

PRESENTED AT
VISION EXPO WEST
SEPTEMBER 15, 2017

Defining the Future of OPTOMETRY



Today, we present highlights from a comprehensive report that identifies and analyzes the forces that affect the future of our profession.

Simply put, how well we understand these forces and proactively respond to them will determine whether optometry will flourish or wither.

Included in this pamphlet are highlights, key data and trends from today's presentation. In the near future, we will make available additional findings from our extensive research to help you to position your practice for growth.

We hope you will come away from today's presentation and discussion with a greater understanding of the challenges we face—and the beginnings of a practical plan to meet them on your road to success.

We firmly believe that with knowledge, vision and determination, the practice of optometry will continue to thrive!



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PANELISTS:

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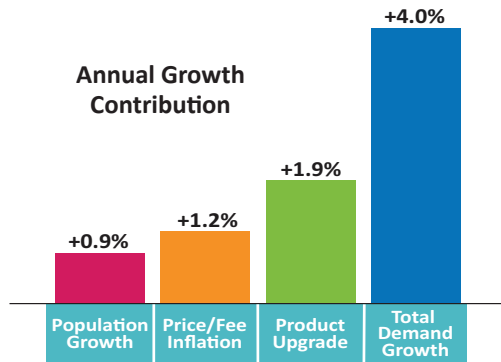


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DEMAND

Demand for Corrective Devices and Services



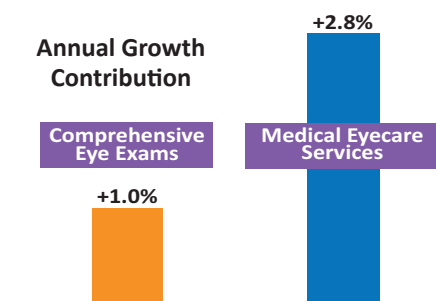
The demand for corrective devices and services continues to grow, driven by population growth and aging, and steady product upgrades.

Important to note, the demand for medical eyecare services is growing at a pace nearly three times the growth of comprehensive eye exams.

Characteristics of Eyecare Demand

- Relatively immune from economic recession
- Demand heavily influenced by ECP patient education
- Continuously revitalized with new technology
- Growing managed care and government influence

Demand for Medical Eyecare



Managed Care and Government Are Impacting Eyecare Demand

- Third-party payers account for 70+ percent of ECP revenue
- Insurer consolidation increasing leverage over providers
- Expanded patient access to care; reduced provider access to patients
- Deflationary reimbursements

DATA SOURCES in this report include Jobson Optical Group, Vision Watch, AOA Workforce Study, U.S. Census Bureau, Bureau of Labor Statistics, National Eye Institute, Vision Council surveys, Centers for Medicare and Medicaid, and other sources.

MEGATRENDS

The future of optometry is buffeted by many of the same challenges that are faced by other medical professions and retailers. These include:

Digital Communications and Telemedicine

Digital devices are becoming the preferred vehicle for information and commerce:

- Telemedicine redefines the doctor/patient relationship.
- Digital communication expands the OD's role in monitoring chronic disease.
- Digital communication reduces costs, promotes patient engagement.

Private Equity Investment in Eyecare and Consolidation

Equity investments in eyecare are growing due to:

- Low interest rates
- Uninvested capital surplus
- Favorable market fundamentals

Emerging Models of Practice

- Independent OD practices and groups
- Ophthalmology practices and groups
- Integrated OD/MD practices

OD's Increasing Role in Healthcare

The OD's scope of practice is expanding:

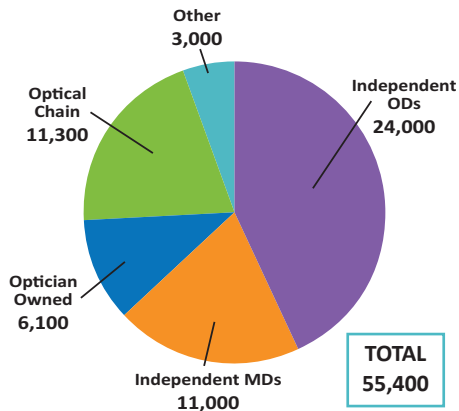
- ODs are treating more ocular disease.
- ODs are increasingly involved in detecting and monitoring chronic health conditions.
- ODs often provide easier access, lower-cost services, and higher patient satisfaction—all key goals of health-care reform.

