate optometrists conducted by Practice Advancement Associates, the average exams per hour for all corporate-affiliated ODs was 1.00 in 2006. The typical Walmart-affiliated OD is about as productive conducting exams as other U.S. optometrists.

Hourly exam productivity increases with the number of years a doctor practices at a location, peaking at eight years. Exams per OD hour also correlates positively with practice size. The most productive 20 percent of affiliated practices achieve a median exams per OD hour ratio of 1.67. A realistic goal for most mature practices is to perform at least 1.5 exams per OD hour, currently achieved by the most productive third of affiliated practices.

Exams per OD Hour Performance Quintiles*

Exam per OD Hour Quintiles	Exams per OD Hour Median
Highest 20% (5)	1.67
(4)	1.37
Median 20% (3)	1.15
(2)	0.97
Lowest 20% (1)	0.67
Total affiliated practices	1.15

Exams per OD Hour by Practice Size

Practice Gross Fee Income	Exams per OD Hour* (Median)
\$291,000+	1.48
\$200,000-\$291,000	1.30
\$150,000-\$199,000	1.14
\$105,000-\$150,000	1.00
Under \$105,000	0.84
Total affiliated practices	1.15

*2005–2011 Composite

Exams performed as a percent of patient base

During 2011, affiliated ODs performed exams equivalent to 37 percent of the number of active patients for whom records are maintained. That translates to an average interval between exams of 2.6 years. This ratio is similar to that reported by private practice ODs.

Preferred Practice Patterns—Practice productivity measurement

1. *Establish continuing measurement of office productivity, recording daily on a spreadsheet the following:*
 - Number of complete exams administered, categorized as: spectacle or contact lens exams; walk-in versus by-appointment exams; exams identified by periods of the day
 - Gross fee income, categorized as: spectacle exams, contact lens exams, medical fees
 - Number of OD hours workedUse the spreadsheets available on oba-ce.com to record your data.
2. *Categorize all contact lens patients receiving eye exams by type of lens dispensed and record on a spreadsheet.*
3. *Prepare weekly and monthly summary reports of office productivity, including the following measures and ratios:*
 - Gross fee income
 - Gross fee income per complete exam
 - Complete exams per OD hour
 - Percent contact lens exams
 - Percent contact lens exam revenue of total net revenue
 - Percent walk-in exams
4. *Prepare a quarterly summary of exams administered by day of week and hour of day.*
5. *Prepare a quarterly summary of contact lens patients by type of lens dispensed, including the following categories:*
 - Silicone hydrogel lenses (all types)
 - Low Dk/t HEMA lenses
 - Daily disposable lenses
 - Soft torics
 - Color lenses
 - Multi-focal soft lenses
 - RGP lenses

Maximize Your Practice Potential

Compare your usage ratios to industry and affiliated doctor norms. See page 83, Section 7 “Contact Lens Management.”

6. *Establish productivity goals for exams and fee income.* Show your goals on the spreadsheet described in #3 above as monthly targets. Compare your actual performance to the goals every month.

SECTION

4

Patient Records and Office Management Information Systems

The Walmart Health and Wellness Division supplies standard patient examination forms and folders that can be used to maintain patient records. Some affiliated optometrists create their own medical history and lifestyle questionnaires and exam forms. Whichever you choose to use is solely at your discretion. In all cases, you should familiarize yourself with HIPAA regulations that require privacy be maintained of all patients records.

To help manage patient records and other information, many practices affiliated with Walmart and Sam's Club are using office management information systems. These systems are widely believed to create greater efficiency, accuracy and ultimately profitability within an optometric practice.

Steady growth in managed care and government paperwork demands has increased the need for effective and accurate information systems. An early 2012 national survey among affiliated ODs. showed that 33 percent used practice management software system. Among the largest 20 percent of affiliated practices with annual gross revenue above \$200,000, 51 percent used a software system.

% of Affiliated ODs with Software System

Mid 2006	19%
Mid 2007	22%
January 2008	22%
Mid 2008	24%
January 2009	25%
January 2010	28%
March 2011	37%
March 2012	33%

Features and benefits of information systems

There are many software systems available that are suitable for optometric practices. The primary features and benefits of these systems are described below.

Patient demographics

The ability to enter quickly, update and access comprehensive patient demographic data is one of the most basic features of any software system and the one most frequently used. Think of this as the backbone of the practice records. Patient demographics include data such as age, sex, name, street address, e-mail address, phone number, diagnosis type, product usage, lifestyle or product preferences as well as patient insurances, financial information and special notes. The most functional systems offer the ability to scan and digitally store information directly into the patient file, including insurance information, referring physician letters or HIPAA documents.

A patient characteristics database is an invaluable tool for internal marketing. Without computerized, easily accessible records, targeting specific patient groups is impractical. With a well maintained database, the opportunities to customize communications to segments of the patient base are legion.

Recall/marketing

There is no better way to retain patients and increase revenue per patient than through effective recall and patient-base marketing. Software simplifies the task of identifying patients to receive recall notices or to receive marketing communications and of preparing and transmitting messages. Features of effective automated recall systems include the ability to assign different recall intervals to different patient classes and to specify multiple recalls per patient.

Patient education

Another powerful tool to increase patient satisfaction and retention is patient education. Text file letters can be created explaining common diagnoses and treatment recommendations, then personalized with a few clicks, for individual patients with specific information based on their exam results.

Scheduling

An integrated scheduler provides the flexibility to view and schedule appointments in daily, weekly, monthly and annual formats quickly and easily. Customization features include the ability to vary appointment duration by appointment type, hours of operation and provider availability. Other useful features include integrated views of the number of patient no-shows, cancellations, balances owed and last exam date for any linked family member.

Final Rx information

Practice management systems provide easy-to-view records of patients' past and present final Rx information. When used in conjunction with an electronic medical record (EMR),

these fields will automatically populate, eliminating duplicate entry and the possibility of transposing errors. Effective systems enable automatic Rx printing.

Patient billing

Professional fees automatically flow to the patient billing portion of the software once a final Rx has been recorded. From there multiple insurances may be assigned and, if appropriate, discounts may be applied.

Ledger

Software systems enable rapid calculation of insurance carrier balances, as well as patient balances. Views include patient only, insurance only and patient/insurance combined.

Insurance billing/electronic claims

Practice management software can ease many of the challenges of third-party billing. Once the standard insurance fees are entered in the software, insurance reimbursements are calculated automatically and applied to both the carrier and patient. The software facilitates both electronic and print HCFA claims filing. Electronic filing benefits the practice in many ways, but most significant is the reduction of claims reimbursement cycle by as much as 50 percent, vastly improving cash flow. Electronic submission can be made directly to the insurance carrier or integrated directly with clearinghouses such as gateway EDI or Vision Web Enhanced.

Practice productivity reports

Having the ability to rapidly generate an accurate range of reports covering practice productivity, time utilization, sources of income and expenses is a valuable resource that is indispensable in monitoring performance and planning improvements. Advanced software enables flexible reporting on a daily, weekly, monthly or annual basis. Capabilities include trend analysis, graphing and data exporting.

Electronic medical records

Increasingly, eye care professionals are recognizing the immediate and long-term value of incorporating EMR into their practices. This eliminates paper charts and the associated space required to store these records. Staff productivity increases



Dr. Larry Brown, who practices at a Walmart store at Cartersville, Ga., is at the forefront of adoption of electronic medical records.

by reducing time spent in manual record keeping. Transposition errors are eliminated as EMR sends final Rx information as well as diagnosis and procedures directly into the billing portion of the practice management system. Refraction data, as well as digital images, may be imported automatically into the EMR via third-party diagnostic equipment interfaces. EMR enables automatic confirmation and validation of billing codes, eliminating lost billing opportunities.

Larry Brown, OD, who practices at a Walmart store at Cartersville, Ga., is at the forefront of adoption of electronic medical records. Dr. Brown claims that his management information system has improved the accuracy of his records and claims, improved office efficiency and space utilization, increased recall success and enabled him to maximize reimbursement from insurance providers.

Considerations when selecting a software system

There are many choices in software systems ranging from a few hundred to tens of thousands of dollars. When researching practice management systems, in addition to product features and cost, consider the following criteria:

- *What is the “pedigree” of the software program?* Is it a system developed exclusively for eye care professionals or was the program developed for a different and unrelated specialty?
- *What is the history, longevity and financial stability of the company that markets the software?* Developing and supporting software is an expensive undertaking. Many have entered the software market; few have flourished. Selecting a software company with demonstrated stability provides the peace of mind that continued support and upgrades will be available.
- *What is the user base of the program?* A larger user base provides economies of scale for the software company, enabling it to amortize development and support costs and pass on lower cost to users. A larger user base provides a tremendous cross-section of software user types that provide invaluable input in software enhancements and upgrades.
- *What is the software company’s depth of involvement and support of the industry?* Companies that play an active role with professional associations, have partnerships with diagnostic equipment manufacturers and support the academic community are more likely to remain at the forefront of product development.

System costs and return on investment

There are many systems available that are suitable for optometric practices. One-time cost of installation is typically \$6,000 to \$7,000 (representing about 3 percent of the gross income of mature affiliated practices). Both software and hardware investments are fully tax deductible. Annual system upgrades are made by the larger software companies, at a cost of approximately \$700 to \$2,000 annually.

Maximize Your Practice Potential

There are many direct financial benefits from installing an information management system, and the initial investment can be rapidly recouped: Benefits include:

- Reduction of administrative hours required to maintain records
- Improved patient retention as a result of more efficient and effective recall
- Increases in patient exam frequency as a result of patient-base marketing programs
- Faster and more complete capture of managed care revenue
- Improved billing with diagnosis code confirmation and validation

An indirect benefit is the ability to plan practice improvements and set goals grounded in data, not assumptions.

SECTION

5

The Patient Experience

Healthy Sight Counseling—Redefining optometric roles

Traditionally, optometrists viewed their role primarily in terms of providing refractions and prescribing eyeglasses or contact lenses. But with the great advances in eyewear technology and the new capability to provide therapeutic eye care, today's optometrists have a much broader role in assuring ocular health and optimal quality of vision.

Progressive optometrists have adopted a new professional model that transcends simple refraction. Beyond the mere measurement of corrective requirements, advanced practitioners now routinely perform:

- A thorough, yearly assessment of the state of ocular health
- An assessment of the general medical health of each patient to evaluate the impact of chronic or temporary conditions on vision and the interactions of prescription drugs with vision
- A detailed exploration of the daily visual tasks and visual environment of the patient to identify optimal vision correction solutions.
- Patient education to increase awareness of the impact of diet on vision, the benefits of safety eyewear, the long-term risks of UV exposure, the benefits of contact lenses with higher oxygen transmission and how some spectacle lens options enhance the quality of vision beyond simple acuity

Inasmuch as adoption of this broader definition of the optometrist's role in providing healthy sight to patients inevitably creates higher patient satisfaction and loyalty, it is the preferred model for affiliated optometrists. In fact, it is endorsed by the World Council of Optometry and the National Federation of Optometry Schools. Embracing this model of professional care elevates patient perception of doctors practicing at Walmart and Sam's Club and convincingly refutes any skepticism about the professionalism of affiliated doctors.

Patient satisfaction is about more than a thorough exam

Highly successful eye care professionals understand that the key to retaining patients and gaining referrals is to exceed patient expectations and create a memorable and satisfying patient experience.

The patient experience is optimized when both the quality of the clinical care and the personal service are exceptional. Delivering a proficient, efficient exam is important, but it is never enough to guarantee high patient satisfaction or loyalty.

Why is that? Isn't the main function of optometrists to conduct comprehensive exams?

Yes, but surveys show that most patients are unable to judge the thoroughness and expertise with which an exam is administered. At the same time, *every* patient is an expert at evaluating if he or she was treated with courtesy, warmth and understanding of their personal needs. Delivering exceptional personal service is usually what separates highly successful practices from the unexceptional norm.

Patients are usually not that interested in the technical details of eye exams or in how efficiently they get processed through your office. They care only about their personal interests and needs, not about your need to see more patients. In patients' eyes, exceptional service comes from their relationship with you, not from your proficiency or efficiency, no matter how effective you are.



It's a Home Run

Peter Jay Epstein, OD
Vernon Hills, Ill.

Dr. Epstein's practice sponsors a Little League team each year. The players wear t-shirts with the Sam's Club Optical logo, and a billboard in the outfield carries the practice name and logo.

Sponsoring the team costs \$300 a year, and in the six years he's been doing so, it has proven itself valuable. "I get exposure on the field and from parents because the kids wear the t-shirts, even around town," he says. The office also displays the annual team plaques, so patients are reminded that Dr. Epstein is an active part of the community.



Dr. Epstein scores by sponsoring Little League teams.

Patients want personalized, caring attention

When praising their optometrist in surveys, patients almost always talk about the human side of the relationship, not the doctor's clinical expertise. When criticizing their optometrist, on the other hand, the comments are almost always about lack of personal attention, not about clinical incompetence.

Every patient wants to be treated as an individual who is the most important patient of the practice—a welcome guest. A patient wants personalized care. No one wants to be treated as a nameless shopper being processed through a production line.

Walmart preaches the “10-Foot Rule” to all of its Associates. Simply stated, it recommends that any time Associates come within 10 feet of a customer, they should smile, look the customer in the eye and greet him or her. That captures the spirit of relationship building that works just as well in eye care.

Surveys among patients of optometrists in private practice settings show that, above all else, patients value the continuity of care and personalized service they receive. This is far more important to them than the range of products offered and price of products and services. In the Walmart and Sam's Club settings, the optometrist must be the person who provides the continuity of care that patients so much appreciate.

Patients value “caring” more than efficiency

In *If Disney Ran Your Hospital*, author Fred Lee explains that Disney World employees (“cast members”) are given a ladder of priorities to guide their decision making as they interact with guests at the resort. The ranking is:

1. Safety
2. Courtesy
3. Show
4. Efficiency

The starting point in designing the guest experience at Disney World was asking: “What would create a memorable, happy guest experience that will make people want to come back to the resort?” Design of the service process did *not* begin with the question: “What system will allow us to accommodate the most guests with the least expense and fewest cast members?” Efficient operation is important to Disney, but it is subordinate to the other priorities.

When situations develop calling for a trade-off between efficiency/cost-savings and personalized attention to guest needs, Disney cast members know they are expected to put courteous, helpful service first, every time.

Lee observes that managers of many health care companies preach the importance of patient service to staff members and may even believe what they say. But as processes and policies are

established, efficiency and cost-savings are unconsciously put ahead of personalized service. Employees easily intuit the true priorities of the business and act accordingly, even when the importance of caring service is emphasized.

When efficiency trumps service in a medical practice, patients may perceive themselves as a widget moving down an impersonal health care assembly line that has been designed to keep the doctor's profits high. A personal connection is not made. When that opportunity is missed, it is unlikely that an enduring relationship will develop.

Eye care professionals should re-examine office processes and policies to determine if efficiency has been given higher priority than patient satisfaction. Ask yourself: "Is each process or policy designed from the patient's perspective or primarily for the convenience or economic interest of the practice?"

Some patients question the quality of care they may receive in a corporate setting

A national consumer research study conducted by Jobson Medical Information in 2008 queried patients of private practice and corporate ODs about their perceptions of the competence and service provided. The study revealed that American adults have less favorable perceptions of corporate affiliated eye care professionals than of eye doctors practicing in a private practice setting.

Thirty-seven percent of adults who had their most recent exam at an independent ECP rated the experience as "well exceeding expectations," compared to 34 percent of those visiting a corporate affiliated ECP—not a significant difference. But when asked about their likelihood to return to the same location for their next exam, 70 percent of the patients of independents said they were "extremely likely" to do so, compared to 54 percent of patients of corporate affiliated ECPs.

Among patients who had their last eye exam at an independent, 56 percent strongly agreed with the statement that private practice eye doctors were "someone I can totally trust." Thirty-two percent of patients of corporate ECPs strongly agreed that this statement applied to corporate providers.

Corporate ECPs were consistently rated lower among those having their most recent exams at chain locations than were independents among adults having recent exams at private practice ECPs. Similar differences in perception were found among total adults.

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	Last Exam at Independent Rating of Independent ECP	Last Exam at Chain Rating of Chain ECP	GAP
	<u>Strongly Agree</u>		
Overall			
Someone I can totally trust	56%	32%	-24
Likely to be at same location 5 years from now	59%	38%	-21
Professional Competence			
Technically competent	65%	42%	-23
Uses most advanced diagnostic instruments	58%	39%	-19
Has well trained, experienced staff	58%	37%	-21
Experienced doctors	66%	41%	-25
Communication Skills			
Takes time to get to know my needs	55%	26%	-19
Friendly	66%	40%	-26
Communicates effectively in terms I understand	67%	38%	-29
Helps me decide what to buy by recommending vision correction solutions	47%	33%	-14
Expresses appreciation for my patronage	48%	34%	-14

Source: Consumer Perception Study, Jobson Medical Information, 2008

Some patients perceive that they must sacrifice a degree of personal attention and continuity of care when they visit a corporate eye care provider. This, of course, need not be the case. Some patients may even perceive that an optometrist practicing in an optical chain setting is less well trained and more interested in selling products than in delivering a quality exam. That is inaccurate, of course, but perception is the only reality to patients.

The setting of your practice within a bustling, high-traffic Walmart or Sam's Club retail store can reinforce the truth about these negative preconceptions. You must constantly strive to overcome the perception that your service is impersonal, mechanical and all about selling products.

Many of the most successful affiliated doctors offer constant reminders to patients that they are "*independent* doctors of optometry" who chose to develop their practices inside a Walmart or Sam's Club store so that they can focus solely on the clinical care of their patients. Emphasizing your independence reassures patients that you are a licensed professional, just like an optometrist in a private practice setting. In fact, you can stress to patients that your sole focus is on the patient's well-being because your practice does not sell eyewear, only eye care.

Telling the best story

Affiliated ODs need to tell their best story to every patient—because who else will? To create a memorable impression, it is never enough to let patients create their own stories about the practice from the random sights and sounds they witness during the office visit.

If doctors affiliated with Walmart and Sam’s Club do not tell their *own* story, then the Walmart story becomes the practice story. That’s not desirable, because many patients think a discount store must cut back on service to make money.

Each practice must shape its personal story after an objective appraisal of what the practice does best—whether it’s finding solutions for difficult-to-fit contact lens patients, disease management or something else. Once the story is selected it should be conveyed during every office visit or telephone call to create lasting impressions that patients will relate to friends and relatives.

Crafting a story for individual patients is the other aspect of telling the best story. It first involves encouraging each patient to tell his or her personal story on a medical history questionnaire. This is the best way for the staff and doctor to zero-in on the most relevant aspects of the eye care story to individual patients. It enables the office to elevate the conversation above quantity of vision to encompass quality of vision and patients’ ocular health in the larger context of their overall medical condition. Engaging in “Healthy Sight Counseling” elevates patients’ perceptions of the professionalism of the office and their trust in the advice they receive.

Many doctors miss the opportunity to tell their story while the patient is in the exam chair, limiting the conversation to “which looks better: one or two?” When that happens, patients end up with no better understanding of their condition, no sense that their personal needs are important to the office and no positive impression of the distinctiveness of the practice.

Dialogue with every patient in the exam chair should include:

- What we’re going to do
- Why we’re doing it
- What we learned
- How what we learned relates to your vision needs
- What I recommend to best satisfy your needs
- When we need to go through the same process again

You and the Vision Center staff create the patient experience

Despite your practice being independent of the Vision Center, patients’ decision to return year after year to your practice is inseparably linked to their total experience—both in the exam room and in the optical dispensary. You and the staff must work as a team to optimize this experience.



Joe Blackburn, OD, Houston, Texas, credits teamwork with a lot of his success. “We’re almost like a family practice. Patients see the same people every year, and staff knows everyone by name,” he said.

Patients have three principal service expectations:

- A thorough exam and diagnosis
- Attentiveness to their personal needs
- Obtaining the best product solutions to their individual visual needs

To the extent that all three service standards are met, patients are likely to remain loyal and become patients for life. Creating patients for life is the primary focus of highly successful optometrists in all practice settings. That is because no large marketing investment is needed to get loyal patients to come back year after year, and loyal patients are more likely to talk about your practice with their friends and relatives.

A national, ongoing survey of patients who had an eye exam within the past six months, sponsored by the Vision Council, shows that the intensity of the loyalty of patients visiting Walmart affiliated optometrists is somewhat lower than that of private practice doctors. This need not be the case.

Maximize Your Practice Potential

Likelihood of Returning to Same Place for Next Eye Exam (% of patients)

	Private Practice	Corporate Affiliate	Walmart Affiliate
Extremely likely	69%	46%	50%
Very likely	20%	34%	34%
Might or might not	6%	13%	10%
Probably not	3%	4%	4%
Definitely not	2%	2%	1%

VisionWatch—a study conducted by Jobson Medical Information/Vision Council, 1Q 2009 data

Most patients have a bias to remain loyal to their optometrist. They realize a sense of security from having a qualified professional continuously monitor their vision over the years. But to the extent that patients perceive the experience in your office as routine, impersonal and unexceptional, they will sometimes wander off to other practices when it becomes convenient.

Your role is to assure that all three service expectations are achieved, *including optimal product choice*. Some doctors choose to avoid all discussions of products with their patients, thinking it unprofessional. That is a mistake, because few eye care consumers have any depth of knowledge of the broad range of product options available. Instead, they look to the doctor to simplify their decision-making by recommending what the doctor thinks best. They place more trust in the objective advice of a doctor, based on a clinical assessment than they may on what they hear from a Vision Center “Associate.” Remember the power of your white coat!

A 2010 survey indicated that a smaller proportion of affiliated ODs attempt to actively manage the service impression they create among patients than do private practice ODs. In part that is because affiliated ODs have less control over the behavior of the optical staff. But it is a mistake to surrender control of the service process and standards to the Vision Center staff, because that is likely to result in a lower level of patient loyalty.

The Walmart OPTICAL model

During 2007, the Walmart Health and Wellness Division adopted a service model it intends to convey to all Vision Center Associates. Using the acronym “OPTICAL,” the model provides a sequence of steps for service interactions. Inasmuch as affiliated ODs usually set the tone for the total experience in the doctor’s office and Vision Center, it is important that the concepts of the OPTICAL model be reinforced continuously during discussions with Vision Center Associates.

