

Analysis of VSP Proposal

The 2010-11 Governor's Budget proposes the elimination of vision coverage for the Healthy Families Program for an annual savings of \$18.1 million Total Funds (\$8.9 million General Fund). VSP has submitted a letter to the Governor and has testified before the Legislature asking that options be considered. VSP has recommended that the State consider covering one annual exam plus \$75 total materials allowance rather than providing exams, frames and lenses for a total co-payment of \$10.00 annually.

MRMIB staff analyzed this proposal. Based on enrollment trend from the 2009 November Estimate and the anticipated impact on current plan rates, staff believe that this alternative would result in annual savings ranging from \$1.5 million Total Funds (\$540k General Fund) to \$1.8 million Total Funds (\$640k General Fund).