

Does Your Eye Care Practice Rely on 19th Century Technology for B-to-B Communications?

New survey reveals efficiencies and cost savings of online communications compared to telephone calls to vendors and insurance companies

INTRODUCTION

The Internet is gradually transforming both consumer-to-business and business-to-business commerce by providing a cost-effective method of communication, unconstrained by traditional brick and mortar business hours. This transformation is evident in optometric practices with virtually all offices using the Internet to file insurance claims, many offices using it to source products, and an increasing number using it to communicate with and sell products to patients.

Although it's clear that optometric offices are increasingly turning to the Internet to communicate with patients and other businesses, and are using older technologies less, it's less clear what impact the shift is having on practice operations and profitability.

To examine the impact of Internet use in business-to-business transactions, VisionWeb engaged Practice Advancement Associates, a unit of Jobson Medical Information, New York, NY, in conducting a survey among independent optometric practices in August, 2011.* The survey probed current usage of different product ordering methods as well as medical insurance management processes. Respondents were asked to report how much time their office spent on various activities related to ordering spectacle lenses, frames and contact lenses and to filing and tracking insurance claims. A total of 478 offices replied to the survey.

*Administrative efficiency of ECP product order and insurance claim filing, August, 2011

PRODUCT ORDERING

Over 60 percent of revenue in typical optometric practices is derived from product sales. As a result, the many administrative steps to order, monitor, receive and dispense products consume a significant amount of total staff hours. How efficiently these tasks are executed has a major impact on staff productivity.

The survey revealed that ECPs use many methods to order products. But the telephone remains the most widely used method of ordering spectacle lenses, frames and contact lenses, even as online ordering has become prevalent as well. Seventy-two percent of practices order spectacle lenses on the telephone, 90 percent place frames orders on the phone and 73 percent order contact lenses that way. By comparison, 75-90 percent of offices ever place orders online, depending on product category. That suggests that many practices continue to rely primarily on dated ordering methods.

Among offices that order spectacle lenses electronically, the most widely used methods are individual lab websites and multi-manufacturer portals. Less than 40 percent of practices currently indicate that their office practice management system has been integrated with an online portal to order spectacle lenses.

Respondents consistently reported lower amounts of time spent to order products online than to place orders on the telephone – ranging from about one half minute less for spectacle lens orders to 1.5 minutes less for contact lens

orders. Typical online orders took just over three minutes to place, while telephone orders tended to average over four minutes.

Time Spent to Place Orders (average minutes)			
	Online	Telephone	Online Advantage
Spectacle Lenses	3.3	3.9	0.6 minutes
Contact Lenses	3.1	4.6	1.5 minutes
Frames	3.2	4.3	1.1 minutes

Typical practices place more than 2,000 product orders annually, including 1,500 spectacle lens orders, 600 contact lens orders, as well as hundreds of frames orders. So, relatively small differences in average order time between methods add up to a significant amount of time over the course of a year. If, for example, a minute were saved, on average, by ordering online and 2,500 orders are placed annually, the 2,500 minutes saved are equivalent to 42 hours. That's a full week of staff time that could be spent on patient care, recall or other revenue generating activities.

The time spent to place orders is only part of the story, however. Offices also spend time to check the status of orders not yet received and to retrieve past orders for verification of details. For spectacle lens orders, an average of 1.5 fewer minutes are spent to check order status or retrieve archived orders using online methods.

Time Spent to Check Order Status and Locate Archived Orders for Spectacle Lenses (average minutes)			
	Online	Telephone	Online Advantage
Check order status	2.4	3.9	1.5 minutes
Locate archived order	3.1	4.7	1.6 minutes

If the status of 500 orders is either checked or order details retrieved each year, then 750 minutes are saved by performing these activities online versus on the telephone – 13 additional staff hours saved annually.

Beyond the time-saving advantage of placing and monitoring orders online, a majority of ECPs agree that online ordering reduces the number of remakes of spectacle lens orders, saving additional time and money and increasing patient satisfaction. ECPs agree that error

reduction is an advantage of ordering frames and contact lenses online, as well.

ECP Assessment of Error Proneness of Order Methods (% agreeing/disagreeing)		
	Online Ordering Reduces Re-dos	Phone Orders More Likely to Have Errors Than Online Errors
Agree	54%	53%
Neutral	30%	24%
Disagree	16%	23%

Some 84 percent of ECPs ranked online ordering as more efficient than traditional order methods, and just 8 percent ranked telephone ordering as most efficient. The most frequently cited advantage of online portal ordering of spectacle lenses and contact lenses was 24/7 availability, followed by an ability to check order status online and no waiting time to reach a representative on the phone.