The OPTICAL Model

Open—Whether in the Vision Center, in the facility or on the phone, greet each patient promptly and professionally. A professional, courteous and attentive greeting is critical to the best patient experience.

Probing—Ask questions to understand the patient’s needs and concerns. Probing begins the dialog with the patient. Ask questions that are open-ended or designed to uncover as much information as possible. Use lifestyle questions when possible. This enables you, the Associate, to make educated recommendations that will meet the patient’s needs.

Tune in and Take Notice—Active listening skills are emphasized. After asking probing questions of the patient, tune in to what he or she is telling us. If we do not actively take notice of what the patient is saying, we may miss important information or a chance to provide a better solution to the patient’s needs. Our patients want to feel as though we have heard them. Tuning in and taking notice does just that.

Interpret—This is the natural result of the dialog created through probing and tuning in to the responses. While the question-and-answer cycle may be repeated, at some point the responses need to be understood and interpreted in terms of what they mean for product solutions, customer service and making the patient feel special. Interpreting responses requires critical thinking and sound judgment.

Create Awareness and Present Options—This step is when you educate the patient about the different products that may meet his or her needs or other solutions that may address the patient’s eye health concerns. By presenting the options available and matching those options with the patient’s lifestyle, we can properly inform the patient about the features and advantages of the products available. The patient can then make informed decisions about his or her eye care needs, resulting in a satisfied patient who will continue to trust the Vision Center in the future.

Ask—You have identified needs and presented options, creating awareness of possible options in the mind of the patient. Now you need to close the sale. Overcome objections while keeping the patient’s needs in mind, but always close by asking for the sale.

Lasting Impression—We want to create a positive, lasting impression. Follow up with the patient. Do the things you say you will do. Provide world-class service and be attentive to the patient’s needs. Always talk benefits of the eyewear or solutions provided. Be positive. All of these things contribute to a positive lasting impression.

Office hours

As shown in the table below, the average optometric practice in a Walmart location is open to conduct exams 40 hours per week. As practice size grows, weekly hours of operation typically increase. To maximize your revenue, you will want to plan your office hours to be most convenient to the shoppers in the location in which you are located. Larger practices are open more hours weekly—working longer average hours at day, open more evenings per week and open more days per week.

Hours of Operation by Practice Size

2011 Practice Gross Fee Income	Weekly Hours (Median)
\$291,000+	51
\$200,000-290,000	45
\$150,000-\$199,000	38
\$105,000-\$150,000	40
Under \$105,000	30
Total affiliated practices	40

A March 2009 survey among affiliated ODs showed that the median practice was open 41 hours weekly, typically five, eight-hour days. Ninety-seven percent are open on Saturday, normally the day with the greatest store traffic, and 73 percent reported being open for one or more evenings each week, typically two evenings.

Maximize Your Practice Potential

	% of Practices Open
Monday	76%
Tuesday	83%
Wednesday	83%
Thursday	81%
Friday	89%
Saturday	97%
Sunday	15%
% open four days or less	19%
% open five days	36%
% open six days	33%
% open seven days	12%

Number of Evenings Open	% of Practices
None	27%
One	14%
Two	33%
Three	13%
Four or more	13%

Walk-ins are an important source for gaining patients

On a national level, Walmart-affiliated doctors reported in the 2011 survey that 22 percent of eye exams were administered to walk-in patients. For all corporate affiliated practices, the average walk-in ratio is also 22 percent, based on Practice Advancement Associates surveys. Twenty percent of Walmart and Sam's Club-affiliated practices had a walk-in ratio exceeding 50 percent. The walk-in ratio is influenced by the location of practice, but is also heavily influenced by how well walk-ins are accommodated and encouraged.

Maximize Your Practice Potential

Walk-in Ratio Performance Quintiles

	Walk-in % of Exams (Average)
Highest 20% (5)	42%
(4)	22%
Median 20% (3)	15%
(2)	8%
Lowest 20% (1)	3%
Total	20%

Successful practices affiliated with Walmart and Sam's Club encourage walk-ins and gear their office processes to handle them efficiently. The average affiliated practice currently serves 650 walk-ins annually, or about two per day. Adding just one additional walk-in per day has the potential to increase gross fee income by over \$17,000 annually.

Indeed, the convenience of not requiring an appointment is one of the appeals of receiving eye care at Walmart or Sam's Club. A patient you turn away today because of momentary inconvenience to your practice may be lost forever. Walk-ins are usually full-pay patients, making them very valuable to the practice. Adjusting your hours to align with peak shopping periods will maximize the number of walk-in exams you perform. Your practice marketing materials should communicate that you welcome walk-ins.

Study store traffic patterns to set your business hours

For all Walmart stores, the highest store traffic occurs during the days and the hours shown below:

Monday–Friday	10:00 AM to 2:00 PM 4:30 PM to 8:00 PM
Saturday	10:30 AM to 8:00 PM
Sunday	12:00 noon to 5:00 PM

Wednesday is normally the slowest day of the week.

Maximize Your Practice Potential

At the national level, and generally applying to every region, the following are peak sales periods and days during the year:

- 3rd week of August
- 3rd week of March
- Martin Luther King Day
- President's Day
- Day after Thanksgiving
- Week between Christmas and New Year's

When you adjust your work schedule to take advantage of these peak periods, you will maximize your walk-in traffic.

While the national patterns are instructive, you should confirm the actual shopping pattern at your location with your Vision Center manager.

Preferred Practice Patterns—Office hours

1. *Obtain an analysis of store traffic patterns from your Vision Center manager.* Request a "Terminal Productivity Report."
2. *Discuss optimal office hour scheduling with your market manager.* He or she can share the lessons learned from other practices in your area.
3. *Establish your standard office hours to maximize walk-ins.* Based on what you learn by examining the peak traffic pattern for your location, set your hours to be open during those peak times and days.
4. *Adjust your schedule during peak shopping weeks.* Extend your normal hours during peak periods. Coordinate your schedule with the Vision Center staff.
5. *Monitor your walk-in ratio continuously.* If your ratio falls below 15 percent, analyze your office and Vision Center processes to identify barriers that limit your ratio.
6. *Develop a plan with the Vision Center manager to encourage walk-ins.* Agree on the methods you will use to work walk-ins into the schedule.
7. *Discuss methods to encourage and handle walk-ins at a Vision Center staff meeting.* See the discussion of handling walk-ins under "Preferred Practice Patterns—Reception" (page 47).

8. *Be flexible and extend your hours any day you have a walk-in patient at the end of the day.* Make it your policy never to tell a prospective patient that your office is closing and that he or she needs to return another day.
9. *Arrive at the office 15 minutes early and review the patient schedule and records before the first exam begins.*
10. *Make it a personal habit to respect the patient's time.* Make it your priority to be prompt for appointments and coordinate staff activity to minimize waiting times. Arriving at the practice late for an appointment sends an undesirable message to the patient that his or her time is less valuable than yours.

Exam process

Your state optometric laws provide guidance on standards for examinations. A thorough exam conveys to patients that their ocular health is being thoroughly evaluated by trained professionals. It also is more likely to reveal other medical and ocular conditions needing attention that would otherwise remained undiagnosed.

Based on surveys of optometrists in corporate settings, the following is a Preferred Practice Pattern for eye exam tests. This listing is not intended to dictate the process you adopt, which ultimately will be based on your professional judgment.

Preferred Practice Patterns—Eye exam tests

1. *Perform these standard tests during each comprehensive eye exam:*
 - Pupillometer
 - Color plates
 - Stereopsis
 - Autorefractor and autokeratometer
 - Non-contact tonometer (NCT)
 - Lensometer
 - Visual fields—screening
 - Refraction
 - Slit lamp
 - Ophthalmoscopy (dilation at doctor discretion)
2. *Train the optical technicians to perform the first seven tests to maximize office efficiency.*

Influence points

Master service providers such as the Disney theme parks, Ritz-Carlton hotels and Nordstrom department stores know that customers form impressions of their service during every moment of their interaction with the company. They meticulously orchestrate every instant of the customer experience to assure a favorable impression is left. God or the devil, as they say, is in the details. There is a bit of carefully rehearsed theater involved in delivering exceptional service in any business, including eye care.

For an eye care practice, no matter what the practice setting, exceptional service involves managing both the visual and verbal cues that patients see and hear at every “moment of truth” in the practice. The visual experience can be as important in shaping the total patient experience as is the verbal experience.

A lot of what goes on in a typical eye care office is routine and unremarkable and leaves little impression on patients, either positive or negative. Your goal is to turn an otherwise neutral, unmemorable experience into one that is emotionally gratifying to patients. That means paying a lot of attention to communicating the sometimes subtle clues that demonstrate your competence, your deep interest in the patient’s welfare and the personalized, undistracted focus on the patient’s needs.

It is useful to think of the patient experience in the office as a journey consisting of a series of episodes or “influence points.” To create a highly positive cumulative impression, you must carefully script each of these influence points to assure every patient receives the same professional, friendly, caring treatment. When you do so patients are more likely to be emotionally satisfied by their visit and to return to the practice again and again and to refer others.

The most successful optometrists affiliated with Walmart and Sam’s Club take the lead in shaping the office and Vision Center processes that assure an outstanding patient experience. Leaving it up to chance that everyone in the office will interact with the patient to your high standards lowers the probability of a good outcome.

The Vision Center staff will follow your lead in structuring patient interaction, recognizing you are the person to whom the satisfied patient is likely to remain loyal. Your personal example will speak more persuasively to the staff than all the other training you might do. To the extent that the staff sees you treating patients with warmth, friendliness and demonstrations of personal concern for the patient’s needs, they will adopt your methods. As Albert Schweitzer said: “Example is not the main thing in influencing others; it is the only thing.”

The most important influence points in the Walmart- and Sam's Club-affiliated practice include:

- Appointment making
- Reception
- Pre-testing
- Exam
- Transition to Vision Center if patient chooses to purchase optical products at the Vision Center

The Preferred Practice Patterns below offer guidance on the most effective ways for the staff and doctor to manage each of these key influence points. You should review these Preferred Practice Patterns with the staff regularly during weekly staff meetings, constantly looking for ways to improve the patient experience. The OBA web site provides downloadable presentations you can use to coach the staff on enhancing patient interactions.

Preferred Practice Patterns—Appointment making

1. (When first answering the phone) *Listen carefully to understand the caller's name.*
 - Jot down the caller's name.
 - Clarify the caller's name, if not heard adequately.
2. *Thank the caller, and ask how you can help.*
 - "Thanks for calling Walmart Vision Center."
 - "How can we help you today Mr./Mrs. _____?"
 - Do not ask if the appointment is for an eyeglass exam or contact lens exam. Rather, ask if the exam is for eyeglasses and contact lenses.
 - Refer to the caller by name throughout the conversation.
 - Be sure your voice tone is friendly, warm and unrushed.
3. *If interrupted, never say, "Please hold."*
 - Always request the caller's permission to be put on hold.
 - "Would it be okay if I finished helping another patient for a moment, before I assist you?"
4. *Determine if the caller is new to the practice.* Ask, "Have you visited our office before?"
5. *To prospective new patients, endorse the doctor's professionalism.* Say, "Thanks for considering us to care for your eyes. Dr. Jones is an independent doctor of optometry, who provides a thorough exam to each of his/her patients that can diagnose ocular health and daily vision requirements, so that we can recom-

mend the best possible solutions. He/she is also a highly skilled contact lens clinician.”

6. *To existing patients, thank them for returning.* Say, “Thanks for trusting us to care for your eyes. Assuring your long-term ocular health and total satisfaction with the glasses or contact lenses you receive are very important to us.”
7. *Establish the date and time of the appointment.* Ask, “What day of the week would be most convenient for you?”
8. *Establish if the patient plans to use insurance.*
 - “Will you be using vision care insurance to pay for a portion of the cost of your exam and glasses or contacts?”
 - If yes: “Can I ask which plan you have so that we can confirm your benefits?”
 - Confirm that the insurance plan is covered.
9. *Instruct the patient to bring in his or her current glasses or contacts.* Say, “Please be sure to bring in your glasses (or current contact lenses and lens care products). It will help us evaluate your needs.”
10. *Restate the appointment date and time and thank the patient.* Say, “We look forward to your visit on (date) at (time). During your visit, be sure to tell us about any problems you are having with your vision and about desires you have. That way we’ll be sure to recommend the best possible solutions. Thanks for calling.”
11. *Establish a separate phone line to your office, even in one-door states.* The separate line makes it easier for you to discuss a patient’s ocular condition with other medical specialists, enables you to establish high-speed Internet connection and gives patients a number to call in emergencies. (A 2006 survey of affiliated ODs indicated that 42 percent had a separate phone line.)

Preferred Practice Patterns—Reception

1. *For patients with appointments, welcome and orient the patient, addressing the patient by name, if known.*
 - Immediately acknowledge the patient’s presence when he or she enters the Vision Center. Never leave a new arrival unattended.
 - Look the patient in the eye.
 - Smile.
 - Ask for the patient’s name, and check the appointment calendar.

- “Welcome to Dr. Jones’ office, Mr./Mrs. _____. Thanks for relying on us to protect your sight and provide you the best possible vision. We’ll get started on the pre-testing right away, before the doctor examines your eyes. This will allow us to diagnose your overall ocular health and reveal any conditions that could threaten your sight. But before we do, we would like for you to complete this brief profile questionnaire that updates your medical history and prescription drug usage and helps us understand your visual needs so that we can be sure you get just the right contacts or glasses.” See lifestyle questionnaire example (page 65).
 - Accommodate the patient’s personal belongings and, if a brief wait is anticipated, suggest they be seated.
 - Demonstrate your respect for the patient’s time. Tell the patient what to expect.
 - If a brief delay is anticipated, say: “Our technician is wrapping up with another patient and will be with you in just a moment. Please make yourself comfortable.”
 - If a delay of 15 minutes or more is anticipated, say: “We’re running a little behind today because of an unexpected change in our schedule. If it would be better use of your time, you could browse in the store for about 15 minutes, while you wait for our technician to start with the pre-testing.”
 - If patient arrives 10 minutes or more early, say: “I see you are a little early for your (time) appointment. We’ll get you started as soon as possible.”
 - If patient is 15 or more minutes late causing a scheduling problem, say: “I see your appointment was scheduled to start at (time). We began helping another patient, but will try to work you into the schedule as soon as possible. Your exam is likely to begin at (time). Is that okay, or should we reschedule your appointment?”
2. *Ask patients about any vision problems they are encountering and any vision needs they have.*
- “Has your vision changed since your last visit or are you having any problems with your glasses (or contacts)?”
 - Highlight comments on medical history/lifestyle questionnaire so that the doctor will notice.
 - “Do you have any questions you would like to have answered about products you may be interested in trying?”
3. *Explain your fees.*
- “The doctor’s professional fee for a complete eye exam is (fee)”
 - “The doctor’s professional fee for a contact lens exam starts at (fee). This includes the additional tests that are needed for contact lens patients to assure that the patient’s ocular health is compatible with contact lens wear and to assure precise fitting of the lens to provide you with comfortable and safe contact lens wear.”

4. *If the patient is a walk-in...*
 - Immediately acknowledge the patient's presence. Smile.
 - "Thanks for coming. How can we help you today?"
 - "Let's look at our schedule and see how we can fit you in as soon as possible."
 - If the schedule permits immediate start of pre-testing, say: "Your timing is good. We'll be able to get you started right away. But first we would like for you to tell us a little about yourself on this questionnaire so that we can find the best possible solution to your vision needs."
 - If schedule will result in a delay of 15 minutes or less, say: "The doctor and staff are busy right now helping another patient, but we'll be able to get you started in just a few minutes." Have the patient complete the medical history/lifestyle questionnaire while he or she waits.
 - If a delay of more than 15 minutes is expected, say: "It looks like (time) is the first chance we have to get you started. Would you like to shop in the store until then, or we could schedule a more convenient time later today. What works best for you?"

5. *Call no-show appointments within four hours to reschedule.* Say, "We missed you for your eye exam appointment today with Dr. Smith. When would be a convenient day to reschedule? What time works best for you?"

Preferred Practice Patterns—Pre-testing

1. *Clean equipment faceplates and chin rests with an alcohol swab between exams in front of the patient.*
2. *Always begin pre-testing within five minutes of completion of the medical history/lifestyle questionnaire.*
3. *Smile and greet patient by name.*
4. *Seat the patient and attend to his or her personal belongings.*
5. *Make a personal reference to the patient's family, lifestyle or other aspect of the patient's personal life to create a human bond.*
6. *Mention the state-of-the-art instrumentation.* "At Walmart we use the latest diagnostic instruments that not only enable us to determine your eyeglass (or contact lens) prescription accurately, but will help us thoroughly diagnose your ocular health. This is a very important part of your yearly exam, because it can reveal developing conditions that could threaten your sight in the future."

7. *Briefly explain the purpose of each test in layman's language while administering the test.* This adds no time, but signals to patients that they are receiving a thorough exam.
- Pupilometer: “This test measures the distance between your pupils. This is a very important measurement if you need to get eyeglasses.”
 - Color plates: “This will check your color vision. We certainly do not want you mixing up your red socks with your green socks in the morning!”
 - Stereopsis: “This test gives us an indication as to how good your depth perception is—your ability to judge how far away from you something is.”
 - Auto-refractor: “This is a computerized measurement of your eyes that gives the doctor a rough approximation of your prescription. It also measures the curvature of your eyes, which is very important if you are considering contact lenses.”
 - Non-contact tonometer (NCT): “This is a painless way to measure your eye pressure. Eye pressure is one indicator of glaucoma, which is the second leading cause of blindness in our country.”
 - Lensometer: “This will measure your old prescription. When the doctor completes the exam he/she can then determine how much, if any, change there has been.”
 - Visual fields: “This checks your peripheral vision, which is especially important when driving.”



In her practice at Walmart in Roswell, Ga., Dr. Naheed Ahmad has set up a separate room with additional diagnostic instrumentation.

8. *Endorse the doctor's expertise.* Say, "Doctor Jones will review the findings of these tests carefully to be sure your eyes are healthy and will tell you if anything out of the ordinary was observed."
9. *Ask if the patient has any questions.* "Is there anything you want to be sure to ask the doctor about during your exam?"
10. *Escort patient to the exam room and introduce to the doctor.* Relate any product interests or questions expressed by the patient to the doctor.
11. *Avoid leaving patients unattended, if possible.*

Preferred Practice Patterns—Eye exam

1. *Make an effort to minimize the time the patient must wait to begin the exam.* Arrive at the office on time, and make an effort to never leave a patient unattended.
2. *Look the patient in the eye, shake hands, greet warmly by name.* "Good to see you. Thanks for coming in."
3. *Smile.*
4. *Wash your hands in front of the patient.*
5. *Engage briefly in small talk unrelated to eye care.*
6. *Ask for permission to make a product recommendation after the exam.* "After completing my exam, I would like to recommend what I think will best satisfy your visual needs. Is that okay?"
7. *Explain the purpose of each test, as performed, in layman's language.*
8. *Maintain eye contact.*
9. *Never rush exams or tolerate outside interruptions.* Give your undivided attention to the patient.
10. *Encourage questions and dialogue.* Listen attentively and ask, "Is there anything I said that wasn't clear?"
11. *Avoid reading a patient record while engaging in dialogue with patients.*

12. *Acknowledge and validate any feelings expressed by a patient.* Treat every patient concern as legitimate. Never contradict or disagree with a patient's feelings or judgments.
13. *Determine the patient's daily visual environment.* "Eyewear technology has advanced so much recently that it is now possible to enhance the quality and comfort of your vision, beyond helping you see things clearly. To recommend what's best for you, I need to understand what vision demands you have both at work and during leisure time. Would it be okay to ask a few questions?"
 - "During the day, where do you spend most of your time?"
 - "During the day, how long are you exposed to direct sunlight?"
 - "How many hours a day do you use a computer?"
 - "Tell me about your hobbies and sporting activities."
14. *Note patient preferences, interests, daily activities, idiosyncracies and relationships with other patients in the patient file, for future reference.*
15. *When engaging in dialogue with a patient, do so at the same eye level as the patient.* Never stand and talk to a seated patient. It is intimidating and impersonal.
16. *Summarize the exam findings in layman's language.* Avoid jargon, acronyms and technical language.
17. *Conduct subjective refraction patiently.*
 - Never rush a patient; that can lead to patients questioning the accuracy of the refraction.
 - Avoid scientific explanations.
 - Say: "Even though we have all the examination technology, I still like to know your personal preferences. We obtained the information by computer analysis earlier, but I want your personal input, too."
 - Say: "I'll have you look through two different lenses. Even though neither choice will be perfect, I want you to say which one looks clearer."
 - If the patient is indecisive, say: "Or do they look about the same? It's always OK if you think the choices look about the same."
 - Offer encouragement: "You're doing fine," or "We're almost done."
18. *Recommend the best spectacle lens or contact lens solution for the patient's needs.*
 - Avoid lengthy menus or lists of options.
 - Explain your recommendation briefly in terms of the end benefit the patient will receive, not litanies of technical product features. (See section 8 "Spectacle Lens Management" for additional suggestions on presentation.) "Based on what we have discussed about your lifestyle and on the exam results, I recommend..."

19. *Suggest an annual supply to contact lens patients.* “Be sure to ask the technician about the savings from manufacturer rebates when you purchase a full year’s supply of lenses. When patients keep a supply of lenses on hand, I find they are more likely to replace lenses as frequently as I recommend and maintain the health of their eyes.”
20. *Give patients your business card with their prescription recorded on the back.*
21. *Tell patients when you want them to return.* “I would like to see you again 12 months from now to be sure everything continues to be fine with your vision. We’ll schedule the appointment on your way out and will send you a reminder a few weeks ahead of your exam.”
22. *Thank the patient for coming in.* “Thanks for trusting us with the care of your eyes. I look forward to seeing you again in a year. In the meantime, if you have any problems or questions, either call or drop in anytime you are in the store.”

Showing patients you care

Studies among patients of hospitals and primary care physicians consistently show that the highest level of patient satisfaction occurs when a genuine caring and compassion is perceived from caregivers. When patients feel cared for, a relationship of trust is established and patients become more open in dialogue and more compliant with a doctor’s recommendations.