SUPPLY

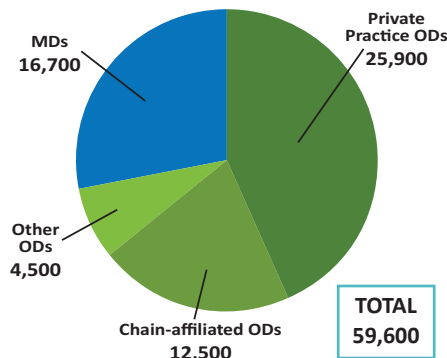
As the demand for eyecare services grows, the supply to meet that demand will come mostly from optometry. The ranks of ophthalmologists will remain relatively static over the next decade, while ODs will increase in number.

At the same time, optometric practices have excess capacity, allowing them to capture the growing number of comprehensive eye exams and medical eyecare services. Eye exams are viewed by most ODs as a prime factor in growing their practices as a business. Online sales of optical goods and online eye exams are viewed as major challenges to optometric practices.

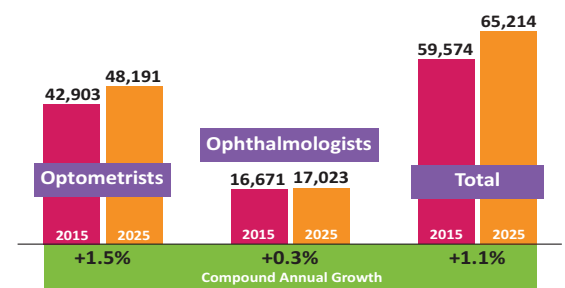
Eyecare Locations



Eyecare Professionals



Most Professional Workforce Growth Will Come from ODs



OPPORTUNITIES FOR INDEPENDENT ODs

Upgrade Professional Management

Increase efficiency through best practices in management. Set improvement goals to:

- Expand medical eyecare services
- Improve patient recall and step up frequency of exams and purchases
- Upgrade product mix and capture rate
- Enhance the patient experience

Recognize Telemedicine as a Reality

Expand your understanding of the implications of online medical services:

- Expand access to care and further doctor/patient relationship
- Apply big data analysis and artificial intelligence to diagnose and treat eye conditions
- Work to fully benefit your patients' health as part of their multi-discipline wellness team
- Meet cost efficiencies demanded by health care reform

Leverage Technology

Embrace cutting-edge technology in both clinical and management arenas:

- Improvements and continual upgrades in technology elevate the care you provide and reinforce your value to patients by showing them "something new" at each annual visit
- Elevate your efficiency and profitability with data-driven decision-making and dashboard management
- Empower your staff to set improvement goals and track personal and practice performance gains

Access the Power of Many

Optometry has a long and cherished tradition of sharing knowledge to improve patients' lives and sustain the profession.

- Join and engage fully with an OD network or study group
- Support organized optometry and access clinical and management resources
- Partner with leading manufacturers to access resources to improve clinical skills and management performance
- Educate patients, the public and fellow medical professionals in the full scope of services that optometrists are trained and licensed to provide



Highlights from

OD Outlook Study

Original research conducted by Jobson Optical Research, August 2017

Need for Business Tools

ODs in the survey say the following factors are somewhat/very effective in growing their practice:

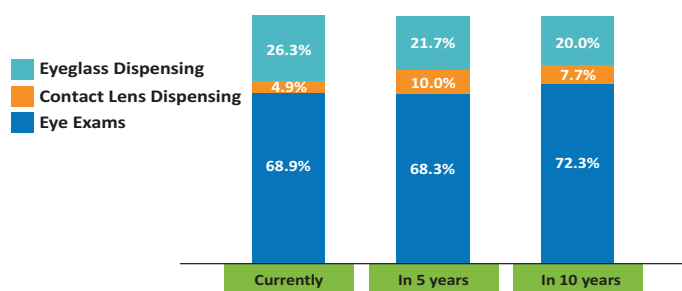
- CE/COPE education for OD
- Practice marketing assistance*
- Practice online mobile marketing assistance
- Promotional material for office

**Cited as the top need for more emphasis in growing a practice over the next 5-10 years*

Eye Exams Will Lead Growth

Eye exams are cited as the most important factor in growing a practice currently, and increasingly over 5-10 years. Dispensing eyeglasses is expected to decline as a growth factor.

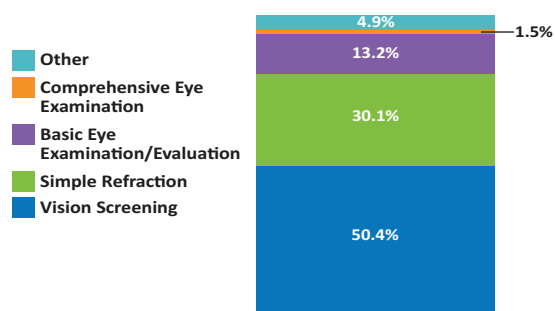
ODs: Which of the Following Is Most Important to Growing Your Business?



Remote Eye Exams: Aware of Them But Implications Not Understood

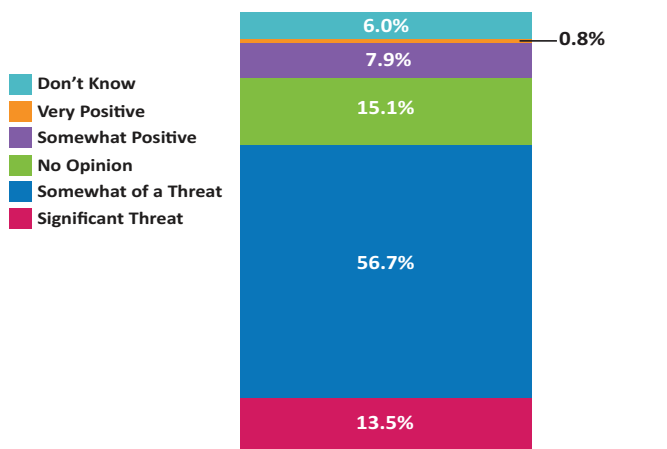
Seventy-six percent of respondents have heard of "remote eye exams." Respondents commonly view this as a vision screening (50 percent) or a simple refraction (30 percent). Only 1.5 percent view this as a comprehensive eye exam.

What Do You Believe "Remote Eye Exams" Can Best Be Described As?



Remote eye exams are seen as a significant threat by 14 percent of ODs; as somewhat of a threat by 57 percent.

How Would Growth in "Remote Eye Exams" Affect Your Practice?



Biggest Threat is Online/Internet Sales and Exams

Sixty-six percent of ODs cite online/internet sales & exams as the biggest threat to an optometric practice.

What Do You Think Will Be the Biggest Threat for Your Practice in the Future?

TOP RESPONSES

Online/Internet Sales & Exams	66%
Insurance	6%
Reimbursements	4%
Competition	4%
Government	3%

Preparedness for Change

Fifty-four percent of ODs say they do not have the tools to prepare them to meet the challenge of remote eye exams. Only 29 percent say the same about the way patients are buying glasses and contacts. Seventy-six percent would like partner-provided business tools to grow or to help them prepare for change.

Survey Methodology: A total of 350 ODs responded to an online survey on their outlook on the profession of optometry. Some 85 percent are independent ODs. Another 15 percent are corporate chain ODs; of those, 23 percent are leaseholders, 21 percent independent contractors, 56 percent employees.