

Health Care Market Oversight

Transaction 041

VSP-Eyemart Express

30-Day Review Report

January 16, 2025



About this Report

This report summarizes analyses and findings from Oregon Health Authority’s preliminary (30-day) review of the proposed material change transaction involving Vision Service Plan Optical and Eyemart Express. It accompanies the Findings of Fact, Conclusions of Law, and Final Order (“Preliminary Review Order”) issued by Oregon Health Authority on January 16, 2025. For legal requirements related to the proposed transaction, please reference the [order](#).

You can get this document in other languages, large print, braille or a format you prefer free of charge. Contact us by email at hcmo.info@oha.oregon.gov or by phone at 503-385-5948. We accept all relay calls.

If you have any questions about this report or would like to request more information, please contact hcmo.info@oha.oregon.gov.

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Executive Summary

The [Health Care Market Oversight](#) (HCMO) program reviews proposed health care business deals to make sure they support Oregon's goals of health equity, lower costs, increased access, and better care. After completing a review, the Oregon Health Authority (OHA) issues a decision about whether a business deal, or transaction, involving a health care company should proceed.

Proposed Transaction

On December 17, 2024, OHA accepted a complete [Notice of Material Change Transaction](#) ("notice") from VSP Optical Group, Inc. ("VSP Optical"). The notice describes plans for VSP Optical to acquire Eyemart Express, LLC ("Eyemart Express"), an optical retailer with four locations in Oregon, as well as online sales. VSP Optical is a subsidiary business of Vision Service Plan ("VSP"), a vision health insurance company with plans in Oregon. VSP Optical operates VSP's retail optical line of business that sells corrective eyewear in Oregon via VisionWorks retail stores and Eyeconic, an online retailer. VSP does not plan to make any material changes to the Eyemart Express stores in Oregon.

OHA's Review

OHA completed a 30-day preliminary review of the proposed transaction. During the review, OHA assessed the likely impact of the transaction across four domains: cost, access, quality, and equity. OHA held a public comment period and did not receive any public comment submissions.

Key Findings



Cost

The proposed transaction is unlikely to affect costs, as it is unlikely to result in meaningful changes to competition in the Oregon optical retail market.



Access

The proposed transaction is unlikely to affect access to corrective eyewear products as there are no plans to close or reduce services at any of the current Eyemart Express locations or reduce insurance plans accepted by Eyemart Express.



Quality

The proposed transaction is unlikely to affect quality of care in Oregon as there are no plans to make any material changes to the products or services offered at the Eyemart Express locations.



Equity

The proposed transaction is unlikely to result in changes to the types of services offered in Oregon or patients' ability to access those services. The proposed transaction is therefore unlikely to have an impact on health equity in the state.

Conclusions and Decision

Based on preliminary review findings, **OHA approved the transaction on January 16, 2025.** (See [order](#)). OHA approved the proposed transaction based on the following criteria:

1. The material change transaction is not likely to substantially alter the delivery of health care in Oregon.

The proposed acquisition of Eyemart Express by VSP Optical is unlikely to alter the delivery of optical retail services in Oregon due to the Eyemart Express's small presence in Oregon and the number of alternative options that exist for Oregon consumers of corrective eyewear. Further, there are no anticipated changes to Eyemart Express locations, products, services, or insurance plans currently accepted.

OHA will monitor the impact of the transaction by conducting follow up analyses one year, two years, and five years after the business deal is completed. During these reviews, OHA will analyze the impact of the transaction on quality of care, access to care, affordability, and health equity, specifically following up on concerns or observations noted in the Findings & Potential Impacts section of the Review Summary Report. OHA will also assess whether the parties to the transaction have kept to the commitments stated in the notice of transaction regarding cost, access, and quality of care.

Introduction

In 2021, the Oregon Legislature passed [House Bill 2362](#), giving the Oregon Health Authority (OHA) the responsibility to review and decide whether some transactions involving health care entities should proceed. In March 2022, OHA launched the Health Care Market Oversight program (HCMO). This program reviews proposed health care transactions such as mergers, acquisitions, and affiliations to ensure they support statewide goals related to cost, equity, access, and quality.