In his book *Love Your Patients*, Scott Louis Diering, MD, encourages health care professionals to consciously convey their empathy for patients at every opportunity. Concrete behaviors he recommends to signal engagement include:

- Actively listen and observe. Too often busy doctors project their own values and concerns into situations and make snap judgments based on objective diagnoses alone.
- Acknowledge and validate any feelings expressed by patients. Empathizing with feelings conveys sympathy for their situation. Statements such as “That must be awful for you” or “I can understand what you are going through” are effective.
- Align facial expressions with patients’ feelings. When patients convey pain or difficulty, let your face demonstrate your concern. When they express happiness, share their satisfaction with a smile.
- Ask questions about patients’ personal lives. Asking about a patient’s children, hobbies, job or interests is the easiest way to build trust. Patients never tire talking about themselves.
- Preface recommendations with the word “I...” Examples include: “I want you to...” or “I would feel better if...” This conveys a sharing of interests with a patient more effectively than statements such as: “You should...”, which suggest distance.
- Say “excuse me” whenever it is necessary to divert attention from a patient. This conveys respect and signals clearly that your attention is not focused on the patient.

- Avoid direct criticism of patient behavior or statements. Patients are embarrassed by rebukes or by being contradicted and may become defensive or withdraw from dialogue. Patients frequently act from ignorance, not bad intentions. They should always be allowed to save face, even if obviously wrong.
- Sandwich critiques. When it is necessary to point out an error or risky conduct, sandwich it between compliments. First acknowledge the patient's good intention, point out the mistake, then compliment the patient on their concern for their health.
- Praise good intentions and health-promoting behaviors. Phrases such as: "It's great to see your active concern for your health" or "I can see you are very aware of how your body reacts to different situations" are validating and encourage compliance.
- Provide simple explanations about medical conditions. Avoid jargon and medical terminology. Use analogies drawn from everyday life.
- Provide a rationale for recommendations. The logic behind medical decisions is often not obvious to patients. Providing an explanation for a course of treatment reduces anxiety.
- Admit mistakes. An apology will quickly dissolve patient dissatisfaction.

Preferred Practice Patterns—Transition to Vision Center

1. *If the patient intends to purchase spectacles or contact lenses from the Vision Center, escort the patient to the Vision Center (in one-door states).* Introduce the patient to the technician who will assist in dispensing.
2. *Reiterate the doctor's product recommendation to the dispenser.*
3. *Smile. Look the patient in the eye and thank the patient again.* Say, "Thanks for trusting us with the care of your eyes. We look forward to seeing next time."
4. *If no dispenser is immediately available, determine who will assist the patient, interrupt whatever the dispenser is doing for a moment, introduce the patient to the dispenser and reiterate your recommendation in the presence of the patient.*
 - "It looks like the staff is busy helping other patients right now. I'll check to see when someone will be available to help you. Make yourself comfortable and I'll introduce you to the person who will assist you."
 - "This is Linda Jones who will assist you when she is finished helping another patient. Linda, I recommended that (patient name) consider..."

Creating a professional image

Patients expect their eye doctor to be friendly, warm and a good listener. But they also want their doctor to make an excellent diagnosis, to communicate it effectively and to recommend the best vision correction solution.

Most patients are unable to assess your clinical competence. Yet they form impressions of your professionalism based on every sight and sound they see and hear while in your practice. Since you have a great deal of control over the impressions patients form, be sensitive to patients' perceptions and manage the details of the visual and verbal cues.

Patients may not always know the difference between an ophthalmologist, optometrist or optician. They often do not know that optometrists, including all of those whose practice is located at Walmart or Sam's Club, receive a doctoral level, four-year degree to be licensed by their state to prescribe vision correction devices. Some patients may assume that a professional practicing at Walmart does not have the same education or experience as someone in a private office. They may wonder if a "real" doctor would work at Walmart, and may think that the exam they will receive must be superficial or abbreviated because it costs less than at other eye care offices. It is important that you convey to your patients that the quality of the eye care they will receive has nothing to do with the busy, commercial setting in which you practice.



Ice Cream Means No Screams

Traci Anderson, OD
Spokane, Wash.

Children don't like being dilated. They're apprehensive about getting the drops in their eyes, but Dr. Anderson decided to add an incentive for children to cooperate with the procedure. Her Walmart store has a McDonalds inside, so she contacted the local corporate office to request ice cream cone vouchers. "I tell the kids ahead of time that I will buy them an ice cream cone after the drops are instilled," she says. "Their eyes light up, and there is very little crying in my office anymore."

The kids eat their ice cream, and when they return to the office, the drops have taken effect. They're happy to return the next year. Dr. Anderson says that moms are happy, too, and often schedule appointments for other family members after the exam is complete. At a cost of 35 cents per voucher, that's one sweet marketing tool.



A Marketing Scoop

Larry Jerge, OD
Tega Cay, S.C.

Young patients at Dr. Jerge's office always receive a prescription—even if they don't need eyeglasses or contact lenses. As a reward for good behavior, Dr. Jerge writes a prescription from his Rx pad for one small ice cream cone to be purchased at the local ice

cream shop down the road. The “prescription” specifies: any flavor, to be consumed by mouth with zero refills.

Dr. Jerge and the ice cream shop management negotiated a rate of just 80 cents per ice cream cone. Even though the children receive a free cone, parents often buy themselves a treat, Dr. Jerge says, bringing in more business for the ice cream shop. As he helps another local business, he is building his practice’s reputation as a child-friendly, comfortable place. That helps him spread the message about the importance of annual eye health exams for children and their parents.

Associates working with you in the Vision Center can create lasting impressions about *your* professionalism, good or bad. Patients do not know or care who signs the paycheck of the staff members who work with you and in the Vision Center. They only care about how well they are treated and if they can trust the answers they receive to questions. If any encounter in the Vision Center is unprofessional, it can reflect on you and will diminish your patients’ loyalty. You have a big stake in fostering a knowledgeable and professional team. That means you must share your knowledge and expertise with the staff at every opportunity.

It matters how you and the staff look

Like it or not, patients form impressions of technical competence based on the personal appearance of the doctor and staff. Everyone wants to be comfortable at work. But casual clothing or athletic footwear diminishes the professional image of the practice. Wearing extreme hairstyles, make-up, jewelry or apparel or not maintaining a high standard of personal hygiene never should be tolerated.

In her practice at Walmart in Roswell, Ga., Dr. Naheed Ahmad insists on “hospital clean” standards for her office and equipment and that the apparel of doctors and Associates be appropriate for a doctor’s office. She believes that when eye care professionals wear casual clothing, it reduces the respect patients have for the advice they receive. She also makes it a point to emphasize her concern for each patient’s long-term ocular health and as she conducts her examinations to dispel the perception that she is interested primarily in selling products.



Dr. Naheed Ahmad, Roswell, Ga., insists on “hospital clean” standards for her office and equipment and that the apparel of doctors and Associates be appropriate for a doctor’s office.

It is vital that you enlist staff support in projecting a professional image of your practice and assist the Vision Center manager in training the staff in these Preferred Practice Patterns for handling patients. The doctor must set the tone and service standards for the entire Vision Center. The staff will inevitably follow the example you set. Professionalism should be a perennial topic at weekly meetings with Vision Center staff members.

Preferred Practice Patterns—Creating a professional image

1. *Create an office decor and environment that is distinct from the optical department and Walmart or Sam's Club store décor.*
 - Décor should be bright, cheery, up-to-date, professional and reflect your personality and interests.
 - Avoid extreme color schemes and artwork.
 - Use classical music in the background to muffle store noise and create a relaxed atmosphere.
2. *Maintain a high degree of tidiness and cleanliness in the exam rooms and reception areas.*
3. *Maintain all instruments in a high state of cleanliness and repair.*
 - Every morning before office hours begin, check that the instruments are clean and in good working order. Clean all faceplates and chin rests with alcohol swabs.
 - Notify the district manager or Vision Center manager immediately if any instrument malfunction is observed.
4. *Call patients' attention to the instrumentation.* Associates or the doctor should mention to patients: "At Walmart we use the most advanced diagnostic equipment available to check your vision and ocular health."
5. *Visually demonstrate your education and expertise.* Display diplomas, training certificates, press clippings and brochures about your professional background.
6. *Wear a lab coat and name badge.* Men should wear a collared shirt and tie.
7. *If you employ a technician, have the tech wear a uniform to work.* This will clearly distinguish your office from the Vision Center and emphasize your professionalism.
8. *Refer to people who work with you by their title or name.* Never use the terms "gal" or "girl" when referring to optical staff.
9. *Insist that the staff always refer to you as "Doctor"* followed by your first or last name, whichever makes your patients more comfortable.

10. *Encourage Associates to endorse your expertise when talking with patients.*
“Our doctor received a post-graduate degree in medical optometry and is skilled in diagnosis and management of eye disease, as well as prescribing glasses and contacts.”
11. *As appropriate, explain to patients that your only interest is their welfare, not selling products.* “With my practice here at Walmart, I earn income only from managing ocular disease and conducting eye exams and not from selling glasses or contacts.”
12. *Call attention to patients the experience of any tenured Associates who will assist with eyewear selection and fitting.* “To help you get the ideal pair of glasses, you’ll be advised and fitted by a licensed optician with many years of experience helping our patients.”
13. *During weekly staff meetings constantly reinforce the importance of maintaining professionalism during interactions with patients.*
14. *Provide business cards to staff members you employ.*
15. *Maintain a strict confidentiality regarding patient diagnoses.*
 - Avoid all discussions about previous patients that might be overheard by other patients.
 - Respect every patient’s privacy.
 - Adhere to HIPAA rules.
16. *Thoroughly define staff roles and responsibilities.*
17. *Discourage the staff from ever guessing the answer to any patient question.* If a staff member does not know the answer to a patient question, say: “That’s an excellent question. When you meet with the doctor, we’ll ask that question and get a precise answer.”
18. *Rehearse answers to frequently asked patient questions with the staff.*
 - Role playing at weekly staff meetings is an effective means to get staff members to remember how to answer questions in an understandable and customer-friendly way.
 - Rehearse the question list at the end of this section during staff meetings.
19. *Keep trial lens inventories neatly stored.* Disorder creates doubt about your efficiency and professionalism.
20. *Invest in high-technology instruments.* See page 109, Section 9, “Advanced Management Strategies.”
21. *Remain at the forefront of adoption of new contact lens and spectacle lens technologies.* Early adoption signals to patients that the practice is medically up-to-date.

22. *Make patients aware of the services you provide beyond refraction.* Use posters, brochures and flyers to make patients aware that you provide medical eye care, as well as conduct exams.
23. *Briefly explain the purpose of each test during the exam.*
 - Use layman’s language.
 - Avoid jargon, acronyms and technical language.

Exceeding patient expectations

Top service companies understand that mere satisfaction of customer expectations is not enough. Surveys show that merely “satisfied” customers, who had their basic expectations met, are no more likely to return to a business than are dissatisfied people. It is only “extremely satisfied” customers who are likely to be loyal and recommend a business to friends and relatives.

High levels of satisfaction are produced by when expectations are exceeded, not merely met. Top service companies create “Wow” experiences for customers that produce emotional feelings of surprise and delight which are likely to be remembered and related to others.

Among the ways Ritz-Carlton creates “Wow” experiences are:

- Using guests’ names frequently in conversations
- Providing unexpected extra services and rewards
- Pampering and special attention
- Immediate fulfillment of requests or resolution of problems, even by staff members not directly responsible to provide a service
- Taking ownership of guest mistakes
- Eliminating all nuisances and stressful situations
- Showing an obvious desire to please
- Clearly communicating interest in guest comfort

At each Ritz-Carlton hotel, “Wow” stories are routinely gathered and shared at daily, pre-shift lineup meetings. These stories celebrate the creative response of staff to individual guest needs and reinforce the corporate goal of consistently delivering ultimate guest experiences.

At Disney World Resort, cast members are trained to spot opportunities to exceed customer expectations in dozens of small ways throughout the day, not just to make heroic recoveries when guests experience major problems. Cast members are taught to take ownership of the problems guests sometimes create for themselves, and to offer extra kindnesses, attention and knowledgeable advice.

Each cast member is trained to answer virtually any question a guest might ask, to take immediate action to satisfy a guest request and to respond with empathy to each guest’s needs.

With frontline employee input, great service companies define standard methods of exceeding expectations in different situations and empower employees to find creative ways to do so. They create an “above and beyond” culture that permeates the organization.

Many successful affiliated ODs attribute their success to their single-minded focus on exceeding their patient’s expectations through caring, competent and personalized service.

Handling service breakdowns

No matter how well managed a business, some customers are unhappy with the service they receive. Well-run businesses do not ignore their mistakes or avoid listening to complaints. They make it easy for customers to express discontent, viewing complaints as gifts—bits of information to guide service improvement.

Every business should identify its most frequently occurring service breakdowns, undelivered customer requests and customer complaints about policies or service delivery. In eye care, some of the most common patient complaints include:

- Waits of more than a few minutes to begin the eye exam or product selection and fitting
- Eyewear does not perform as expected
- Insurance coverage is not clear, is poorly explained, is inadequate to cover full expense
- Fees not adequately explained before service is provided
- Staff not able to answer basic questions
- Inconsistencies in answers to questions from doctor and staff
- Inattentive doctor or staff
- Unsanitary conditions
- Waits of more than a week for product delivery
- Products not available when promised

Standard protocols should be developed to resolve each breakdown, so that there can be immediate and satisfactory recovery and occurrences can be reduced or eliminated.



It's Insurance Renewal Time

Kendra Mahaffey, OD
Eastlake, Ohio

Soon after the back-to-school rush is over, Dr. Mahaffey busies herself with another kind of promotion—helping patients see the value in their vision insurance. “This is the time of year when most employers are having their employees select insurance plans for the following year,” she says. In 2008, she and an associate took a vision screener to a local Home Depot to screen employees’ vision. “This helped them decide whether or not they wanted to pick up the vision insurance option for 2009,” she says. For those who realized they were

going to need new glasses or contact lenses, it was an easy call to opt for vision insurance.

The Vision Center manager made the arrangements with the human resources director at the business. Employees there signed up for time slots during which Dr. Mahaffey and an optician checked distance and near acuity, color vision and stereopsis; examined pupils; and looked at the patient's eyes with the ophthalmoscope. "This visit took only a few hours but allowed me to introduce myself to many potential patients," she says. "While they can go elsewhere for their exam, there is a good chance they will come back to the doctor they have already met."

In 2009, the practice was expanding the program to add more local businesses, particularly those with insurance plans on which Dr. Mahaffey is a provider. An unexpected bonus: "The human resources director continued to refer patients to us, even those who were not part of that screening."

Frequently asked patient questions

Q. Are you employed by Walmart?

A. No. I am an independent doctor of optometry who chose to locate my practice at Walmart, which is my landlord. I make no income from selling glasses or contacts, but only from providing comprehensive exams and treating ocular disease.

Q. How can your fees be so much lower than other eye doctors? Will I receive a quality exam?

A. We provide a thorough exam with the most advanced diagnostic instruments to evaluate your vision needs and uncover any other ocular conditions that may go undetected, if not regularly monitored. I received my doctor's degree after the same four years of training that all optometrists receive and was licensed to practice by the state after extensive testing. We can offer lower fees because our overhead is lower operating here, and we are able to keep busy seeing patients all day because of our convenient location.

Q. How much does an eye exam cost?

A. A comprehensive eye health and vision exam is \$____. A basic contact lens exam is \$____. If you have astigmatism or need bifocal correction and want to wear contact lenses, there is a modest additional cost.

Q. Will I receive a written prescription after the exam? Will the prescription be accepted anywhere?

A. We will supply a written prescription and summary of your exam as you leave the office. The prescription is valid anywhere in the U.S.

Q. I had an eye exam a little over a year ago and my vision seems fine. Why do I need another exam?

Maximize Your Practice Potential

A. We think it is important that all of our patients receive an annual eye exam. Your vision can change over a 12-month period, and a regular check-up enables us to uncover any sight-threatening ocular conditions that can develop, unnoticed by you.

Q. *Will you accept my insurance plan?*

A. For the convenience of our patients, we accept most vision plans for whatever portion of the examination cost the plan covers. Please tell me your insurance company so that we can confirm your coverage.

Q. *Why does it cost more for a contact lens exam?*

A. We do additional testing with contact lens patients to measure the curvature of the eye to assure we prescribe the lens that optimizes fit and comfort. We also do an evaluation after you have worn the lenses for (__ weeks) to assure there are no complications.

Q. *Aren't all contact lenses the same? Shouldn't I just buy the cheapest ones?*

A. They are not all the same. The contact lens companies spend millions of dollars every year to improve their lenses and regularly introduce new and better technology. You wouldn't want to buy a five-year-old computer, and for the same reason it's best to keep current and wear the latest and best lenses. Right now the companies are introducing new lens materials that allow much more oxygen to pass through, making them healthy to wear and enabling people to wear them in comfort for 14 hours or more per day. I recommend these new materials to most patients, even though they cost a little more, because I think they are better for their eyes in the long run.

Q. *Will my contact lens prescription allow me to buy any brand of lens I want?*

A. Your prescription is for a specific brand of contact lens that my examination and experience tell me is best for your vision and ocular health.

Q. *Is it safe to wear a contact lens with a small tear in it?*

A. A torn lens can damage the delicate outer tissue of your eye and lead to serious infection. If you tear a lens and do not have a replacement, come into the office right away and we will provide, at no charge, a lens that you can wear until your new supply arrives.

Q. *Does Walmart make high-quality glasses? Because they cost less, will they last as long and let me see well?*

A. Walmart will custom-make your glasses in one of its six ultra-modern optical labs, using top-quality lens and frame materials, which the company constantly seeks to upgrade. Because of Walmart's buying power and operating efficiency, you receive top-quality glasses at an everyday low price.

Q. *Will my medical history be available to all Walmart locations?*

A. No it will not. Your records will remain within this independent optometric practice and Walmart will have no access. However, if you were to find yourself in a situation in which you needed your prescription to be verified by another Walmart store, it is easy for them to call us.

Medical history/lifestyle questionnaire

The form on page 65 is available for modification by your practice by visiting the OBA's web site, oba-ce.com.

Fees

Walmart Health and Wellness Division does not dictate or recommend the fees that are charged by its affiliated optometrists. That is the sole responsibility of the practice owner. Affiliated optometrists starting up their practice are encouraged to conduct a fee survey within their community as a guide to establishing a fee structure. The survey should be repeated annually during the first quarter of each year.

Acquaint yourself with the managed care plans that are accepted at your location and become familiar with the coverage they provide. Patients with insurance can represent an excellent source of medical fee income for your practice.

Preferred Practice Patterns—Fees

1. *Have the Vision Center staff conduct an annual fee survey in your community.*

Call the following:

- Five independent optometrists selected randomly in the Yellow Pages
- Five doctors affiliated with Walmart or Sam's Club
- One Sears Optical location
- One JCPenney Optical location
- One LensCrafters location
- One Costco location
- One Pearle location
- One or two locations of other major chains

Request the normal full-pay fees for a complete spectacles eye exam and for a new contact lens exam and fitting.

2. *Establish your fees recognizing the value orientation of your clientele.*

3. *Establish fees cognizant of the principal managed care programs in your area.*

Remember that the standard fees affiliated doctors charge are considered by the insurance companies as they establish reimbursement standards for your community.

4. *Establish fees for each of the following services:*

- Basic eyeglass exam
- Basic contact lens exam and fitting
- Toric contact lens exam and fitting
- Multi-focal and monovision contact lens exam and fitting
- Continuous wear lens exam, fitting and follow-up care
- RGP lens exam and fitting
- Dilation
- Special tests
 - Threshold visual fields
 - Retinal photography
 - OPTOS exam
 - Nerve fiber analysis (GDx)

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Dr. Dave Smith, Independent Doctor of Optometry

Standard eye exams \$42/ Contact lens exams \$79/ Dilation (if needed) \$10

Help us understand your needs so that we can recommend the ideal glasses or contact lenses for you.

Date: _____

ABOUT YOU

Last Name: _____ First: _____ M.I. _____ Sex: ____ Birth date: _____ Age: _____

Name of Parent/Guardian (if under age 18): _____

Address: _____

City: _____ State: _____ Zip: _____

Employed by: _____ Occupation: _____

Referred by: _____

Telephone Number: Home _____ Work: _____ E-mail address: _____

Do you have optical insurance? Yes No If Yes, who is your insurance provider? _____

Do you have Medicare? Yes No Do you have major medical insurance (Blue Cross, United Healthcare, etc)? _____

Subscriber ID & Group # _____

Date of last eye exam: _____ By whom: _____

Do you wear glasses? Yes No Do you wear contact lenses? Yes No If Yes, what kind? _____

MEDICAL HISTORY

Who is your family doctor? _____

Please list any medications that you are allergic to: _____

Please list any medications that you are taking: _____

Please check if you or any of your immediate family members have had any of the following:

	Self	Family		Self	Family		Self	Family
High Blood Pressure	____	____	Diabetes	____	____	Glaucoma	____	____
High Cholesterol	____	____	Kidney Problems	____	____	Macular Degeneration	____	____
Thyroid	____	____	Heart Problems	____	____	Lazy Eye	____	____
Retinal Detachment	____	____	High Intraocular Pressure	____	____	Other	____	____

YOUR VISION NEEDS

What problems, if any, are you having with your vision? _____

Are there any questions about your vision or eyewear/contact lenses that you would like to ask the doctor today? _____

	Yes	No
1. Frequent headaches?	____	____
2. Problems with dry eyes? (feel burning, gritty, water a lot)	____	____
3. Problems driving at night? (blurry, vision/glare from headlights)	____	____
4. Have you had any eye surgery?	____	____
5. Have you had any major trauma to your eyes?	____	____
6. Would you like to try contact lenses or renew your contact prescription?	____	____
7. Interested in trying colored contact lenses?	____	____
8. Interested in learning more about LASIK (laser refractive surgery)?	____	____
9. How many hours/day do you use a computer? _____ (hours)		
10. What are your hobbies? _____		

SECTION

6

Practice Marketing

The most effective marketing by eye care professionals is usually the word-of-mouth they generate among patients by delivering an exceptional patient experience. That is the least expensive and most powerful form of advertising that exists. But early in the life of a practice, that may not be sufficient to get exam counts up to a level where the fee revenue from every hour spent in the office is maximized.

Health and Wellness Division market managers identify insufficient marketing investment as one of the most prevalent deficiencies among affiliated doctors. In Section 2 it was noted that the most important advantage of locating an optometric practice at a Walmart store was the exposure to high shopper traffic. The largest affiliated practices have found ways to convert a large percentage of shoppers into patients. But the typical affiliated practice has not invested enough to create awareness of the practice among shoppers and has failed to realize the full potential of their location.