ECP Mentions of Advantages of Online Portal Ordering (% citing)		
	Spectacle Lenses	Contact Lenses
24/7 availability	80%	77%
Online order status	74%	66%
No waiting time to reach representative on phone	69%	71%
Fewer errors	68%	58%
Faster turnaround time	64%	56%
Faster order entry	55%	49%

Despite the efficiencies and greater convenience, many practices cling to old habits and continue to regularly place orders on the phone, reducing productivity.

INSURANCE CLAIM HANDLING

Medical eye care is producing a growing share of revenue among optometrists. Filing and managing insurance claims is a time consuming process with a major impact on the accounts receivables and profitability of a practice.

The survey reveals large time savings when practices use the Internet to manage medical insurance claims. ECPs estimate that they spend just under five minutes to verify insurance eligibility of patients online, compared to just under nine minutes when calling the insurance company on the telephone – a four minute time savings per patient. A similar time savings is achieved in the process of checking reimbursement status online compared to telephone contact.

Time Spent to Verify Insurance Eligibility and Check Reimbursement Status (average minutes)			
	Online	Telephone	Online Advantage
Verify eligibility	4.9	8.9	4.0 minutes
Check reimbursement status	5.3	9.1	3.8 minutes

If a practice handles 500 medical insurance claims annually and pre-verifies coverage and checks the reimbursement status of each, then it saves 4,000 minutes of staff time, or 67 hours, by using online methods.

Time is also saved in the process of filing claims online versus the traditional methods of mailing paper claims to payers. ECPs estimate they spend just over five minutes to file claims electronically, compared to seven minutes for mail-in claims.

Time Spent for Insurance Claim Submission (average minutes)		
Online	Paper-Mail	Online Advantage
5.2	7.0	1.8 minutes

The most frequently cited advantage of online insurance claims filing was avoiding the waiting time to reach a representative on the phone, followed by 24/7 availability, fewer rejected claims and shorter reimbursement cycles.

ECP Mentions of Advantages of Online Insurance Claim Filing	
No waiting time on the phone	71%
24/7 availability	69%
Fewer rejected claims	64%
Shorter reimbursement cycles	60%
Faster claim entry	53%

LARGER PRACTICES MORE LIKELY TO USE OPTICAL PORTALS

Nearly one fourth of the survey respondents were practices with annual gross revenue of \$1 million or more. These larger, more successful practices are more likely to use optical portals for product ordering and insurance claims filing. Nearly all \$1 million+ practices use an online portal linked to their software system to file medical insurance claims.

	Usage of Online Portals by Practice Size (% of ECPs)							
	Spectacle Lenses		Frames		Contact Lenses		Medical Insurance Claims	
	Total	\$1 mil+	Total	\$1 mil+	Total	\$1 mil+	Total	\$1 mil+
Online orders/claims via optical portal	61%	74%	47%	58%	49%	64%	61%	82%
PM system linked to optical portal	39%	53%	31%	46%	NA	NA	60%	96%

THE ADVANTAGES OF VISIONWEB

The most efficient methods of navigating the Internet to communicate with vendors and insurance companies are via an optical portal, such as VisionWeb. The portal provides a single point-of-access to the industry's largest network of suppliers and payers. Using VisionWeb reduces the need to manage a variety of websites, each requiring a separate user account, login credentials, access rules, and unique set of functionalities to learn.

When ordering products online, the VisionWeb order process is simple to use and is standardized for all manufacturers within each product category. This allows staff assigned to order products to learn a single procedure and quickly become proficient. Many error-checking features are built into the VisionWeb system

to assure order accuracy and a minimum of wasteful re-orders.

ECPs pay no charge to order products via VisionWeb – all handling charges are paid by the manufacturers, who enjoy efficiencies when orders are placed online.

Uncertainties and delays in eyewear delivery are among the major complaints optometrists hear from patients. Using the VisionWeb portal to track eyewear order status makes it easy to get daily updates and proactively inform patients when eyewear will be available or if a delay is to be expected. That increases patient satisfaction and loyalty.

For insurance claims handling, VisionWeb's suite of insurance services gives you a simple, yet comprehensive solution for managing the insurance side of your business. When you incorporate VisionWeb in your practice, claim acceptance improves, reimbursement time decreases, and you gain better control of this vital part of your business. Managing your insurance claims online through VisionWeb allows you to verify patient eligibility,

check claim status, track claims with reporting and analytics, receive remittance advice electronically, and integrate with over 20 of the industry's leading practice management systems.

When it comes to day-to-day procedures, VisionWeb's philosophy of "the simpler the better" gives their services a competitive edge that other optical portals simply don't provide. By providing the most robust, yet easy-to-use, suite of services for product ordering and insurance processing in the industry, VisionWeb's "one-stop-shop" online portal equips your practice with the necessary tools to maximize productivity and efficiency.

CONCLUSION

Using online optical portals such as VisionWeb to order products and manage medical insurance claims yields a sizeable reduction in staff time spent on non-revenue producing administrative activities, reduces errors and re-work and can ultimately increase practice profitability.

