Optimizing Sales Under Managed Care Constraints

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Are Managed Care Customers Constrained?

The essence of managed care:

◦ Managed Care Organizations (MCOs) restrict the number of providers
  ◦ Less competition: more customers per provider
◦ Provider agrees contractually to offer a deep discount to beneficiaries
◦ Provider does not need to market or advertise to obtain new patients: >profits
◦ Creates artificial brand loyalty to the MCOs network providers

Managed care customers are therefore constrained in \textit{where} they can obtain their benefits. This favors you, the provider

◦ Higher capture rate
The Path to Purchase

Consumers behave in predictable ways when they become shoppers
- Recognize a need for a product or service
- Initial consideration set
  - Top of the mind awareness: brand awareness
- Research
  - Recommendations; friends, family
  - ‘Push’ vs. ‘Pull’ advertising
  - The internet and online reviews
- Disruption
  - Managed vision care plans were once a disruption strategy
- Decision
The Path to Purchase for Managed Care Customers is Different

Path to purchase: Awareness
◦ I need new glasses
◦ I need to get an eye exam

Path to purchase: Research
◦ I have vision care benefits
◦ Research providers who accept benefit
◦ Research will be more limited than usual (“which eye doctors accept my benefits”)
The Path to Purchase for Managed Care Customers is Different

Path to purchase: Comparison shopping
- How much comparison shopping does the average consumer do for eyewear?
- Managed care customers do far less comparative shopping

Path to purchase: Brand awareness of your practice
- How will you encourage managed care customers to choose your practice of the others providers in the network?
  - What are your value propositions?
  - How do you communicate them?
  - Manage the customer experience
  - Reputation management
Are Managed Care Customers Constrained?

Sales Transaction Dynamics...

Private pay patients are focused on obtaining value for their money
Managed care patients are often focused on getting value from their benefits
  • They have paid for the benefits and seek a return
2 Different Managed Care Selling Approaches

‘Benefits only’ technique
- “You have a $150 frame allowance. The $150 frames are over there.”
- Assumes the customer is focused on using their benefits only (to avoid upcharges)
- Customer will be encouraged to compromise what they need/want to avoid upcharges
- Results in lower average unit sale and a customer who must live with the limitations of their choice; not fully satisfied
2 Different Managed Care Selling Approaches

‘What you want’ technique
- Treat managed vision care customers the same as all other customers
  - Why treat managed care customers differently; because they have a benefit?
  - “Let’s talk about what you need and want and then apply your benefits to it.”
- Takes into consideration customer’s:
  - Needs (I need a car)
  - Wants (I want a ‘better’ car than I have now)
  - Desires (I would love to have a Mercedes)
Managed Care Realities

The best way to succeed at managed vision care is to train your opticians how to sell

- Lifestyle selling
- Benefit selling
- Shape and color
- Psychodynamics (motives to buy ~ desire)

You will struggle at managed vision care if your opticians do not learn to sell successfully:

- Focus on upgrades; advanced lens materials, coatings and premium frames
After the Sale Considerations

The amount of administrative work after a managed care sale can be onerous

- Pre-certify managed vision care patients before they visit

Organize the dispensary and its management system:

- Obtain demographic data automatically
- Place orders through the PM system online
- Bill for the services through the PM system online

Who will post the payments to the PM system; optical or accounting?
Managed Care Plan Selection

All plans are not created equal

- Review each plan thoroughly before joining
- Join those plans that have the best reimbursements and are easiest to work with
- Dis-enroll from plans that don’t meet your criteria
Thank you for your time and attention

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