Too often doctors sit and wait for patients to find them, assuming that the marketing the Vision Center does will be sufficient to build a thriving practice. The busiest and most successful affiliated doctors reject this passive approach and use a variety of low-cost, simple techniques to attract patients from the enormous traffic that passes by their door every day.

Typical optometrists in private practice spend about 1.4 percent of their gross revenue on marketing activities, including recall programs. The 2012 performance survey revealed that the median marketing investment by affiliated ODs in 2011 was just \$500, equivalent to 0.4 percent of fee income.

An established affiliated practice can mount an effective marketing campaign with an annual marketing investment of \$3,000, representing 1.0–1.5 percent of gross fee income. But during the first two or three years of operation of an affiliated practice, 2 percent of gross fees may

total less than \$2,000 and not be enough to kick-start the practice and get the revenue stream flowing.

Melissa Viker, OD, who practices in a Walmart store in Eden Prairie, Minn., attributes much of her recent practice growth to her aggressive marketing campaign. She invests in marketing because it enables her to control her own destiny and to create a practice identity distinct from Walmart.

Creating awareness among shoppers is your primary marketing task

It is estimated that less than 15 percent of Walmart and Sam's Club shoppers who need vision correction rely on an affiliated optometrist for their eye exams. While there are many reasons why this is so, lack of awareness of the presence of an optometrist in the store is a major one. A common experience among doctors affiliated with Walmart and Sam's Club is to hear a new patient say: "I never even knew you were here!" A recent survey of contact lens wearers who shopped at a Walmart store with a Vision Center confirms this. It revealed that 46 percent of contact lens wearers who had never had an exam at the Walmart location where they shopped were unaware that a optometrist was located on the premises. The most successful practices supplement the promotion of the Vision Center done by the store to create awareness of their own presence adjacent to the Vision Center.



Dr. Melissa Viker, who practices in a Walmart store in Eden Prairie, Minn., attributes much of her recent practice growth to her aggressive marketing campaign.

The best marketing communications have a simple, direct, easily understood message that is relevant to the target audience. They avoid multiple claims, exaggeration, excessive cleverness and platitudes.

Key messages should appear in every marketing piece

Each piece of communication by a doctor located at Walmart or Sam's Club should reinforce these key messages.

- An *independent* doctor of optometry is located on the premises who performs eye exams.
- Your practice offers warm, friendly, personalized service.
- You desire to establish a long-term relationship with your patients.
- Walk-ins are welcome.

Some practices like to emphasize the low cost of the exams they provide, which is appealing to Walmart and Sam's Club shoppers. But excessive emphasis on price and discounts can diminish the potential patient's perception of your professionalism.

Other practices like to emphasize their expertise at fitting contact lenses, which is perfectly appropriate.

To visually create awareness of the presence of an optometrist adjacent to the Vision Center, a quality photo of yourself in professional attire should be used on most marketing communications for your practice.

Any materials you create that use the Walmart or Sam's Club logos should be approved by your district manager.

Internal marketing

The marketing you do within your store location is often sufficient to generate the traffic you need to achieve your financial goals. Successful practices use a variety of simple advertising techniques including signage, flyers and brochures. At the end of this section appear examples of materials to guide your development. Go to oba-ce.com to download these and other layouts of materials that you can take to a printer and adapt to your practice. One caveat: be sure to check your state optometry laws and rules on proper advertising to assure that the suggestions below are appropriate in your state.

Preferred Practice Patterns—Internal marketing

1. *Place a large sign or banner with your picture and name on the wall outside your office near the Vision Center entrance.*
 - See examples of effective signs at the end of this section.
 - Before printing signs, obtain the approval from your Health and Wellness

Division market manager. Materials using the Walmart or Sam's Club logos require district manager approval.

2. ***Create a practice brochure and display it in the Vision Center and your reception area.*** Currently just 30 percent of affiliated practices have a practice brochure. See an example of an effective brochure at the end of this section and by visiting oba-ce.com.
 - Highlight your education and experience.
 - List the eye ailments you treat.
 - Show the range of contact lens services you provide.
 - Demonstrate your interest in providing personalized service and a continuity of care to patients.
3. ***Give each patient a business card with his or her prescription and next exam appointment date on the back.*** See examples of effective business cards at the end of this section. Your Vision Center manager can order business cards for you online at no charge.
4. ***Create flyers that can be distributed at the pharmacy, by the store greeter and Vision Center Associates.*** See examples of effective flyers at the end of this section.
5. ***Develop a plan with the Vision Center manager to conduct free vision screenings.*** If time allows, help conduct the screenings.
6. ***Develop seasonal promotions to attract patients.***
 - New vision insurance season—January
 - Computers and vision—February/March
 - Allergy season—April
 - Contact lenses for proms, weddings—May
 - Sun protection—June/July
 - Back-to-school—August/September
 - National Diabetes Month—November

Encouraging word-of-mouth referrals by Walmart Associates

Within each location are several hundred Associates able and potentially willing to help you spread the word about your practice. To put Associates to work you need to make yourself visible in the store, personally ask for help and provide materials that will assist Associates at spreading the word.

Michel Gambino, OD, who practices in a Sam's Club at Addison, Texas, makes it a habit to get out of the office during any downtime to visit the other departments at the club and establish and

Maximize Your Practice Potential


maintain relationships with the Associates. He says that nearly 25 percent of his total practice fee income is generated from Associates and their families and the referrals made by these people.

WHEN WAS YOUR LAST EYE EXAM?



STOP BY THE VISION CENTER & GET AN EYE EXAM
No Appointment Necessary

DR. DAVE SMITH
Independent Doctor of Optometry



WHEN WAS YOUR LAST EYE EXAM?

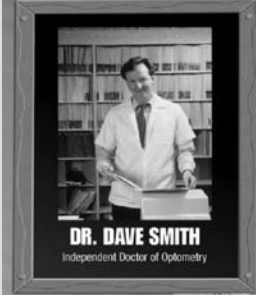


STOP BY THE VISION CENTER & GET AN EYE EXAM

ASK FOR DR. KEN PRESTON




READY FOR SCHOOL?



HAVE YOUR KIDS EYES CHECKED TODAY!
Comprehensive eye exams for the whole family
No Appointment Necessary

DR. DAVE SMITH
Independent Doctor of Optometry



READY FOR SCHOOL?



HAVE YOUR KIDS EYES CHECKED TODAY!
Comprehensive eye exams for the whole family
No Appointment Necessary

DR. DAVE SMITH
Independent Doctor of Optometry



Dr. Dave Smith
12345 Main Street • Anywhere, USA 98765
1-555-456-7894

	B.C.	Diam.	Power	Mfr.	Series
R					
L					

 Exp. Date _____
Signature _____

Signage, flyer and form examples



Welcome Wagon

Kim Raharja, OD
Atlanta, Ga.

Dr. Raharja teamed up with a company that creates the welcome packets for the apartment complexes around town. “People who just moved in are looking for everything. They need services, and this is the perfect opportunity to welcome them to the community,” she says.

The service costs \$150 a month, and the company prints the coupons and delivers them to 10 apartment complexes. Dr. Raharja has found that the promotion is most effective in the summer or early fall and within a three-mile radius of the office. An offer of a low price with restrictions has a better draw than an offer of some percentage savings. “The flyer brought in 15-20 new patients a month. These are patients to help fill your schedule. Apartment dwellers are hard to pin down as lifetime patients. Maybe next year they will move away, or they may be in college for four years. Our goal is to give them a great patient experience because the best way to get more patients is referrals,” she says.



Dr. Raharja reaches out to new residents.

Preferred Practice Patterns—Word-of-mouth referrals from Associates

1. *Get to know the greeters who welcome shoppers at the front of the store.* Every month, request that the greeter distribute flyers, making shoppers aware of your practice.
2. *Get to know the pharmacists who practice in the store.* Inform them that part of your practice involves evaluating patients who complain of red eye or other ocular conditions. Provide the pharmacists with flyers and/or practice brochures explaining your credentials and services.
3. *Regularly attend the pre-opening store meeting to increase your visibility to the Associates and increase the likelihood they will mention your practice to friends and relatives.*
4. *During free moments between scheduled exams, go outside your office into the Vision Center and surrounding area and strike up conversations with shoppers and store personnel.* Be visible in your lab coat to the traffic passing the Vision Center.

Patient-base marketing

Much of the marketing done by optometrists in private practice is to their existing patient base. Maintaining contact with patients between exams can be effective in binding the patient to the practice and thereby increasing retention. Marketing to patients can also reduce the interval between exams and stimulate referrals.

Patient-base marketing is greatly facilitated when a practice information system is in place that enables rapid, easy compilation of targeted lists of patients, based on their product usage, age, sex or elapsed time since their last exam.

Preferred Practice Patterns—Patient-base marketing

1. *Call each patient you treat with a medical condition a few days after treatment to determine their progress.* This unexpected demonstration of your concern will endear the patient and potentially stimulate referrals.
2. *Call each patient who purchases spectacle lenses or contact lenses for the first time to determine their satisfaction.* Call within two weeks of the purchase. This unexpected gesture demonstrates your interest in the patient's welfare and can uncover otherwise unreported problems that you can resolve.
3. *Publish a newsletter twice a year.* The newsletter can showcase new products and emphasize the importance of regular exams. Manufacturers may be willing to help fund this marketing program. Currently just 7 percent of affiliated ODs have a practice newsletter.
4. *Conduct targeted mailings to patients as significant new products are introduced.* A mailing can position your practice in the patients' minds as being up-to-date and interested in their needs and may cause patients to accelerate the timing of their next exams. Manufacturers often have funds available to support these mailings.
5. *Recognize every patient referral with a personalized thank-you note.* Maria Fragoulis, OD, of Westerville, Ohio, sends a personal letter and a \$5 Starbucks gift card to every referring patient.
6. *Recognize patients with personalized notes and cards on their birthday, graduation day, wedding, birth of children, anniversaries and other special occasions.* These personal communications bind patients to the practice by demonstrating your personal interest in their lives.
7. *Send a letter to each Medicare patient in October to encourage use of benefits.* Brian Eveland, OD, of Jefferson City, Mo., encourages Medicare patients

to visit the practice before the patient's annual deductible starts over in the new year.

8. *Send a note to any patient you noticed being mentioned in a local newspaper article.*

Community involvement

Many affiliated ODs have discovered that joining community organizations, becoming active in church activities or offering services to local schools, nursing homes or motor vehicle departments are effective ways to create practice awareness.

Some affiliated ODs approach local elementary and high schools each fall, offering to evaluate the vision of any student experiencing problems or to conduct educational lectures about eye care to student groups. Others notify local motor vehicle departments that they can provide an exam and prescribe vision correction to driver's license applicants who fail their vision exam.

External advertising and marketing

Few affiliated doctors advertise their practice in mass print publications, apart from Yellow Pages listings. Practice management consultant Gary Gerber, OD, advises his clients not to invest in large-space Yellow Pages listings, which he says are never cost-effective. A few doctors advertise in local newspapers and in coupon books such as Valpak®. Such advertising can be cost-effective in metro areas if there is a low-cost advertising vehicle available that reaches a concentrated audience within five miles of your location, minimizing wasted circulation.

If you invest in external marketing, you should carefully measure your return on investment to establish which activities have a positive return. You should ask new patients how they learned about your practice and keep a tally. Or you could include coupons in your ads and measure redemption.

Practice web sites

In today's Internet-reliant society, having a practice web site is highly desirable. A 2009 survey revealed that 69 percent of U.S. households have Internet access at home. A 2005 survey of Walmart shoppers indicated that 61 percent had used the Internet during the past 30 days. The Internet has become a pervasive medium of communication, used daily by millions for information gathering, purchasing, making reservations and appointments and sending messages. Increasingly consumers go to the Internet to locate service providers, rather than to traditional listings such as the Yellow Pages.

The time is coming when no business or medical practice can afford not to have an Internet site. Many patients find it more convenient to communicate via the Internet than using the telephone, particularly after business hours.

As of early 2012, 36 percent of affiliated ODs had practice Internet sites. Since, 2007, penetration has more than doubled, but still is lower than the penetration of practice web sites among private practice ODs, which is greater than 70 percent.

A practice web site offers:

- The unique identity of the practice, or the “practice story”
- Communication with current patients
- Appointment making and medical history taking for new patients

The OBA has developed web site templates customized for Walmart- and Sam’s Club-affiliated practices, in cooperation with EyeCarePro.net. For an annual investment of \$450 and about 30 minutes of set-up time upfront, affiliated ODs without web site design experience can establish a practice site. Visit EyeCarePro.net for details.



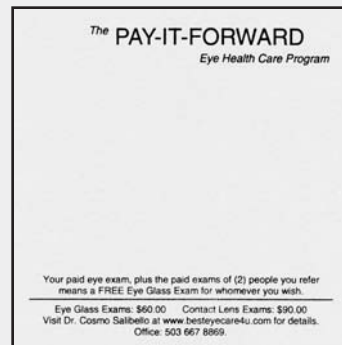
Pay It Forward Promotion

Cosmo Salibello, OD
Wood Village, Ore.

Dr. Salibello started a program to increase referrals. Any patient who completes a paid exam and refers two new patients who also complete paid exams receives a free exam to use in any way within the next two years. The free exam can be transferred to a relative, friend or neighbor-in-need, or it can be used by the patient for his or her next regular exam, he says.

To promote the program, which he calls Pay It Forward, Dr. Salibello printed sticky notes, detailing the promotion and contact information for the office to make scheduling an appointment easier.

Dr. Salibello realizes some people may see this as giving away 25 percent of his business, but he believes it’s a practice-builder. Since he began the program in June, several patients have qualified for a free exam. “By providing one free eye exam after getting three paid eye exams, I realize \$120 in additional profit that would not have been there without the program,” he says. So even if he ends up providing 50 no-cost exams, he would still be ahead \$6,000 gross profit from the new referrals.



Stick to it: Dr. Salibello’s simple strategy brings in referrals.

Preferred Practice Patterns—External advertising

1. *Check with the manufacturer sales representatives of soft lenses you prescribe regularly to determine the availability of cooperative advertising money.*
2. *Contact nurses at local schools, nursing homes and public health providers and inform them of your availability to conduct eye exams.*
3. *Develop a referral network among local ophthalmologists and primary care providers, such as family physicians.*
4. *Join the Lion's Club, Chamber of Commerce or other local civic and service organizations.*
5. *Carry your business cards with you at all times and give them freely to people you meet.*
6. *Mine Vision Center records to identify Vision Center shoppers who are not patients of the practice.* Send a postcard to each prospective patient thanking them for trusting Walmart for eyewear or contact lenses and mentioning your availability to conduct eye exams and that “walk-ins” are welcome.

Patient satisfaction surveys

An effective way to evaluate if you and the Vision Center staff are delivering a high-quality patient experience is to conduct an ongoing survey of every patient who visits your office. Just 13 percent of affiliated practices currently conduct such surveys on an on-going basis. Satisfaction surveys enable you to see your practice through the patient's eyes and identify aspects of the experience that need improvement. Returned surveys should be reviewed regularly during meetings with your staff and/or Vision Center Associates. Problems identified by patients should be resolved. Practice management consultant Neil Gailmard, OD, MBA, FAAO, Munster, Ind., uses the questionnaire on the following page to monitor the satisfaction of his patients. Note that the questionnaire does not separate the service received in your office versus that in the Vision Center. The total experience is inseparable to the patient.

Example of Patient Satisfaction Surveys
(available for downloading and customization on oba-ce.com)

Example 1

Dr. Dave Smith, Independent Doctor of Optometry Located at Walmart Vision Center		
We would appreciate your assistance in completing the following questions in order to help us better serve your eye care needs.		
• Was staff courteous and helpful?	Yes	No
• Were you seen in a timely manner?	Yes	No
• Was your examination thorough?	Yes	No
• Were you satisfied with the explanation of your visual conditions and treatment options?	Yes	No
• If fit with contact lenses or glasses, did the service and quality meet your expectations?	Yes	No
• Would you refer a family member or friend to our office for eye care?	Yes	No
• How would you rate your overall satisfaction with our office? (10 = excellent; 1 = poor)	_____	
• What was the most memorable thing that happened at our office? _____		

• Other comments: _____		

• Name (optional): _____	Date: _____	

The Ultimate Question

In his 2006 best seller *The Ultimate Question*, management consultant Fred Reichheld contends that the single best measure of how effective any company is at nurturing its business is to ask customers how likely they are to recommend the company to friends and colleagues. Companies that score highly on this “ultimate question” have exceptionally high customer retention rates, usually with above-average revenue growth rates as well.

Customers of any business, including patients of an optometric practice, can be arrayed on a continuum of loyalty that can be divided into three groups:

- Promoters who are so enthused that they recommend the business to others
- Passives who are satisfied but find nothing extraordinary about the business
- Detractors who are minimally satisfied or dissatisfied with their experience with the business

Reichheld encourages businesses to continuously monitor their “Net Promoter Score,” which is the percent of customers highly likely to recommend the business minus the percent who are detractors. Reichheld recommends that companies have customers rate their likelihood of recommending a business on a 10-point scale.

Maximize Your Practice Potential

A 2009 VisionWatch survey of 1,198 people who had an eye exam during the past six months revealed Net Promoter Scores for private practice ECPs and corporate affiliated ODs. The Net Promoter Scores for corporate ODs were considerably lower than for private practice doctors. Although the base size of patients of Walmart affiliates was small, the Net Promoter Score of Walmart ODs was directionally similar to other corporate ODs.

Net Promoter Score

	Patients of...	
	Private Practice ODs	Corporate Affiliated ODs
Promoters (9-10 ratings)	61%	39%
Passives (7-8 ratings)	23%	31%
Detractors (6 or below ratings)	16%	30%
Net Promoter Score	45%	9%

Companies that generate high customer loyalty produce “good profits”—the financial reward from delivering very high value to customers. They focus their organizations on delivering both functional benefits and creating a strong human relationship with customers. They align employee performance metrics and incentives with customer loyalty measurements.

Companies with low loyalty, by contrast, frequently are addicted to “bad profits” gained by abusive or misleading pricing, selling customers products and services inappropriate to their needs or by cutting corners and delivering a minimally acceptable experience. Such companies are more interested in *extracting* the maximum value from each customer rather than *delivering* maximum value. Such a strategy can work in the short term, but cannot sustain business growth.

Maximize Your Practice Potential

Example 2—*The Ultimate Question*

Thank you for trusting our independent optometric practice, located next to the Walmart Vision Center, to care for your eyes. Please take a moment after your visit to tell us how we're doing. Just drop this card in the mail after you complete it. Your response will be confidential.

1. How likely is it that you would recommend our eye care practice to a friend or relative?
(circle a number)



2. What could we have done to make your visit to our office completely satisfying? _____

3. During the past 90 days, how many times have you shopped at this Walmart store? _____

4. How many times have you visited our office for an eye exam?

1st time () Two () Three () Four () Five or more ()

5. Are you: A contact lens wearer? () Eyeglasses-only wearer? ()

Office Code

Preferred Practice Patterns—Patient satisfaction surveys

1. *Have a Vision Center technician give each exiting patient a survey card.*
 - The front of the card should be self-addressed and stamped to maximize return.
 - Ask patients to fill out the card at home and mention that they need not reveal their name when returning it.
 - A return rate of 15–25 percent can be expected.

2. *Keep a running tally of the responses and summarize the statistics quarterly.*
3. *Review returned cards monthly at staff meetings.*
 - Discuss any patient suggestions or complaints with the staff and identify ways to improve the patient experience.
 - Celebrate praise from patients and recognize those who provided outstanding, memorable service.

Recall techniques

In most established and successful optometric practices, 70 percent or more of the exams are administered to patients who have previously visited the practice. The Vision Center recall system sends a postcard to patients with Rx's written by non-affiliated doctors as their prescription expires, but does not notify your patients it is time to return. A 2012 national survey of affiliated ODs revealed that just 59 percent have a recall system independent of the Vision Center system. For many affiliated ODs, establishing an independent recall methodology will result in an immediate increase in patient exams.

The frequency with which patients have exams can have a major impact on practice revenue. In a typical affiliated practice, active patients receive eye exams every 2.6 years. That means that a practice with 5,000 patients will conduct about 1,950 exams annually. Decreasing the interval between exams from 2.5 to 2.0 years through effective recall techniques will increase the number of exams performed by 400 annually. That would generate additional fee income of nearly \$26,000 for the typical affiliated practice.

A 2008 survey among affiliated ODs indicated that nearly all recommend that contact lens patients have yearly eye exams. ODs estimate that the average *actual* interval between exams among their contact lens patients is 16 months. For eyeglass-only wearers, 53 percent of affiliated ODs recommend yearly exams for non-presbyopes and 65 percent recommend yearly exams for presbyopic eyeglass wearers. ODs estimate that the *actual* average interval between eye exams for eyeglass-only wearers is 24 months. It is apparent that many patients do not follow the doctor's recommendation and stretch the time between exams.

Few affiliated ODs devote sufficient time and resources to patient recall. Just 14 percent of affiliated ODs pre-appoint patients at the conclusion of each office visit. Three-in-four practices say that they place telephone calls to patients a few days before their scheduled exam to confirm the appointment. Fifty-seven percent say they send postcards to patients a month before the next exam is due as a reminder to schedule an appointment.

On average, 15 percent of the patients with scheduled appointments at affiliated practices fail to show up. That's higher than the 5 percent no-show ratio reported by private practice ODs. The practices with the worst success in getting patients to show up have a 30 percent no-show rate. Following the Preferred Practice Patterns on the next page will assure a low no-show rate.

Preferred Practice Patterns—Recall

1. *As you conclude each exam, tell every patient when to come back.* “Because your vision and eye health can change and you may not be aware of it, I would like to see you again in 12 months. The technician will schedule your next appointment as you leave.”
2. *Pre-appoint each patient as they depart.* Book the time and date of the next appointment and give the patient a reminder card.
3. *Two weeks before each scheduled appointment, call patients with a reminder.* “It’s been a year since your last exam. We’ve reserved a time to see you on (date/time). When you come in be sure to tell us about any changes in your vision and ask any questions you have. We look forward to seeing you.”
4. *The day before the appointment, call the patient with a reminder.* “Dr. Smith is looking forward to seeing you at (time) tomorrow.”
5. *Send a postcard to patients, who were not pre-appointed, 30 days before the one-year anniversary of their last exam.*
6. *Within four hours of any missed appointment, call the patient.* “We missed you today for your eye exam appointment with Dr. Smith. What would be a convenient day for you to come in? What time works best for you?”

Visit oba-ce.com to review the “Marketing Diamonds” being used by your affiliated colleagues to build their practices.

SECTION

7

Contact Lens Management

Contact lenses are vital to practice success

Doctors affiliated with Walmart and Sam's Club achieve a substantial part of the net income from contact lens patients. A 2012 national survey revealed that 42 percent of the fee income earned by affiliated doctors was produced from contact lens exams, and 44 percent of complete eye exams conducted were for contact lens patients. The 20 percent of practices with the highest contact lens exam ratio conduct 60 percent of their complete exams for contact lens patients. The average ratio of contact lens patients among Walmart affiliated doctors is approximately 20 percent higher than among all practicing optometrists.

Encouraging contact lens use is a best practice of many successful affiliated doctors. There are many good reasons it makes good business and professional sense to encourage contact lens wear:

- Contact lens patients receive eye exams every 18 months on average, compared to a 24-month interval for glasses-only patients.
- Contact lens exams can command higher fees.
- Contact lens penetration in the population has been steadily increasing over the past 35 years.
- Among young adult female household heads, contact lens penetration exceeds 50 percent among those requiring vision correction. These young women usually decide where their family receives eye care. Catering to the family decision maker can help grow the practice.
- Making patients aware of your contact lens expertise elevates your professional image, inasmuch as contact lenses are regarded by patients as more complicated to prescribe than glasses.
- Successful contact lens patients, particularly those more difficult to fit, often become enthusiastic referrers of the practice.

Selecting the right contact lens

A common approach to fitting single vision soft lens patients is for practitioners to select a workhorse lens and recommend it to every patient, except those displaying some contraindication.

While this approach has the benefit of simplicity, it will not assure a consistently good match of lens and patient need. The fact is that many patients have ocular conditions or lifestyles demanding a soft lens with performance or benefits better suited to their unique situation.

A more effective fitting strategy is to classify each single vision soft lens patient—both new and existing wearers—into one of four categories:

- *Asymptomatic daily wearers*—existing soft lens wearers able to wear lenses comfortably all day under most conditions; 35-40 percent of wearers.
- *Challenged daily wearers*—new or existing wearers who experience frequent discomfort or ocular allergy symptoms that result in temporary or prolonged discontinuation of wear, or people who work or play in environments exposing them to lens contaminants; 30-35 percent of wearers.
- *Long day/overnight wearers*—new or existing wearers who regularly wear lenses 14 or more hours or regularly sleep with lenses on; 20-25 percent of wearers.
- *Color lens interest*—patients with interest in changing or enhancing their eye color; 20-25 percent of wearers.

Simple probes can be used to determine which patients have needs beyond those of the asymptomatic daily wearers.

Probing questions to classify spherical lens patients

Challenged daily wearers

- Do you regularly experience irritation or discomfort that cause you to remove lenses before the end of the day?
- Do allergies sometimes cause you not to wear contacts?
- Do you work in a dusty or smoke-filled environment?

Long day/overnight wearers

- How often do you sleep with your lenses on?
- Do you frequently experience discomfort or dryness at the end of a full day of wear?

Color lens interest

- Have you ever wanted to see yourself with a different eye color?

CIBA VISION recommends the following lenses for each patient classification:

Asymptomatic daily wearers	AIR OPTIX™ AQUA, AIR OPTIX™ for Astigmatism, AIR OPTIX Multi-Focal
Challenged daily wearers	Focus® DAILIES® with AquaRelease®, DAILIES AquaComfort Plus®
Long day/overnight wearers	AIR OPTIX NIGHT & DAY® Aqua
Color lens interest	FreshLook®

AIR OPTIX AQUA provides lenses with high oxygen transmission at pricing offering great value to daily wearers. For patients who face daily wear challenges, DAILIES is an ideal choice. With DAILIES, comfort is renewed throughout the day with its exclusive AquaRelease™ feature, and any deposits of contaminants or allergens are thrown away at night. AIR OPTIX NIGHT & DAY Aqua offers the highest oxygen transmission of any soft lens for people who push their wearing schedule to the limit. FreshLook is the best-selling line of color lenses in the world.

The power of one—patient compliance with lens replacement regimen makes a difference

Ultimately, success in optometric practice is grounded in patient loyalty, which is built on the trust patients develop in the advice they receive from eye doctors. When ODs recommend vision correction devices that work well for patients and recommend wear and care instructions which patients accept and find convenient and affordable to comply with, build trust is built. When advice makes product usage more difficult or more expensive, trust is eroded.

In the contact lens category, there is a big discrepancy between how frequently ODs tell patients to replace lenses and what they actually do. The reality is that most wearers of two

week lenses have learned over time to simply ignore their doctor's recommendation on lens replacement frequency and to adopt a replacement regimen that patients find to work well for them and reduce their annual outlay.

Consider these facts derived from large scale consumer surveys and industry audits.

- Just 32 percent of two week lens wearers say they replace their lenses every two weeks or more often. Many more two week lens wearers replace their lenses monthly or less frequently.
- Consistent with what two week lens wearers report as their lens replacement frequency, industry audits show that the average annual lens consumption of two week lens wearers is just 3.2 boxes—nowhere near the eight boxes that most doctors recommend.
- Some 65 percent of two week lens wearers say they actually prefer a monthly replacement schedule over a two week schedule. It's not that they think replacing lenses every two weeks would be better if they got around to it. They actually think that monthly replacement is sufficient and easier to remember.
- Two week lens wearers who stretch usage say that they do so primarily to save money and because they see no downside from it—their lenses appear to hold up fine for a longer period and they suffer no noticeable discomfort.
- A recent study conducted by the University of Waterloo among U.S. optometric practices showed that non-compliance with two week lens regimens was much higher than for other lens modalities. Nearly 6 in 10 wearers of two week silicone hydrogel lenses said they did not replace lenses every two weeks, compared to 29 percent non-compliers among monthly lens wearers and just 15 percent among daily disposable lens wearers.

Affiliated ODs do not need to passively accept this situation, because non-compliance by two week lens wearers has unwelcome consequences. When two week lens patients, many with long experience wearing these lenses, dismiss a doctor's advice as impractical, wasteful, unnecessary and inconvenient, it's not a desirable situation.

The reality is that when ODs recommend what many patients reject, trust is undermined. When that happens, patients may question other recommendations ODs make and to follow their own instincts. They may take less seriously recommendations about overnight wear of soft lenses, about when to return for their next eye exam, or about how to care for their lenses.

Affiliated OD income is tied to how many exams are performed, which is affected by how frequently patients have eye exams. An OBA survey showed that 94 percent of affiliated ODs recommend yearly exams to contact lens patients. Consumer surveys show contact lens patients *actually* have exams about every 18 to 24 months. Typical Walmart affiliated ODs have 2,000 active patients wearing contact lenses and perform 1,000 contact lens exams annually. It makes a big difference to their income if patients return every 12 or every 18 months.

Patients who wear one month and one day contact lenses are more compliant with their replacement regimen and as a result may be more likely to return on schedule for their next eye exam, because they run out of lenses. Thus the average interval between exams is likely to

be less among one month and one day lens wearers than for two week lens wearers. Over time, patients wearing one month and one day lenses may have exams more frequently.

Assuming two week lens wearers have eye exams every 18 months, they generate about \$150 over three years, assuming each exam costs \$75. The average interval between exams for monthly lens patients is more likely to be 14 months, yielding \$193 over a three year period. When patients return after 12 months, as many one day lens users do, three year revenue is \$225. When the incremental revenue derived from compliant patients wearing one month and one day lenses is multiplied by the hundreds of contact lens patients seen every year, the numbers really add up.

A 2012 OBA survey shows that affiliated ODs are changing their lens modality dispensing habits. Some 52 percent say they increased their use of monthly lenses during the past year, as 48 percent said their use of two week lenses decreased. Some 61 percent said their use of daily disposables increased during 2011.

Higher value contact lenses create more loyal patients

The Walmart Health and Wellness Division never dictates or recommends to its affiliated doctors which contact lenses are to be prescribed; that determination is solely the doctor's responsibility, based on assessment of the patient's needs and the doctor's fitting preferences. Virtually all brands of contact lenses are available for fitting by affiliated doctors.

Many successful affiliated doctors try to stay at the leading edge of contact lens technology and recommend higher value lenses to differentiate themselves from other optometrists. Here are usage norms for different types of higher value contact lenses among affiliated doctors as of early 2011. The overall median usage ratios among affiliated doctors are comparable to national averages for all contact lens fitters in all practice settings, except that affiliated ODs are more likely to prescribe silicone hydrogel lenses.

Contact Lens Usage Quintiles: 2011

	Median % of contact lens patients wearing			
	Daily Disposable	Torics	Multi-Focal	Total Si-hy
Top 20% (5)	20%	40%	20%	95%
(4)	10%	30%	10%	90%
Median 20% (3)	5%	25%	9%	80%
(2)	5%	20%	5%	70%
Bottom 20% (1)	1%	10%	3%	35%
Overall Median	5%	25%	9%	80%
National Average	8%	19%	7%	60%

Patients wearing these higher value lenses often are more enthusiastic about lens wear and can become strong advocates of your practice, compared to those wearing widely advertised and universally available, traditional disposable lenses. To take advantage of the opportunity to gain referrals from upgraded contact lens patients, identify from the previous table those categories for which your usage is below the median level. Then consider the strategies to increase your usage that are identified in the Preferred Practice Pattern discussion on page 90.

Surveys show that at least one-third of young women have interest in enhancing or changing their eye color, yet a far smaller proportion currently wears colored lenses. In part that is because young women feel intimidated to ask their eye doctor about a cosmetic lens, thinking it frivolous or vain. Astute doctors understand this patient reticence and always offer the color option to women as they discuss contact lens wear. Merely asking, “Have you ever wondered what you would look like in a different eye color?” is sufficient to elicit interest without any hint of intimidation or pressure to buy.

Each Vision Center stocks four or five of the most frequently purchased brands of contact lenses. Because space is limited, this range cannot normally be expanded. Walmart contact lens buyers analyze purchase patterns by location to determine which lenses will be stocked in six of the eight rows of the standard inventory module. If you are interested in stocking additional rows with brands you prefer, discuss your desires with your district manager.

Traditionally, optometrists have been reluctant to refit asymptomatic patients, who are satisfied with their current contact lenses, into newer technologies. That is *not* the best way to assure complete patient satisfaction and build loyalty. If you fail to inform patients about new technology lenses, they may learn about them from friends and assume that you are not up-to-date and do not make them available. That can result in lost fee income and lower patient retention.

In recent years a new generation of silicone hydrogel lens materials, transmitting a higher amount of oxygen to the eyes, has been introduced by the major manufacturers. As of early 2011, the typical affiliated doctor reported that 85 percent of their soft lens patients were wearing silicone hydrogel lenses. That is a higher ratio than among private practice optometrists. To maximize your practice potential, which includes providing the most up-to-date recommendations to patients, evaluate these new lenses and consider re-fitting patients into these advanced materials.

The market boom in contact lenses for presbyopes

It's estimated that there are 7.9 million soft lens wearers in the U.S. among people 45 years of age or older, most of whom are presbyopic. While that is a large number, the fact remains that soft lenses continue to be very under-penetrated in the U.S. presbyopic population. In the overall vision correction population, 21 percent wear contact lenses, but only 6 percent of people 45 or older do so.

In the years ahead, soft lens penetration is likely to increase rapidly within the presbyopic population. That will occur in part because of the steady advances in multi-focal design

technology. But another growth driver will be the aging of the first generation of Americans that broadly adopted contact lenses in their teens and early twenties—people born between 1965 and 1975 who are now 35 to 45 years old. Many in this generation have worn soft lenses during their entire adult life and will want to continue to do so as they become presbyopic.

Currently there are an estimated 2.3 million people in the U.S. who wear soft multi-focal lenses. That's just 30 percent of the people 45 and older who wear soft lenses. Another 2.1 million people 45 and older wear monovision lenses. Some 53 percent of these monovision wearers report they have discussed an acuity deficiency of their lenses with their eye doctor, indicative of the vision compromise inherent in a monovision fit. Another 3.5 million people 45 and older wear soft lenses that do not correct presbyopia—presumably many of these people rely on reading glasses for near vision correction. Thus a very large number of current presbyopic soft lens wearers could upgrade their visual acuity and wearing convenience by being refitted into soft multi-focals from single vision lenses

Soft multi-focals have been the fastest growing soft lens segment in recent years and will continue to outpace the overall market. Yet many affiliated ODs continue to shy away from recommending soft multi-focal lenses to excellent candidates because of lack of success fitting earlier generations of lenses. If you are on the fence considering giving multi-focals another try, it's time to join the growing number of practitioners who are improving patient satisfaction and practice revenue by fitting the latest multi-focal designs, such as AIR OPTIX Aqua Multifocal.

Contact lens presentations

The best product presentations are brief and benefit-oriented. They address the problems or needs that patients have and offer solutions. They use layman's language and avoid technical jargon. Below are examples of effective product presentations.

Continuous wear lenses:

“A breakthrough new lens material has been introduced that allows up to six times more oxygen through than the lenses you have been wearing. Because they let your eyes breathe, they are safe to be worn continuously for up to 30 nights. Wouldn't it be great to wake up and see and not have to fuss with lens care every day?”

Daily disposable lenses:

“These lenses are the ultimate in convenience and hygiene. You put in a fresh, clean pair every day. Don't you have better things to do than clean your lenses?”

Soft toric lenses (to low astigmats):

“Many people like you with a lesser amount of astigmatism, who wear contacts, used to be prescribed lenses that did not correct the astigmatism at all. They often had to accept visual acuity less than ideal. Now we have disposable lenses for people with astigmatism that are affordable and provide excellent vision. I recommend you try them and see if your vision is better.”

Bifocal or multi-focal soft lenses:

“Now there are soft lenses for people who need bifocal correction that provide good near and distance vision for those times when you don’t want to wear glasses. You can try them for two weeks with no obligation to buy.”

Preferred Practice Patterns—Contact lens management

1. *Elicit interest in contact lenses on the medical history/lifestyle questionnaire.*
2. *In marketing communications, identify yourself as an expert at fitting contact lenses.*
3. *Maintain a neatly organized, full inventory of trial lenses.*
 - Two or three times per week scan the trial lens inventory and note any missing parameters or insufficient quantities.
 - Create your list of trial lens replenishment needs and request that a staff member order the lenses.
4. *Ask spectacle wearers under 50 about their interest in free trial of contact lenses.*
 - “Are there times when you would rather not have to wear your glasses?”
 - “Have you ever thought about trying contact lenses?”
5. *Recommend the highest performance contact lens to each patient, including satisfied wearers of mature technology lenses.*
6. *Recommend daily disposable lenses to soft lens wearers with persistent comfort problems, allergy sufferers and teens.*
7. *Offer trial daily disposable lenses to high myope glasses wearers to assist frames selection.*
8. *Recommend soft toric lenses to patients with -0.75D cylinder.*
9. *Recommend soft bifocal or soft progressive lenses to monovision patients.*
10. *Offer the option of eye color change to all female patients.*
 - “Have you ever wanted to see yourself with a different eye color?”
 - “Would you like to try color or clear lenses?”
11. *Provide each contact lens patient “Tips to Maximize the Enjoyment and Safety of Your Contact Lenses.”*

Maximize Your Practice Potential

12. *Encourage contact lens exams every 12 months.*
13. *Educate Associates about contact lens basics and patient lifestyle needs.*
14. *Communicate new technology introductions to appropriate candidates in marketing vehicles, as soon as they become available.*
15. *Put labels with practice information on starter kits and lens boxes dispensed in-store.*
16. *Create a “Rebate Board” showing current consumer rebates for soft lens brands.*

Suggestion for CL Safety Form (downloadable version available on oba-ce.com)

Dr. Dave Smith, Independent Doctor of Optometry

123-456-7890

Tips to Maximize the Enjoyment and Safety of Your Contact Lenses

1. Replace your lenses every ____ days. That will help assure your lenses remain free of contamination that could cause damage to your eyes.
2. Use _____ fresh disinfecting solution every time you remove your lenses to store them overnight. Don't substitute other care products.

Tips on Wearing, Handling and Care

- Wash your hands before handling lenses to minimize transference of bacteria to your lenses. Use a non-oily, fragrance free soap.
- Examine each lens before insertion to assure it is damage free, clean and with the edges curling inward when gently squeezed.
- Always insert the lens in the right eye first.
- Avoid contacting lenses with cosmetics, hairsprays etc.
- Replace your lens storage case every month. Contamination can build up over time.
- Never wet lenses with saliva, tap water or distilled water.
- Do not wear lenses while swimming.
- Do not wear lenses overnight, unless authorized by the doctor.

Problem Solving

- If you experience stinging, burning, itching, redness, blurred vision, remove your lenses at once.
- Check lenses for damage, dirt, eyelashes or foreign body.
- Reinsert lens – if problem persists call the office.

***When wearing your contact lenses, your eyes should: "Look good, see good, feel good!"
If not, remove lenses and call us immediately.***

SECTION

8

Spectacle Lens Management

Because affiliated ODs do not receive revenue from eyeglass sales, many relegate most discussion about spectacle lenses to Vision Center Associates. But total delegation of spectacle lens presentation to Associates is undesirable and will result in many patients buying eyewear that does not match their needs or offer the best possible performance.

When patients are less than fully satisfied with the eyewear they buy at Walmart or Sam's Club, it not only reflects poorly on the Vision Center, but also on the professional practice located next door. Patients don't usually make a distinction between the doctor's office and the Vision Center as they evaluate their experience at a Walmart or Sam's Club optical location. When a less than fully satisfied patient is back in the market for another pair of glasses, they may not return to you for their next exam.

So you have a big stake in assuring that your patients are totally satisfied with the eyewear they purchase at your store. And you have the ability to make that happen.

Patients want professional guidance to make informed lens choices

Unlike most consumer products, when selecting eyewear, patients place heavy weight on the professional advice they receive and have little other information with which to form strong personal preferences for specific products.

Consumer research and the experience of most ECPs suggest that few patients have any depth of understanding about technical features of spectacle lenses. Most presbyopic patients know the difference between progressive lenses and bifocals and about half of patients say they are aware of anti-reflective treatments. But most know little or nothing about the characteristics of different lens materials, differences among lens brands, the pros and cons of the many designs available in progressive lenses or about polarized lenses. Some have acquired misinformation

from past experiences with earlier generations of spectacle lenses or from conversations with ill-informed acquaintances. As lens technology continues to advance and choices multiply, it becomes even more difficult for consumers to keep up to date about spectacle lenses.

To maximize patient satisfaction with eyewear, affiliated ODs must become personally engaged in recommending the best lens solution for each patient and avoid delegating this role exclusively to Associates. That's what patients expect. There is an implicit trust in a doctor's recommendation that simply does not develop when an Associate alone presents eyewear choices. Too often optometrists avoid recommending products, believing this erodes their professional image and may be resented by patients. But it's clear patients trust your white coat and want the benefit of your expertise.

A 2009 survey of 1,198 adults who had an eye exam during the previous six months, sponsored by Transitions, asked patients to rate the importance of a doctor recommending the best eyeglass lenses or contact lenses to satisfy patients' individual needs at the conclusion of the exam. Seventy-two percent of patients of corporate affiliated ODs rated a recommendation from the doctor as extremely/very important.

Importance of Doctor Product Recommendation During Exam

	Private Practice ECP	Corporate Affiliated OD	Walmart Affiliated OD
Base size	(743)	(419)	(90)
Extremely important	30%	26%	29%
Very important	45%	46%	40%
Sub-total extremely/ very important	75%	72%	69%
Somewhat important	18%	20%	20%
Not very important	5%	7%	7%
Not at all important	2%	2%	3%

Source: Transitions Doctor Recommendation Study, 2009

Evaluate patients' needs to discover what's best

With no income derived from product sales, affiliated ODs are in an ideal position to evaluate patient needs and give objective product advice, free of any economic motive when recommending a particular spectacle lens solution.

Recommending product solutions begins with a thorough needs assessment, based on the following inputs:

- Medical history and lifestyle questionnaire
- Exam findings
- Patient demographics (age, sex, occupation)
- Personal conversation

Many optometrists do not take the time to evaluate how patients use their vision during typical days or to uncover the visual challenges individual patients encounter. A 2009 consumer study sponsored by Transitions revealed that a discussion of a patient's visual environment at work was omitted during 57 percent of exams conducted by corporate affiliated ODs and that discussion of leisure visual environment was also omitted 57 percent of the time. Patients also reported that there was no discussion of glare, night vision problems or light sensitivity during 53 percent of their recent eye exams.

Optometrists tend to view patients' needs through a technical and functional lens, considering only a patient's basic refractive and clinical needs while ignoring patients' desires for convenience, style, comfort, quality or advanced technology. Patients almost never volunteer these product needs. Most are unaware of the options available and cannot tell the doctor what they are looking for. It's a mistake to confine a needs assessment to refractive requirements because many patients are more interested in the enhanced benefits of advanced eyewear than in the basic performance features.

Vision requirements are changing

The vision correction requirements of the U.S. population are evolving as workplace demands change, as new communication technology gains wide usage and as leisure pursuits consume more of people's time.

A recent study reported in the *Archives of Ophthalmology* documents that the prevalence of myopia in the U.S. population 12-54 years of age increased from 25 percent to 42 percent over a 30 year period between 1971-72 and 1997-2004. Researchers hypothesized that this is the result of an increased amount of time spent by the population in near vision tasks.

Traditionally, optometrists grouped vision correction requirements into two categories—near and distance. But in the modern visual environment, intermediate vision tasks have a new prominence.

Today, about two thirds of the population between 15 and 64 years of age uses a computer at home and over half of employed people use a computer at work. A recent study indicated that the average soft lens wearer is in front of a computer screen 29 hours a week. Many ECPs remain locked in a near or far vision paradigm and give little consideration to the intermediate vision tasks that dominate in so many occupations today.

Computer Use by U.S. Population

Age	% of Adults Using Computer	
	At Home	At Work
15-24	68%	21%
25-34	65%	45%
35-44	67%	48%
45-64	60%	43%

Source: U.S. Census Bureau

Patient occupation is the first consideration when recommending eyewear to adults

Usually the most important consideration in assessing eyewear needs of adult patients is their employment status. Because people typically spend half their waking hours on the job, their work setting defines a major component of their vision requirements. More than 90 percent of men and 76 percent of women between 25 and 54 years of age are employed outside the home.

Employment Status of U.S. Adults: 2011
(% Employed)

Age	Total Adults	Male	Female
16-19	26%	25%	27%
20-24	61%	63%	59%
25-34	74%	81%	67%
35-44	77%	84%	69%
45-54	75%	80%	70%
55-64	60%	64%	56%
65 and older	17%	21%	13%
Total	58%	64%	53%

Source: U.S. Bureau of Labor Statistics 2011

Maximize Your Practice Potential

While it's impossible to generalize about the proportions of patients in individual practices who have different occupations, across the country, most employed people work indoors in jobs involving mostly near and intermediate vision tasks. Nearly half of U.S. workers are engaged in business, education or healthcare jobs nearly all of which involve computer work, paperwork or both. The other half of the workforce is employed in a variety of settings with varied vision demands. At least 10 percent of the workforce spends much of the workday outside in construction, transportation, landscaping, maintenance or agricultural jobs. Another 10 percent of the workforce operates a vehicle much of the day or is in a car traveling between work sites or customers. At least 15 percent of the adult eyewear needs safety eyewear, with jobs in manufacturing, construction, maintenance or repair.

Leisure activities also define vision needs

U.S. adults spend over five hours each day engaged in a variety of leisure activities. Some of these activities require different eyewear solutions than are dictated by the work setting of individual patients.

By far the most common leisure activity is watching television. During weekdays, adults spend 54 percent of their leisure time watching TV. Presbyopes spend more time watching TV than do younger people. Progressive lens wearers who watch TV regularly can benefit from a second pair of single vision lenses with their distance prescription only. This Rx is more comfortable for patients when watching TV because the normal tendency is to recline a little in front of the set, bringing the near power of the progressive lens into view. This can result in neck pain or distorted vision.

Time Spent Watching Television by Age: 2010

Age	Hours per day		Weekday % of Leisure Time Watching TV
	Weekdays	Weekends	
15-19	2.23	2.49	42%
20-24	2.09	2.85	45%
25-34	1.91	2.84	51%
35-44	1.96	2.87	54%
45-54	2.37	3.26	58%
55-64	2.75	3.71	59%
65-74	3.77	4.00	57%
75 and older	4.50	4.26	59%
Total 15 and older	2.68	3.23	54%

Source: U.S. Bureau of Labor Statistics, American Time Use Survey 2010

Maximize Your Practice Potential

Adults also participate in a wide variety of hobbies and sporting activities, often involving vision requirements different than encountered during the workday. Large numbers are involved in outdoor activities and would benefit from having a pair of polarized sun wear.

Leisure Activities of American Adults

Activity	% of Adults Participating	2nd Pair Eyewear Needs
Watching TV	99%	Single vision distance Rx
Exercise program	55%	
Walking	36%	Polarized sunwear
Jogging/running	10%	Polarized sunwear
Gardening	47%	Polarized sunwear
Home improvement/repair	42%	Safety glasses
Reading books	35%	Rx optimized for near
Playing sports	30%	
Fishing	17%	Polarized sunwear
Golf	10%	Polarized sunwear, tinted lenses, progressive lenses adapted for ground view
Hunting	8%	Polarized sunwear
Tennis	3%	Polarized sunwear, tinted lenses
Cooking for fun	18%	Rx optimized for intermediate
Sewing	16%	Rx optimized for near
Boating	9%	Polarized sunwear
Woodworking	5%	Safety glasses—Rx optimized for intermediate

Sources: U.S. Census Bureau; National Sporting Goods Association, Sports Participation in 2004

Because of the diversity of work settings and avocations, it's impossible to assess visual needs through simple observation. Questionnaires and conversation can quickly define patients' daily activities—the basis of optimal eyewear recommendations.

Most eyeglass wearers use a single pair

Despite the fact that most people engage in quite different vision tasks at work and at play, two thirds of Americans who wear eyeglasses use a single pair. Older patients are more likely to use multiple pairs. There are many combinations of eyewear used, but the most typical combination is two pairs of glasses in the same prescription—one for indoors and one for outdoors.

Number of Pairs of Prescription Eyeglasses Regularly Used

	One	Two	Three or more	Total
Total	65%	29%	6%	100%
Male	63%	31%	6%	100%
Female	68%	27%	5%	100%
Age				
18-34	75%	22%	3%	100%
35-44	68%	27%	5%	100%
45-54	64%	30%	6%	100%
55 and older	60%	32%	8%	100%

Source: VisionWatch, year ending December, 2011

Apart from being offered a buy one, get one free deal, not more than 10 percent of eyeglasses buyers purchase more than a single pair of prescription eyewear during their eye exam office visits.

Vision problems of eyeglass wearers

Another useful approach to defining eyewear needs is to probe the vision problems that patients regularly encounter. A 2007 consumer study conducted by Essilor presented eyeglass wearers with a list of common vision complaints and asked if respondents ever encountered each problem. The two most frequently selected vision problems were sensitivity to bright sunlight and night vision difficulties. The prevalence of these demonstrates a widespread need for glare reduction and for polarized sun wear.

Vision Problems of Eyeglass Wearers
(% experiencing problem)

Sensitive to bright sunlight	72%
Night vision difficulties	64%
Teary eyes	62%
Red eyes	49%
Dry eyes	49%

Source: Essilor US Segmentation Study, 2007

Recent clinical studies conducted by Essilor show how anti-reflective lenses address these real-world problems patients encounter. They provide wearers up to 20 percent improvement in contrast sensitivity, 30 percent improvement in field of vision and dramatic improvement in visual acuity in situations of extreme glare, such as oncoming headlights while driving at night.

Disconnects that lead to sub-optimal spectacle lens choices

There are many reasons why a patient ends up with a pair of eyeglasses that does not fully satisfy, then looks to another provider the next time new glasses are needed. A lot of these reasons have nothing to do with the quality of the lenses themselves, but occur because of a mismatch between patient needs/expectations and the advice they receive. Here are some common disconnects that occur in recommending eyewear to patients:

- ***Assume that eyeglass patients with no vision complaints, who need a prescription update, will want to purchase the identical lens as currently worn.*** In the rapidly changing world of spectacle lens technology, an “if it ain’t broke, don’t fix it” mentality quickly dates a practice. Patients who do not voice a complaint about their current spectacle lenses are not necessarily totally satisfied. People learn to accept small compromises in the performance of their lenses, usually because they are not aware that better alternatives exist. Eyewear patients put up with glare, have difficulty driving at night, accept age-revealing segment lines or wear heavy, uncomfortable lenses because no one ever bothered to present something better. People who tried first generation progressive or No-Glare lenses and had problems are unlikely to ask about these lens types and probably do not know that the early problems have been eliminated in later generation lenses.
- ***Assume patients understand available options and will express their preferences.*** Few patients take the time to explore lens options before visiting the office. They do not know what is best to satisfy their needs. They have difficulty even expressing their needs, not knowing what is possible.
- ***No lens recommendation made by doctor at conclusion of eye exam.*** In many offices, all discussion of spectacle lenses occurs only after the eye exam and dialogue with the doctor is over. Patients may not link discussions with the doctor about eye exam findings or vision needs with the lenses a Vision Center Associate suggests. Spectacle lens recommendations from an Associate are often viewed more as salesmanship than as professional advice. This can cause patient decision-making to hinge on the price points of options presented, not on lens performance. When a doctor does not discuss spectacle lenses with a patient, the lens chosen in discussion with Associates is not perceived as part of a doctor’s prescription for the patient.
- ***Stereotype the eyewear budget limit of individual patients or allow a patient’s vision insurance allowance to dictate the lens recommendation.*** It’s impossible to guess accurately the value that individual patients place on eyewear. Stereotyping a patients’ ability to afford eyewear will surely result in less satisfied patients. It’s a natural tendency to assume that Walmart and Sam’s Club shoppers are looking for the lowest cost products. To avoid sticker shock and reduce the number of unpleasant conversations about price, some offices recommend middle-of-the road spectacle

lenses to most patients. This assures a low incidence of patients who will have their expectations exceeded. Stereotyping a patient's inability to afford high performance eyewear is a flawed approach that will result in many patients, who lack knowledge of what to request, receiving far less than they desire from their eyewear. When that happens, patient satisfaction with the total eye care experience is reduced, reflecting poorly on the professional office.

- ***Present advanced features as non-essential add-ons.*** When features such as lens material, anti-reflective treatments and photochromic lenses are presented as afterthought options and not as integral lens features, patients tend to view them as nice-to-have, but unnecessary and costly frills.
- ***Doctor's lens recommendation is inadequately conveyed to dispensing staff.*** A doctor's spectacle lens recommendation is seldom challenged by patients. But if the lens recommendation is not accurately conveyed to dispensing staff, it can be lost or distorted in the hand-off between the exam room and dispensary. If an explicit Rx is not conveyed directly from doctor to staff, there is risk that patients will have difficulty remembering the precise terminology of the doctor's recommendation, opening the door to misunderstanding, confusion and disappointment. Poor hand-offs can sometimes result in Associates contradicting a doctor's recommendation, eroding trust in the practice.

Most affiliated optometrists are well versed about the latest contact lens technology, but fewer keep current with the latest developments in ophthalmic lenses, believing that is not their responsibility, but that of Vision Center Associates. The Health and Wellness Division regularly provides updated "Featured Lens Guide" laminated cards to each Vision Center, showing the bundled packages of lens features it offers patients. You should become familiar with the products and terminology used on these guides, which will make the patient transition to the Vision Center more effective.

Preferred Practice Patterns—Spectacle lens management

1. ***Profile each patient's eyewear needs.*** A standard process is recommended. Six questions can cover most relevant information about a patient's daily activities that impact eyewear choices.
 - May I ask your occupation?
 - Do you have any hobbies?
 - Do you participate in outdoor activities?
 - Do you use a computer?
 - Do you drive long distances?
 - Do you like to watch TV?

These questions can be incorporated into the medical history questionnaire. An example is shown on the next page. During pre-testing, an Associate should review the patient's responses to the eyewear usage questions and clarify, as necessary. Special needs or frequent vision problems encountered should be high-

lighted to be brought to the attention of the doctor. Third, the doctor should reiterate to the patient what has been learned about their vision needs as the basis of a lens recommendation.

Medical History Questionnaire—Eyewear Usage Section

What is your employment status?

Not employed ()

Employed full-time ()

Employed part-time ()

What is your occupation? _____

(If employed) In what type of setting do you work most hours each week? (Check one)

Retail store or restaurant ()

Business or medical office ()

Outdoors in landscaping, agriculture
or maintenance work ()

Outdoor construction site ()

Indoor construction site ()

Manufacturing shop floor ()

Hospital ()

School or college ()

In an automobile or truck ()

On a boat or ship ()

Other _____

For each of the following activities, estimate how many hours you spend daily.

Daily hours spent

On a computer? _____

Reading printed material? _____

Watching television? _____

Out of doors? _____

Driving or riding in a vehicle? _____

In what sporting or outdoor activities, if any, are you a frequent participant?

In what hobbies are you actively involved?

Maximize Your Practice Potential

For each of the following vision problems indicate how frequently you experience the problem:

	Frequently	Occasionally	Seldom/never
Glare while driving at night	()	()	()
Tired eyes while working at computer	()	()	()
Neck or back strain while working at computer	()	()	()
Glare in sunlight or bright lights	()	()	()
Difficulty reading printed material	()	()	()
Discomfort wearing glasses	()	()	()
Difficulty seeing television clearly	()	()	()
Inconvenience from frequent switching between regular glasses and sunglasses	()	()	()

Are there any questions about or problems with eyeglass lenses that you would like to discuss with the doctor or staff today?

2. *Create the expectation among patients that purchasing multiple pairs of eyewear will optimize satisfaction.* Creating a patient expectation that using multiple pairs of glasses is normal and beneficial begins with the first dialogue with patients about their vision needs. Patients should be routinely asked about their normal indoor and outdoor activities, their work and home environment, their hobbies and special interests. This will reveal the ideal combination of eyeglasses and sun wear to recommend to each patient.

3. *Create the expectation with each patient that they require a pair of eyeglasses for optimal vision inside and another pair for outside.* Many people spend a great deal of time out of doors, but have only a single pair of eyeglasses designed for their indoor vision tasks, and involve vision compromise when worn outside. These patients would benefit from use of polarized lenses. To stimulate discussion about “outside” eyewear, the following standard operating procedures can be used:
 - As exam appointments are confirmed, suggest to patients that they bring in their sunglasses: “The doctor asks that you bring in your sunglasses so we can

take a look at them and adjust them for you, if necessary.” This creates the expectation of a conversation about sun wear.

- During pre-testing, as the medical history/lifestyle questionnaire is reviewed, the assisting Associate should say: “I see you spend a lot of time outside. For patients like you, we recommend that one pair of eyeglasses for inside and another for outside, to reduce glare and block UV rays. The doctor will discuss this with you.”
 - As the exam concludes and after the indoors lens is recommended, the doctor should say: “I recommend that patients who are in the car or who are out-of-doors a lot during the day have corrective lenses that reduce glare and block UV rays that can cause vision problems later in life. The sunglasses you buy in a drugstore don’t do this adequately and, of course don’t correct your vision. With a good pair of polarized lenses you’ll see comfortably even in bright sunlight with greater clarity and less color distortion.”
4. ***Recommend what’s best to each patient.*** Many successful doctors make it their habit to recommend the highest performance products to each patient, knowing that high product satisfaction will translate to patient loyalty to their practice. Because it’s impossible to pre-judge accurately patients’ ability to afford advanced eyewear, the best approach is to recommend what works best to everyone. Those on a tight budget will identify themselves, and still appreciate the effort to educate them about the best available options.
 5. ***Recommend progressive lenses to all presbyopes.*** Technologically advanced progressive lens designs have virtually eliminated the accommodation problems sometimes encountered with traditional PAL designs. This has removed any remaining functional reason to dispense bifocal and trifocal lenses. Current bifocal wearers may have tried PALs in the past and been disappointed. Every bifocal wearer should be educated about the recent design advances and encouraged to upgrade their vision and the appearance of their eyewear.
 6. ***Recommend polycarbonate material to all patients who would benefit from impact resistance, UV protection and a lighter, more comfortable lens.*** For children, teenagers and any adult who will benefit from increased eye safety, recommending polycarbonate lenses is essential. According to the American Academy of Ophthalmology, more than 100,000 people sustain eye injuries each year—half of the injuries sustained by children. Polycarbonate lenses are 12 times stronger than standard plastic. Polycarbonate lenses are up to 25 percent thinner than standard plastic and 30 percent lighter, making eyeglasses using this material more comfortable and attractive.
 7. ***Recommend high index materials to patients who will benefit from the thinner and lighter finished lens.*** Add a patient’s spherical correction power to their cylinder power requirement. When the sum is greater than 4.00D, then a high

index lens is indicated, because it is likely to be noticeably lighter and more comfortable for these patients. This is particularly a benefit when the astigmatism component is in the horizontal meridian. Use lenses with 1.67 refractive index for patients with a sum in the 4.00D to 7.50D range and 1.74 lenses for patients with a sum of 8.00D or higher. For highly complex prescriptions that are likely to be thicker and heavier lenses, use 1.74 lenses.

8. *Develop benefit-oriented presentation scripts for each lens type.* The best product presentations are brief and benefit-oriented. They address the problems or needs that patients have and offer solutions. As recommendations about spectacle lenses are made, it's important to remember that patients don't buy glasses just to see better. They buy them to enhance their personal appearance, project youthfulness or stylishness, for convenience of use or for enhanced personal comfort. For example, people buy progressive lenses primarily to eliminate the telltale line between the distance and near zones that shouts to the world that they are getting older. It's the emotional end benefits that should be emphasized. Patients want to hear how eyewear will improve their lives.

People do not care much about technical details such as the mechanics of refraction, materials properties or optical zone architecture. Technical terms (high index, photochromic), jargon (dual sided) and abbreviations (CR39, AR, etc.) should be avoided in patient presentations.

As recommendations are made, reference should be made to the vision needs or problems that patients have reported, which are the rationale for the recommendation. This will minimize patient perceptions that lens recommendations are motivated mainly by a desire to sell more costly eyewear.

Gary Gerber, OD, of Franklin Lakes, N.J., a practice management consultant, advises doctors against presenting long menus of product choices to patients. Menus often confuse patients and focus the discussion on price differences between the options and not on product benefits. Just as when pharmaceuticals are prescribed, a better approach is to zero-in and present the product that is likely to best satisfy the patient's needs.

Dr. Gerber's approach is to ask each patient before the exam begins if it would be okay to recommend a solution to the patient's vision need after the exam findings are gathered. Stating your intention to recommend a product upfront creates an expectation, and patients will readily agree to hear you out. After the exam is completed, Dr. Gerber advises that the doctor reiterate the request for permission to make a recommendation. Then, in a sentence or two, make your recommendation, emphasizing the end benefits of the product, not its technical features.

Always preface your product advice with the words “I recommend.” That has much greater impact and credibility than do weaker phrases such as

“Could I make a suggestion?” or
“You might want to think about...” or
“One option is...”

Below are examples of effective product recommendations.

Progressive lenses

Early presbyopes: “I recommend progressive lenses that offer excellent near and far vision, and also good intermediate vision that avoid eye strain and back and neck aches when you use a computer. Progressive lenses have no lines between the vision zones, so they never advertise your age.”

Bifocal/trifocal wearers: “I recommend progressive lenses to my patients who wear bifocals. These lenses can now be customized to your unique vision needs. They are great for people who use computers, because unlike bifocal lenses that just correct for close-up and distance, progressive lenses also provide correction for the intermediate viewing distance as you look at the computer screen. With progressives, there’s no jump in image as your eyes move to look from far to near.”

No-Glare (anti-reflective) lenses

“I recommend no-glare lenses to all my patients. You won’t be bothered by glare while driving at night and you’ll find them much more comfortable viewing a computer screen. Because these lenses are nearly invisible, people will see your eyes and not a lot of reflections off your glasses.”

High-index, “Thin & Light” lenses

“I recommend that your glasses be made with the most advanced plastic that is lighter in weight and transmits light more efficiently so your glasses can have a thinner profile. This will make your glasses more attractive and more comfortable.”

Photochromic lenses

“I recommend lenses that are clear inside but darken automatically when you go outdoors to people like you who are frequently in and out of doors during the day. With these lenses you never have to switch glasses in different light conditions, so you will always enjoy comfortable vision without any squinting. They also block harmful UV rays.”

“Your son spends a lot of time outdoors and would benefit from lenses that are clear inside but automatically darken outdoors. That way he doesn’t have to look after two pairs of glasses and he gets protection from harmful UV rays when in intense sunlight.”

Polarized lenses

“Because you spend so much time in sunlight, I recommend that in addition to your pair of glasses for inside, you also have a pair for outside. The polarized lenses I recommend for outside will greatly reduce the strong glare you experience in sunlight and will block all the harmful UV rays. You’ll see things better with less color distortion and experience a lot less eye strain.”

“Because you’re in the car so much during the day, I recommend that in addition to your pair of eyeglasses for inside, you have a pair for driving. The polarized sunglasses I recommend will greatly reduce strong glare from sunlight, which will actually make driving safer by improving your reaction time and depth perception. Ordinary tinted prescription sunglasses don’t do this as well.”

9. *Use a structured approach to the hand-off between doctor and Vision Center with each patient.* There are three approaches to make the hand-off from the doctor to the Vision Center Associate who will assist the eyeglass patient in lens measurements and frames selection.

Most effective	Doctor escorts patient to optical dispensary and reiterates lens recommendation in front of patient and staff member
	Doctor writes down lens recommendation on script pad and hands to patient at conclusion of exam
Least effective	Doctor orally reminds patient about spectacle lens recommendation as patient departs exam room.

The most effective hand-off occurs when the doctor personally escorts the patient to the Vision Center, introduces the Associate who will assist the patient and in the presence of both the patient and Associate, and reiterates the lens recommendation. Workable, but less effective, is to give each patient an Rx note listing the specific lens recommendation as the exam concludes. This approach runs the risk that patients will not convey the note to the Associate assisting them or that the Associate interprets the note differently than intended. Least effective is an oral reminder of the lens recommendation as patients depart. Such recommendations frequently are not conveyed by patients to Vision Center Associates or get garbled in translation.

SECTION

9

Advanced Management Strategies

Adding a second exam lane

Thirty-three percent of affiliated practices have two equipped exam lanes, most of them practices with higher patient counts. A majority of practices with annual fee income above \$200,000 have a second equipped lane; less than 20 percent of those with fee income below \$175,000 have two lanes. As the number of eye exams performed by a practice exceeds 3,000 annually, affiliated ODs should begin a discussion of equipping a second lane with their regional manager.

Hiring staff

Most optometrists in one-door states rely on Associates working in the Vision Center for assistance in scheduling, reception, pre-testing and record-keeping.

	% of Affiliated ODs Employing Own Staff
One-door state	18%
Two-door state	58%
Total	32%

But many highly successful affiliated optometrists in one-door states choose to hire their own staff. Here are the advantages:

- Greater control of patient scheduling
- Greater control of patient flow through the practice
- Enhanced ability to delegate tasks to the staff to increase the number of exams performed per hour
- Enhanced ability to mold the staff to your standards of patient care to increase the quality of the patient experience
- Potential decrease in the turnover of staff with less need to retrain

As your gross fee income exceeds \$200,000 annually, it is time to consider hiring your own staff. As a national average, contact lens technicians and optical technicians earn an annual salary of approximately \$25,000, excluding benefits. If you achieve a normal rate of practice growth and are able to increase the number of exams you perform per hour, you will quickly offset the added expense of the staff member.

After you decide to hire a staff member, be deliberate and take time to patiently interview candidates to find the right blend of personality, skills and personal habits. Rushing to fill a job can result in a time-wasting mistake that could hurt your practice. Compromising your standards because you are in a hurry and few candidates are available will often backfire. Experienced doctors advise that you should look for people with this profile:

- Personable, out-going, optimistic, courteous, cooperative people—traits that are difficult to instill when not innate
- People with high standards of personal hygiene and appearance
- People with a good command of English who are able to spell words properly and express themselves clearly both orally and in writing
- People with stable family and career backgrounds

Sometimes you encounter patients with these traits and they could be considered possible candidates. Avoid hiring friends or relatives, who are likely to be impossible to fire.

A good discussion of optometric staff hiring appears in Chapter 9 (“Get the Right People on Board”) of *201 Secrets of a High-Performance Optometric Practice* by Bob Levoy.

Hiring associate ODs

As a practice grows to conduct more than 3,000 exams annually or exceeds \$200,000 in annual gross fee income, some affiliated optometrists choose to hire an associate optometrist. This enables full-time manning of a second exam lane or adding a second location to grow the practice revenue to a higher plateau. There are many advantages to hiring associate optometrists:

- Increases flexibility in scheduling work hours, expanding hours of operation, scheduling vacations
- Enables the practice owner to reduce work hours, if desired

- Increases practice owner income without increasing hours of work
- Frees the practice owner to devote more time to marketing, business management
- Greater control of the standard of patient care than is achievable with fill-in doctors

The AOA reported that in 2006, optometrists employed by optical chains had a median full-time salary of \$91,000 and optometrists employed by other optometrists had median salaries of \$85,000. That translates to \$46 per hour of work for ODs employed by optical chains and \$43 per hour for employees of private optometrists, assuming 1,960 hours worked per year.

The national average fee revenue generated per OD hour in affiliated practices is \$82. Thus hiring an associate enables the practice owner to increase net profit by increasing the patient base with the assistance of the associate.

Many recent graduates of optometry schools find employment attractive as it provides immediate income with no investment or risk, and sometimes enables flexible work scheduling, which is particularly important to the growing number of young female optometrists.

Acquiring advanced diagnostic instruments

Many well-established practices affiliated with Walmart and Sam's Clubs have begun to acquire advanced diagnostic instruments that enable them to increase the quality of patient care and expand the range of services they provide. Retinal cameras and pachymeters are the most frequently purchased instruments. Penetration of retinal camera has grown rapidly since 2006 and as of early 2012, 47 percent of affiliated practices owned one or more.

Acquiring this equipment creates a “wow” with patients, impressing them with the professionalism of your practice. The full cost of equipment can be deducted from your practice income when calculating your tax liability, up to \$108,000 annually during 2006.

Equipment that might be considered includes:

Retinal Cameras

A non-mydratric fundus camera is a diagnostic apparatus with wide application that should be among the first pieces of equipment considered. Some optometrists encourage all patients to establish a baseline retinal image during their first visit to the office. These digitally stored images enable tracking the progression of any chronic disease over time. Retinal imaging is also routinely performed for patients at high risk of developing age-related macular degeneration (ARMD) and glaucoma, as well as for diabetic patients.

Seven percent of the U.S. population have diabetes. In a typical Walmart practice, that translates to 350 to 400 diabetic patients. Early screening and diagnosis of diabetic retinopathy results in effective treatment that reduces the chance of vision impairment and blindness. Annual retinal exams are recommended for diabetic patients.

The majority of doctors who have installed a retinal camera encourage annual retinal screening of all patients, typically charging \$20-\$30. Practices generally start with approximately 30 percent of patients accepting the test and usually increase this ratio to 75 percent over time. Thirty percent of patients translates to 780 retinal image tests in the median Walmart location. At \$30 per test, 780 retinal images produces \$23,400 gross revenue reimbursable using CPT Code 92250 "Fundus photography with interpretation and report," if diagnosis is present. Thus the initial investment is recouped rapidly. An example of a retinal imaging patient consent form is available on oba-ce.com under "Practice Management Resources/Practice Administration."

GDx

This leased equipment performs nerve fiber analysis which enables an early stage diagnosis of glaucoma. This test can be administered to high-risk patients, perhaps 5-10 percent of patients in a typical practice. Some offices share this portable equipment with other practices, scheduling patients during certain weeks.

Pachymeter

This equipment measures corneal thickness, a test used with glaucoma, cataract patients and those considering LASIK surgery. The test might be administered to 5-15 percent of patients in a typical practice.

SECTION

10

Business Entity Types, Accounting Methods, Benefit Options

Business entity types

Choosing the type of business entity is one of the most important and sometimes confusing decisions an optometrist must make—a decision that can lead to paying thousands of dollars more in taxes every year. Here are the major options that should be reviewed.

Sole proprietorship

According to the U.S. Small Business Administration, a sole proprietorship is the most commonly used type of business entity, due to its low cost and ease of formation and operation. A 2006 survey of Walmart- and Sam's Club-affiliated ODs revealed that 50 percent file taxes as sole proprietors. While the benefits may sound appealing, there are many unfavorable tax attributes and liability issues surrounding this entity type.

A sole proprietor is unincorporated and files business income and expenses on Schedule C of his or her personal income tax return. The business income is subject not only to income taxes, but also to self-employment taxes (subject to certain limitations). The self-employment tax rate is 15.3 percent, and a deduction is allowed for one-half of self-employment taxes. For 2011, only self-employment earnings up to \$106,800 are subject to the full 13.3 percent combined Social Security and Medicare tax rates; self-employment earnings above \$106,800 are subject to a 2.9 percent Medicare tax rate.

Sole Proprietorship Tax Example

This example is for an optometrist who operates as a sole proprietorship, is married and files a joint return, takes the standard deduction and claims no dependents. This example refers only to federal and self-employment tax liabilities. States have different rates or, in some cases, no income tax.

Maximize Your Practice Potential

Total practice net income:	\$120,000
Federal income tax:	\$ 17,028
Self-employment tax (payroll tax):	<u>\$ 14,895</u>
Total federal tax:	\$ 31,923

When operating as a sole proprietor, the debts and liabilities of the practice become those of the owner. For instance, if a patient falls in the waiting area, or if payments cannot be made for new diagnostic equipment, the optometrist may be personally liable. That means that personal assets (house, car, televisions, etc.) are at risk, not just those assets that are used in the practice.

In order to begin operating as a sole proprietorship, an optometrist simply opens for business. No government filings are required, apart from estimated tax forms and an annual income tax return. However, many states require various documents to be filed. Contact the Secretary of State's office to determine these requirements.

Partnerships

Partnerships are another popular entity choice for optometrists. Partnerships can allow for greater financial strength and stability than a sole proprietorship. The collaboration of two or more trained professionals can make for a stronger practice, especially early in your professional career.

There are two types of partnerships that OD's typically utilize, general and limited.

- **General Partnerships**—Partners in a general partnership have unlimited personal liability for partnership debts and legal actions brought against the partnership, meaning that all of the optometrist's personal assets are at risk, not only for his or her actions, but for those of fellow partners.
- **Limited Liability Partnerships**—As implied in the name, limited liability partnerships offer limited liability to each partner for misconduct or malpractice by other partners. However, optometrists remain liable for their own malpractice.

If a partnership form of operation is chosen, it is essential to have legal counsel draft a partnership agreement. This can avoid painful misunderstandings and disagreements down the road. The partnership agreement should cover all the details of the operation of the partnership. For instance, it should detail who is going to manage the business, ownership percentages, terms for sale of interest to another entity, etc.

A partnership is considered a separate legal entity and must file its own tax return, a Form 1065. Each partner receives a Form K-1 from the partnership tax return, listing the partner's share of the income. Income from Form K-1 is then reported on the partner's personal Form 1040. For instance, if net income from the partnership is \$240,000 and you are a 50 percent partner, your K-1 will report \$120,000 of taxable income.

Generally, optometrist partners must pay self-employment tax in addition to income tax on their share of partnership earnings, which is similar to the sole proprietor form of operation.

Corporations

Generally, an optometric practice achieves the best mix of tax advantages and limited liability using a corporate form of operation. There are three types of corporations: C Corporations, Limited Liability Companies, and S Corporations.

- **C Corporation**—Typically, this form of operation is not tax advantaged for optometric practices. While C Corporations offer limited liability to its shareholders, C Corporations are also subject to a sort of “double tax.” C Corporations pay federal tax on practice earnings, and shareholders pay tax on dividends paid by the corporation. Five percent of affiliated ODs reported using this business entity type in a 2006 national survey.
- **Limited Liability Company**—While a Limited Liability Company (LLC) is not technically a corporation, it is generally discussed in this category. LLCs are becoming a very popular type of business entity, providing limited liability to its members and operating similar to a partnership. The largest drawback to this form of operation is that each member’s share of earnings is subject to self-employment tax, in addition to income tax. However, a LLC can elect to be taxed as an S Corporation, as discussed below, and the optometrist will avoid the imposition of self-employment taxes on a portion of the practice net revenue.
- **S Corporation**—This is the most popular form of incorporation for optometrists and generally the best form of operation. In 2006, 41 percent of Walmart and Sam’s Club-affiliated ODs reported using this type of incorporation. The S Corporation offers limited personal liability, just as the C Corporation and the LLC noted above. The biggest incentive of this form of operation is that earnings after expenses (expenses include a salary paid to the optometrist) from an S Corporation are not subject to self-employment tax. The share-holder is required to draw a reasonable salary, which is subject to employment taxes; however, the remainder of the income is not subject to self-employment taxes.

S Corporation Tax Example

This example is for an optometrist who operates as an S Corporation, is married and files a joint return, takes the standard deduction and claims no dependents. This example refers only to federal and self-employment tax liabilities excluding state taxes. For this example, \$60,000 is believed to be considered a reasonable salary for the sole optometrist stockholder.

Total practice income:	\$120,000
Federal income tax:	\$ 17,959
Self-employment tax (payroll tax):	<u> \$ 7,448</u>
Total federal tax:	\$ 25,407

In this scenario, the total tax savings by choosing the S Corporation form of business entity, as opposed to a sole proprietorship, LLC or any Partnership form of business would be over 20 percent.

C Corporations, LLCs and S Corporations are all separate legal entities from their shareholders or members. This provides a separate layer of legal protection. As noted above, C Corporations pay tax on their net income; however, LLCs and S Corporations do not. Shareholders of S Corporations and members of LLCs receive a K-1, just as partners in a partnership, which reports their share of the clinic's income.

To become a corporate taxable entity, a document, most often referred to as *Articles of Incorporation*, must be filed with the state in which the corporation has decided to operate. In order to have S Corporation status, a regular C Corporation or LLC must simply file an *Election by a Small Business Corporation* (IRS Form 2553) and continue to follow certain federal regulations. The form can be obtained on the IRS web site (irs.ustreas.gov).

The decision about the form of business entity is one of the most important decisions optometrists make, affecting not only the bottom line, but also the degree of liability for their personal assets. If an optometrist chooses the S Corporation form of business operation, he or she has chosen the best of both worlds with respect to liability protection and tax planning.

Accounting methods

Whether to elect a cash or accrual method of accounting is another tax issue that optometrists need to address. Under the cash basis of accounting, revenue is recorded when received. Using the accrual basis, revenue is recorded when earned. The accounting method used for a practice is elected on the first tax return filed. The business has an option that first year. However, once chosen, a method can only be changed after request has been made to the IRS.

The cash method of accounting is the one most optometrists choose for simplicity and ease of use. Accrual accounting becomes valuable if product inventory is maintained, which is not the case for Walmart-affiliated optometrists. A hybrid method should be used if a practice has inventory (frames and contact lenses)—the cash method will be used for all transactions except inventory, which is accounted for using the accrual method. The cash method of accounting is recommended for the professional fee income that is the sole source of revenue for Walmart-affiliated optometrists.

General ledger software, such as *QuickBooks*, can be used to keep the financial information of the practice. This software will allow you to switch from cash method to accrual method with a click of a button. It can be ordered on line at quickbooks.com or at any office supply store.

Employee benefit options

Retirement plans

One of the most popular choices today is the SEP IRA, or the Simplified Employee Pension IRA. It is designed for small businesses and is set up and maintained easily. The maximum

annual contribution changes from year to year. In 2006 the maximum was 25 percent of the employees' compensation or \$44,000, whichever is less. Contributions are tax-deductible, which means employers can deduct both their contributions as well as the contributions that they make for their employees from the company's federal taxable income.

Another type of IRA with many advantages is the SIMPLE IRA. Contributions for the employer as well as the employees can be made at any age. Employer contributions must either match dollar-for-dollar the employee's contributions up to 3 percent of compensation, or they must be 2 percent of compensation to all eligible employees. The employee is allowed to contribute up to 100 percent of compensation or \$10,000 (\$12,500 at age 50 or older), whichever is less. From a tax aspect, the employer is able to deduct contributions from federal taxable income, while the employee can make pre-tax contributions.

Another option is the SIMPLE 401(k) Plan. Just like the SIMPLE IRA plan, this is a great plan for small business owners. Under a SIMPLE 401(k) Plan, an employee can elect to defer some compensation. But unlike a regular 401(k) plan, the employer must make either a matching contribution up to 3 percent of each employee's pay, or a non-elective contribution of 2 percent of each eligible employee's pay. No other contributions can be made. The employees are totally vested in any and all contributions. Contribution limits for 2006 were \$10,000 for all employees and \$12,500 if the employee is age 50 and over.

Any of these plans can be easily set up by speaking with a local financial institution or financial advisor.

Health insurance

Health Savings Accounts (HSAs) were created as a way for individuals to save for and pay certain medical costs on a tax-free basis. Begun in 2004, HSAs have many advantages, including the absence of any "use-it-or-lose-it" rules. Contributions to the plan, similar to an IRA, are tax-deductible if made by an individual and excluded from income if made by an employer and can accumulate over time.

HSAs are growing in popularity as an employer-provided benefit in small businesses around the nation. Information on HSAs can be found on the IRS web site at irs.gov.

Also similar to an IRA, an HSA must be set up with a financial institution or qualified trustee. These can range from banks to insurance companies, many providing both the coverage itself and the HSA.

Conclusion

Before making the final decision on the type of business entity you create, consult your tax advisor and legal counsel to review your individual situation. In addition to the federal taxes, there are also state taxes, such as franchise taxes and excise taxes, that can be substantial and should be considered, especially in states that do not levy an individual income tax.

S E C T I O N

11

Medical Model Optometry

A growing source of revenue for affiliated ODs is medical eye care. Yet only a small segment of affiliated ODs are heavily engaged in providing these services to patients. An early 2010 survey revealed that less than one-in-12 patient visits to affiliated ODs were for medical eye care services, compared to one-in-six for typical private practice ODs. The median percentage of gross revenue derived from medical fees was 12 percent in 2010 with the rest of income coming from refractive exams. Among private practice ODs, by contrast, medical fees accounted for 35 percent of professional fee revenue.

The same survey revealed the following distribution of medical eye care visits by ocular condition treated:

	% of Medical Visits
Dry eye	20%
Infection	36%
Allergy	19%
Glaucoma	9%
Cataract and LASIK co-management	15%

Virtually all affiliated ODs are certified by their states to prescribe therapeutic pharmaceuticals. The top 20 percent of prescribers among affiliated ODs have prescribing rates four times higher than the median for affiliated ODs and comparable to typical private practice ODs, except for glaucoma medications.

Maximize Your Practice Potential

Pharmaceutical Rxs (Median Rxs Past 90 Days)

	Affiliated ODs	Private Practice ODs
Ocular infection	12	25
Ocular allergy	6	20
Dry eye	2	18
Glaucoma	0	20
Total Rxs	25	95

Diagnostic Instruments in Use (% of Affiliated ODs)

	May 2006	May 2007	May 2008	December 2008	January 2010	March 2011	March 2012
Retinal camera	9%	14%	15%	22%	27%	37%	47%
Pachymeter	8%	12%	9%	15%	14%	25%	26%
GDx	2%	3%	4%	5%	7%	6%	12%
Corneal Topographer	NA	NA	NA	NA	4%	8%	8%

The typical affiliated OD is an accredited provider for four medical insurance plans. Fifty-three percent accept Medicare assignment.

As an affiliated practice, it is important that you develop a strategy for offering these services. You need to determine how much emphasis to place on this service area, establish priorities for the diseases you wish to treat and develop an action plan to acquire the knowledge and instrumentation necessary to offer medical eye care.

Medical eye care promises many benefits:

- Professional satisfaction from using your advanced education to treat ocular disease, preserve sight and enhance the quality of patients' lives
- Enhances the professional reputation of the practice
- Increases the frequency of patient visits and eye exams, providing opportunities to increase purchases of eyewear
- Captures a larger share of patients' total eye care expenditures, including fees paid to ophthalmologists and primary care physicians

Offering medical eye care does not require de-emphasis on refractive care, the foundation of all affiliated practices. Providing both services enables a practice to offer "Total Patient Eye Care," a much stronger value proposition.

Many affiliated ODs are intimidated by the thought of “just getting started” in medical eye care. While they may be extremely comfortable in both the diagnosis and treatment of medical eye conditions, they are intimidated by the labyrinth of bureaucratic rules to become an accredited provider and to code medical procedures with no fear of audit. They face large investments in instrumentation to diagnose certain conditions and often are not comfortable with the process of informing patients of the medical eye care services they offer. This section is designed to provide a brief roadmap to help new practice owners get started.

“Getting started” action plan

1. *Obtain current CPT-4 and ICD-9-CM Resources.*
 - Obtain from the AOA, AMA, WHO, or an online source such as www.ReimbursementPlus.com
 - In January 2013, a switchover occurred to ICD-10 codes which are considerably more complex.
 - Adopting electronic health records (EHR) by the end of 2012 enabled the office to implement the new coding system efficiently, making it possible to rapidly scroll through coding classifications.
 - Adopting EHR will enable the practice to be authorized for meaningful use of electronic records and to take advantage of the financial incentives provided by the federal government for adoption. For details go to: <https://www.cms.gov/EHRIncentivePrograms/30MeaningfulUse.asp>
2. *Get a federal Tax ID number.*
 - Apply online: <https://www.federaltaxid.us>
 - Tax ID number required on all medical claims
 - Do not use personal social security number on claims
3. *Obtain a National Provider Identifier (NPI).*
 - Apply online: <https://nppes.cms.hhs.gov/NPPES/welcome.do>
 - 10-minute process; approval within 24 hours
 - Application website address may change
 - Incorporated practices also need to obtain an NPI provider identifier (type II) for the corporation, in addition to identifiers for all doctors practicing within the corporation.
 - Be sure to use the exact name and tax ID number on the NPI application as shown on the Tax ID number filing in step 2.
4. *Enroll in Medicare.*
 - Apply online: <https://pecos.cms.hhs.gov>
 - Medicare should be the first priority for accreditation because of the number of patients who are covered and because the plan does not discriminate against optometrists.
 - Form CMS 855I is a complex 30 page questionnaire which must be accurately and thoroughly completed to obtain accreditation. Minimum elapsed time to approval is 60 days; if application errors are made, process may take 6-9 months.

- Group practices use a different application form than individual practitioners.
- For assistance in enrollment (for a modest fee) go to www.claimdoctor.net or call 309-836-2456 for details.

5. *Choose a claims filing process.*

- Claims filing options include:
 - Do-it-yourself filed claims
 - > OD or billing clerk submits claims electronically on web-based clearinghouse (examples: Gateway, ENS)
 - > Requires knowledge of procedure coding
 - > Cumbersome clerical process requiring completion of detailed forms
 - > Requires review of denied claims, filing of secondary insurance claims, billing of patients for balance due
 - Practice Management Software filing
 - > Simplifies process of claim preparation by accessing patient file data electronically as procedures are completed
 - > Requires knowledge of procedure coding
 - > Simplifies filing of secondary insurance claims and billing of patients for balance due
 - Billing Service
 - > Easiest and most efficient process.
 - > Requires least administrative work by office staff.
 - > Requires that procedure codes be submitted online to billing service, which prepares and submits claims.
 - > Improves claim accuracy and thoroughness; reduces claim denials.
 - > Provides easy electronic access to claims status.
 - > An optometry claims service is www.claimdoctor.net.
 - > Determine who in the office will be responsible for administering medical claim submission and what the process will be.

6. *Become an accredited medical plan provider.*

- Apply online for CAQH credentialing: <http://www.caqh.org/>
 - CAQH credentials will be requested by medical plans and will simplify the forms completion process to obtain accreditation from individual plans.
- Identify major carriers (largest number of covered lives) in your practice area.
- Apply to individual carriers.
- Build key relationships with plan administrator or director of professional relations with each carrier
- Obtain, review and submit contracts to carrier
- Follow up to determine accreditation status—be persistent!

7. *Participate in the Physician Quality Reporting Initiative (PQRS).*

- Go to www.cms.hhs.gov/PQRS/ and <https://cms.gov/EPrescribing/> for details on participation
- Currently participation is voluntary and small incentives are offered for participation.
- Within two years, penalties may be imposed for non-participation in PQRS

Maximize Your Practice Potential

If you are interested in increasing your medical eye care revenue and have not yet invested in a practice software system, 2013 is the year to make the investment. A software system will make claims filing more efficient and error-free and will make a transition to electronic health records possible as the federal deadline approaches.

Therapeutic priorities

In every optometric practice there are large numbers of patients who are candidates for medical eye care services. Based on available data on the incidence of ocular conditions in the U.S. population, the table below provides estimates of the number of potential medical eye care patients, by condition, for practices with 5,000 and 10,000 active patients.

Candidates for Medical Eye Care Treatment by Practice Size

	Incidence in U.S. Population	Active Patient Base	
		5,000	10,000
Ocular allergy	42%	2,100	4,200
Dry eye	15%	750	1,500
Diabetes	8%	400	800
Infection	3%	150	300
Glaucoma	2.3%	115	230

Source: Practice Advancement Associates estimates based on many published studies.

It's easiest for ODs start treating those conditions that are least complex and require the least investment. The conditions can be ranked for simplicity of treatment as follows:

1. Allergy
2. Ocular infection
3. Dry eye
4. Diabetes
5. Glaucoma

Little investment in equipment and staff is needed to get started treating the first four disease states. Each is diagnosed and treated with nothing more than the ODs' existing equipment (a slit lamp) and their professional knowledge or "intellectual property." There is generally no additional equipment that must be purchased.

Realizing a return on making an investment in medical eye care services is almost instantaneous. Medical eye care reimbursements are significantly higher per time unit spent—the pay is higher on a dollar-per-hour basis—than for traditional refractive care. Since these two modalities have inherent synergies, they don't compete with each other but complement each other.

And since medical eye care is nothing more than using one's education, every dollar that grows your top line falls to the bottom-line profit.

Simply look at the standard of care for treating very commonplace ocular conditions as they exist based upon epidemiological incidence rates within the population. If you code them correctly according to federal and local rules and guidelines, then, at the minimum, take the government-stated reimbursements for these services, the increase in net income will be significant as compared to median practice statistics.

Allergy

Ocular allergy is uncomplicated to diagnose and simple to treat, and patients love to get relief of their symptoms. Because allergy symptoms are recurrent, these patients also represent an annuity for the practice.

If the allergic population potential was realized within the typical optometric practice, it could add nearly \$140,000 of net income to the bottom line. Consider:

- Nearly 124,500,000 people in the U.S.—or about 42 percent of your existing patient base—have symptoms typically associated with ocular allergies.
- Nearly eight times more people buy OTC ocular allergy medications than Rx preparations. This disparity demonstrates that most allergy conditions are not diagnosed and treated by medical professionals.
- Many, if not most, patients pay more out-of-pocket by self-medicating with OTC remedies than they would with Rx products.

Billing and coding for allergy is one of the easiest things to do; so easy, in fact, that ODs often forget to bill the patient for these services. The coding aspect for ocular allergy consists of nothing more than an office visit (992XX or 920X2) code in most cases. Most likely the level of the 992XX code would be either a 99212 or 99213 matched with an appropriate allergic diagnosis, since most would be returning or established patients. It is important to bring the patient back into the office on visits separate from their general vision exams, thus avoiding problems and confusion regarding their medical vs. refractive coverage.

Coding for a patient presenting with allergy symptoms, assuming appropriate case history, examination and medical decision elements were properly recorded, could look like this:

Initial presentation

Comprehensive ophthalmological exam (new patient)	92004
Determination of refractive state.	92015

One-week follow-up/monitoring visit

E/M problem focused (established patient)	99213
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Six-month follow-up/monitoring visit

E/M problem focused (established patient)	99213
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Maximize Your Practice Potential

By applying the standard of care to this disease state, government-based reimbursement guidelines suggest that this could generate substantially higher revenue to your practice each year. (See table below.)

Allergy Treatment Revenue Model

Average reimbursement for allergic-related visits/s	\$59.50
Average number of visits for allergic patient (in addition to annual exam and refraction)	2
Annual allergic-related revenue/patient	\$119
Annual patients treated	500
Total incremental revenue/year from ocular allergy treatment	\$59,500

Dry eye

Dry eye treatment, like allergy, is a cornerstone of primary optometric eye care. Dry eye syndrome is a very common disease that increases in prevalence with age. Typically, it is associated two times to three times more frequently with women than men. About 6 million women and 3 million men in the U.S. have moderate or severe symptoms of the disease, and scientists estimate that an additional 20 million to 30 million people in this country have mild cases of dry eye. Because the symptoms are annoying and lead to a decreased quality of life, dry eye syndrome is one of the leading reasons patients seek eye care.

According to the AOA publication, *Caring for the Eyes of America, 2006*, optometry provides nearly 71 percent of all first-time eye care encounters to the U.S. population and maintains nearly 61 percent of those patients on return visits. The role of ODs as the primary eye care providers means that you are in a prime position to not only diagnose properly but also appropriately direct the care for those millions of patients who suffer from dry eye. Dry eye affects 15–25 percent of the population. By applying the standard of care to this disease state, government-based reimbursement guidelines suggest that this could generate somewhere in the neighborhood of \$115,000 to your practice depending on the medical necessity established by the physician in the medical record.

Dry Eye Revenue Model

Average reimbursement for dry eye visits	\$69.50
Average number of visits for dry eye patient (in addition to annual exam and refraction)	12
Annual dry eye-related revenue/patient	\$205.50
Annual patients treated	550
Total incremental revenue/year from ocular allergy treatment	\$114,678

Billing for dry eye care is simple and straightforward. Most of the revenue occurs from office visits at appropriate intervals within the annual exam cycle. Again, the office visits to perform a dry eye work-up subsequent to a general examination typically would be billed with one of these codes—99212, 99213 or 92012—and an appropriate corresponding diagnosis code for the dry eye. Note that most medical carriers suggest that your medical record should contain details on both the quantity of tear measurement, including phenol red thread or Schirmers, and your professional quality assessment of the tear film and associated structures. This qualification and quantification of the tear film is essential to your recommendation of the appropriate tear supplement, like SYSTANE® Lubricant Eye Drops, and will be necessary should you need to perform additional procedures such as punctal occlusion or institute pharmacological therapy.

Punctal occlusion

If a lubricating eye drop is not sufficient to relieve dry eye symptoms and a cyclosporine agent is not indicated, a patient may require a more permanent solution—punctal occlusion. It is estimated that 5 percent of patients are candidates for punctal occlusion. If this course of action is taken, collagen plugs are inserted into both of the inferior puncta at the next office visit after you have established that the OTC therapy is not sufficient for resolution of the dry eye. Additionally, you should establish that there is a quantity deficit prior to the occlusion procedures. This visit, incorporating the occlusion of the inferior puncta, would be coded as follows, using the E modifiers to note the inferior puncta as an example. Be aware that many carriers have established guidelines surrounding punctal occlusion, such as limiting the provider to occluding only two puncta per visit.

Punctal Occlusion

Occlusion of the puncta, lower left	68761-E2
Occlusion of the puncta, lower right	68761-E4

Also know that coding for punctal occlusion has become more complicated in recent years because of carrier requirements of medical necessity and documentation guidelines. Keep in mind that medical necessity rules the day and must be properly established, and whatever testing you do to establish the need for occlusion (e.g., QuickZone, lissamine green or Schirmers) must be recorded. It is critical that before you bill for punctal occlusion you become very familiar with your local coverage determinations (also known as LCDs) for CPT code 68761, occlusion of the puncta by plug. Since many carriers follow your regional Medicare policies, be aware of changes in policy.

For example, the recent interpretation (2005) of policy by the Office of Inspector General (also known as OIG) suggests that one should no longer bill for the office visit on the same day as punctal occlusion (or any minor surgical procedure having a global period of less than 90 days) unless the office visit is for work performed over and above the standard work associated with this surgical procedure, or is unrelated to the surgical procedure. If you do bill an office visit on the same day as the surgical procedure, be sure to use modifier -25 to qualify the office visit as Significant and Separately Identifiable, and make sure that your medical record clearly reflects the additional work required that justifies the office visit. Take special note to record the prior recommendation of the palliative therapy and how it worked as many carriers require that medical necessity be established and documented.

Punctal Occlusion Revenue Model

Typical annual revenue from Medicare punctal occlusion patient	\$405
Typical annual revenue from non-Medicare punctal occlusion patient	\$720
Annual punctal occlusion Medicare patients	30
Annual punctal occlusion non-Medicare patients	8
Total incremental revenue/year from punctal occlusion treatment	\$17,910

Diabetes

There is a diabetes epidemic in the US, which is quickly growing in all age groups. Consider these facts published by the American Diabetes Association in early 2011:

- Diabetes affects 25.8 million people of all ages—8.3 percent of the U.S. population
- 18.8 million people have diagnosed diabetes; 7 million are undiagnosed
- 42 percent of diabetics are 65 years of age or older
- In 2005–2008, based on fasting glucose or hemoglobin A1C (A1C) levels, 35 percent of U.S. adults ages 20 years or older had pre-diabetes and 50 percent of adults ages 65 years or older. Applying this percentage to the entire U.S. population in 2010 yields an estimated 79 million American adults ages 20 years or older with pre-diabetes.
- Diabetes is the leading cause of kidney failure, non-traumatic lower-limb amputations, and new cases of blindness among adults in the United States. Diabetes is a major cause of heart disease and stroke.
- In 2005-2008, 4.2 million people with diabetes aged 40 or older had diabetic retinopathy and 700,000 people had advanced diabetic retinopathy with the potential of severe vision loss.

Most physicians recommend yearly eye exams for patients diagnosed with diabetes because it is the leading cause of new blindness for adults in the US. Diabetes has been linked to many ocular diseases including diabetic retinopathy, neo-vascular glaucoma, cataracts, and corneal disease.

As primary care eye doctors, optometrists are best positioned to provide care for all patients currently diagnosed with diabetes. Careful monitoring for possible development of such disease is an optometrist's responsibility. With an escalating population diagnosed with pre-diabetes, as well as Type 1 and Type 2 diabetes, the opportunities presented to care for diabetics are growing every day. Seeing these patients for their initial visit followed by yearly or even more frequent office visits if needed, will fill your schedule quickly.

For a patient with diabetes, a yearly eye examination is necessary and some insurance plans even require documentation by the primary care physicians to confirm the eye exam is completed.

Maximize Your Practice Potential

Coding for a diabetic patient requires no investment in new instrumentation. However, if you choose to monitor diabetic retinopathy you will prefer to have a fundus camera. An OCT is very useful as well.

Diabetics require a medical eye exam because their physician recommends it and the following diagnosis codes may be used for a medical eye exam even if diabetic retinopathy is not present.

The initial visit is coded as 92004 or 99204 if the appropriate history, elements of exam and medical decision-making are performed. Diagnosis codes for this exam include but are not limited to the following:

- 250.00 Diabetes Type 2 w/o complications
- 250.01 Diabetes Type 1 w/o complications
- 250.50 Diabetes Type 2 w/ ophthalmic manifestations
- 250.51 Diabetes Type 1 w/ ophthalmic manifestations

Patients exhibiting no retinopathy should be monitored annually.

If diabetic retinopathy is present, then add one of the following diagnosis codes for retinopathy:

- 362.01–362.06 Diabetic retinopathy

If diabetic retinopathy is found, you may also perform the following procedures:

- Extended ophthalmoscopy 92225, 92226
- Threshold visual fields 92081, 92082, 92083
- Fundus photos 92250
- Scanning laser 92134

Typical care for diabetic patients involves a combination of office visits and supplementary tests. The additional tests may be performed as needed based on medical necessity to monitor any change in the diabetic ocular disease. Some insurance allows for a baseline fundus photo even when retinopathy is not present. However, most insurance requires that retinopathy is present to bill for imaging procedures like fundus photos.

Diabetes Treatment Revenue Model

No retinopathy present

Average reimbursement for diabetes-related visit	\$103
Average number of visits for diabetic patient	1
Annual diabetes-related revenue/patient	\$103
Annual patients treated	300
Total revenue/year from treatment	\$30,900

Retinopathy present

Average reimbursement for diabetes-related visit	\$259
Average number of visits for diabetic patient	3
Annual diabetes-related revenue/patient	\$777
Annual patients treated	50
Total revenue/year from treatment	\$38,850

Glaucoma

The diagnosis and treatment of glaucoma represents a valuable annuity to a practice. Many of the most exciting emergent technologies today in the eye care arena deal specifically with the diagnosis, treatment and management of glaucoma.

Let's examine a typical care profile/protocol for a glaucoma patient and the total financial impact. Remember that your medical record must reflect the medical necessity for each level of office visit billed and each test ordered. Certain tests, such as visual fields and scanning laser ophthalmoscopy, have specific utilization guidelines, so be sure to understand these before ordering the test for the patient. Base your office visit code and ordered tests upon the presentation of the individual patient and the specific needs to be managed correctly.

Initial visit

<u>Tests Performed</u>	<u>CPT Codes Used</u>
Comprehensive ophthalmological evaluation	92004
Refraction	92015
Once a diagnosis of glaucoma or glaucoma suspect has been made, schedule a follow-up evaluation.	

Second visit

<u>Tests Performed</u>	<u>CPT Codes Used</u>
E/M level 4, established (if criteria are met and medically necessary)	99214
Fundus photography	92250
Gonioscopy	92020
Threshold visual fields	92083
Corneal pachymetry	76514

The third visit can be used for the following tests:

<u>Tests Performed</u>	<u>CPT Codes Used</u>
E/M level 3, established (if criteria are met and medically necessary)	99213
Scanning laser ophthalmoscopy	92135-RT
Scanning laser ophthalmoscopy	92135-LT
Serial tonometry	92100

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At this point, confirm the diagnosis with the patient and discuss treatment as well as consequences of not treating. Select and provide a sample of the medications, review their use and schedule a follow-up appointment one week later. The fourth visit will most likely be an E/M level 3, established, billing using CPT Code 99213, again following proper E/M coding protocols and medical necessity.

A fifth visit, at about the three-month interval, would include educating the patient on the importance of maintaining IOP stability through compliant use of the medication. Again, this visit will most likely be an E/M level 3, established, billing using CPT code 99213, again following proper E/M coding protocols and medical necessity. If doing serial tonometry, bill using CPT code 92100.

Have the patient return every three months for the rest of the first year—a sixth and seventh visit following the previously mentioned office visit criteria.

These seven visits complete the patient's first year of care and represent about \$1,000 in revenue for the first year of care—for professional services only. The second and subsequent years, ODs could expect glaucoma patients to generate about \$500 to \$600 each in professional service fees. Optical goods are not included in the return on investment calculated for a glaucoma patient. The services needed to prescribe those are separate, refractive services for which you are entitled payment as well. Providing high-quality refractive and medical care is not mutually exclusive.

Glaucoma Revenue Model

Average reimbursement for glaucoma visits	\$203
Average number of visits for glaucoma patient (in addition to annual exam and refraction)	3
Annual glaucoma-related revenue/patient	\$609
Annual patients treated	90
Total incremental revenue/year from glaucoma treatment	\$54,810

If you want to incorporate glaucoma into the mix of a total patient care model, coding guidelines would suggest that these services are worth another \$30,000 to \$75,000 per year depending on your mix of diagnostic testing and treatment care.

Medical vs. refractive billings

How do you reconcile a patient's vision benefits, medical benefits and patients' expectations of a routine eye exam at the routine-eye-exam price? That's a common question.

Keep in mind that the chief complaint drives the particular type of encounter—medical or refractive. ICD-9 guidelines indicate that we can only use the chief complaint or symptom as a diagnosis in the absence of the physician determining the cause of the symptom. In other words, coding the presenting symptom as the diagnosis (e.g., blurred vision) could only be done in the absence of determining the cause of the blurred vision. If the chief complaint is medical in nature, then the medical insurer is generally the carrier that will be billed. If a patient presents with a valid refractive benefit, irrespective of the chief complaint, the refractive carrier should be billed.

For example, a patient with vision insurance presents to the office with the chief complaint of blurred vision. The physician performs a 92004 (comprehensive ophthalmological evaluation, new patient) and a 92015 (determination of refractive state), but determines that the cause of the blurred vision is not related to refractive changes, but to some macular changes secondary to diabetes. Who should be billed and why? There are two options.

The vision insurer offering a fixed benefit plan could be billed for both the 9200X and 92015 linked with the appropriate refractive diagnosis. The physician could then order additional tests for the patient as necessary to manage the condition and have that patient return to the office on another day of service to perform those tests under the coverage of the patient's medical plan with the appropriate medical diagnosis. Or the physician bills the 9200X with the medical diagnosis directly to the patient's medical carrier, then the practitioner can order the additional tests as in the first situation and have the patient return at a later date for additional testing.

So which is correct? Both scenarios could be applied correctly. It truly depends on the nature of the presenting complaint from the patient and the reason for the visit. If the patient is a diabetic and just wants his or her eyes checked, but has no chief complaint, then the refractive carrier could be billed for the prepaid comprehensive benefit and refraction. If the patient presents with a more medically oriented chief complaint, then it would be appropriate for the medical carrier to be billed with the medical diagnosis for the office visit. Ultimately, the patient needs to feel that his or her insurance is working appropriately and there is a clean differentiation between the refractive vs. medical services. Could there be situations where you do it the other way? Of course. The billing is dependent upon what the patient presents with and what you feel as the managing physician is in the patient's best interests based upon medical necessity. Please keep in mind that your medical record should clearly support your methodology.

Understanding these differences will help you differentiate the type of services to provide based upon the patients' needs, presenting condition and contractual obligations to create a financially stable and patient-satisfying experience.

Preferred Practice Patterns—Medical eye care

1. *Make patients aware that you can treat ocular conditions.* How many patients have told you they've been to the ophthalmologist or emergency room for a

treatment or procedure you could have provided in your office? Annuity patients, those who return each year for regular routine refractive care, are the most likely to return for both primary and secondary care, if they know you offer it. Patients are often unaware of the myriad of treatment protocols that exist. It follows that they cannot know what will be most effective. To be proactive in your patients' care, maintain your role as their doctor with good communication and help them manage these chronic conditions. You need to establish yourself as the primary contact for any eye-related issues.

2. *Break the cycle of patient self-management of ocular surface disease.* It is common for patients to self-treat or self-manage ocular surface disease without the benefit of an optometrist's recommendation of OTC products. Rather than provide relief, this strategy often results in a more complicated condition. Consider why patients self-treat. Most are well-educated and they see ads for products promising relief. Good marketing doesn't always translate into the best or right product for their condition. If their eye doctor does not recognize their condition and follow through with a specific recommendation, patients take diagnosis and treatment into their own hands.
3. *Reinforce your enhanced role as a Total Patient Eye Care Provider by actions as simple as writing a prescription for medications that patients have to fill at the pharmacy rather than just giving them a sample.*
4. *Clarify the distinction between fees for normal refractive care and medical eye care to patients.* If a patient's signs, symptoms or chief complaints require you to perform an examination or order additional procedures, explain that the examination is no longer considered to be a basic refractive examination and that while the visit can be billed to the patient's medical carrier, the charges and fees will be different than the stated refractive exam fee. Then there are no surprises when the insurance carrier's statement shows up. Take the time to properly set the patients' expectations and communicate with the patient properly to the level that you would expect as a patient. No one likes surprises, particularly if taking an extra minute would help alleviate a potential problem.

SECTION

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Wrap-Up

Your practice priorities and growth strategies will evolve as your practice matures. Based on the typical life cycle of independent practices located within Walmart and Sam’s Club stores, the chart below provides guidance on how you might expect your goals to change over time.

Practice Phase	Years at Location	Annual Gross Fee Income	Priorities/Strategies
Formation	1–2	\$100,000–\$120,000	<ul style="list-style-type: none"> • Marketing to create awareness/traffic • Staff formation to enhance patient experience
Practice Builder	3–7	\$130,000–\$180,000	<ul style="list-style-type: none"> • Practice information system to improve recall and efficiency • Community involvement • Service enhancement to engender loyalty
Peak Production	8–15	\$200,000–\$250,000	<ul style="list-style-type: none"> • Hire own staff • Purchase advanced instrumentation to expand medical fee income
Maturity	15+	\$250,000+	<ul style="list-style-type: none"> • Hire associate OD • Reduce personal patient care workload to assume CEO duties

What do the largest affiliated practices do differently?

An analysis of past Annual Practice Performance Surveys reveal important differences between the largest 20 percent of practices, with fee income of \$300,000, and the median, or typical, affiliated practice grossing \$168,000. This analysis includes both ODs practicing at Walmart and Sam's Club locations.

As might be expected, the largest practices conduct many more exams than does the median practice—3,900 versus 2,300. They also reported active patient bases twice as large as the median.

The largest practices tend to have more than one exam lane, to be open more hours per week (51 versus 40 overall), to have more than one OD working at the location and to have ODs working in aggregate for more total hours. The most significant difference is that more exams were conducted per hour by the largest practices—a median of 1.40 per hour versus 1.15 per hour overall. These practices have attracted a large patient base and achieve a more efficient flow of patients through the practice.

The average fee income per exam for the largest practices is 8 percent higher than the overall median, dispelling the notion that the lowest fees create highest revenue.

The top-producing practices are more involved in medical eye care than are median practices. They typically earn 18 percent or more of their income from this source, compared to 10 percent for all affiliated ODs.

Another striking difference of the largest 20 percent of practices is that they are more likely to invest in software to build their practices. Forty-three percent of the mega-practices have invested in a practice management software system, compared to 33 percent overall. They are more likely to have a recall system independent of the Vision Center (81 percent of the largest practices, 59 percent overall).

In other respects, the largest practices are no different than the norm. They derive a comparable percentage of fee income from conducting contact lens exams. They spend about the same ratio of the gross income on marketing—just under 1 percent—as do typical practices.

Maximize Your Practice Potential

Key Metrics Comparison: Largest 20% vs. Median Affiliated Practice*

	Largest 20%	Median Affiliated Practice
2010 gross fee income (median)	\$328,000	\$168,000
2010 complete exams (median)	3,900	2,300
2010 medical eye care visits (median)	500	250
Weekly hours open	51	40
Exams per OD hour	1.40	1.15
Revenue per exam	\$70	\$65
Revenue per OD hour	\$130	\$86
% hiring own staff	57%	32%
% of independent recall system	81%	59%
% using practice software	43%	37%

*Includes Walmart- and Sam's Club-affiliated ODs

SECTION

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Additional Reading

Practice Management Books

- *201 Secrets of a High Performance Optometric Practice*; Bob Levoy, 2002
- *Managing Patient Expectations: The Art of Finding and Keeping Loyal Patients*; Susan Keane Baker, 1998
- *The E-Myth Physician: Why Most Medical Practices Don't Work and What to Do About It*; Michael E. Gerber, 2003
- *Optometric Practice Management*; Irving Bennett, 2003
- *Practicing Excellence: A Physician's Guide to Exceptional Health Care*; Stephen C. Beeson, MD, 2006
- *Excellence with an Edge*; Michael T. Harris, MD, 2010

Service Quality Books

- *Customer Satisfaction is Worthless: Customer Loyalty is Priceless*; Jeffrey Gitomer, 1998
- *Be Our Guest: Perfecting the Art of Customer Service*; Disney Institute, 2001
- *Managing the Customer Experience*; Shaun Smith and Joe Wheeler, 2002
- *Customer Loyalty: How to Earn It How to Keep It*; Jill Griffin, 2002
- *Hug Your Customers*; Jack Mitchell, 2003
- *Hey, I'm the Customer*; Ron Willingham, 1992
- *Secret Service: Hidden Systems that Deliver Unforgettable Customer Service*; John DiJulius III, 2003
- *If Disney Ran Your Hospital*; Fred Lee, 2004
- *Love Your Patients*; Scott Louis Diering, MD, 2004
- *What's the Secret?* John R. DiJulius III, 2008
- *Great Patient Experiences*; Wendy Leebov, Ed.D, 2008

Walmart Culture

- *Sam Walton: Made in America*; Sam Walton, 1992
- *The Walmart Way*; Don Soderquist, 2005