The HCMO program is governed by [Oregon Revised Statute \(ORS\) 415.500 et seq.](#) and [Oregon Administrative Rules \(OAR\) 409-070-0000 through -0085](#).

In the authorizing statute, the Oregon Legislature specified what types of proposed transactions are subject to review and the criteria OHA must use when analyzing a given proposed transaction. The Oregon Legislature also authorized OHA to decide the outcome of a proposed transaction. After analyzing a given proposed transaction, OHA may approve, approve with conditions, or reject it.

The Health Care Market Oversight program fits within OHA's broader mission of ensuring all people and communities can achieve optimum physical, mental, and social well-being through partnerships, prevention, and access to quality, affordable health care.

Proposed Transaction

On December 17, 2024, OHA accepted a complete Notice of Material Change Transaction (“Notice”) from VSP Optical Group, Inc. (“VSP Optical”) with respect to its Equity Purchase Agreement and Plan of Merger (“Agreement”) with Eyemart Express Holdings, LLC (“Eyemart Parent”). The notice describes plans for VSP Optical to acquire Eyemart Parent’s retail optical business.

OHA reviewed the notice of material change transaction and determined, based on the facts in the notice, that the transaction is subject to review. The entities party to the transaction meet the revenue thresholds specified in [OAR 409-070-0015\(1\)](#) and the proposed transaction is otherwise covered by the program in accordance with [OAR 409-070-0010](#).

After receipt of the complete notice, OHA began a preliminary review of the proposed transaction. Preliminary reviews must be completed within 30 days of OHA’s confirmation of receipt of a complete notice, unless extended in accordance with applicable statutes and administrative rules. This report describes the transaction, OHA’s approach to the review, its findings, and OHA’s conclusions based on these findings.

Parties to the Transaction

Vision Service Plan (VSP)

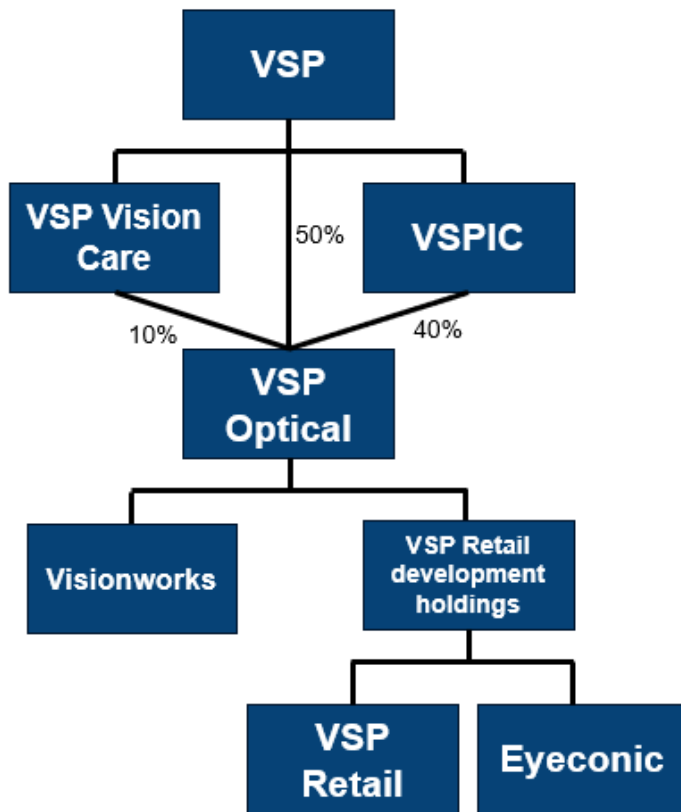
VSP is a non-profit vision health company that offers vision insurance plans and owns multiple vision related businesses, including sales of retail corrective eyewear.¹ VSP was founded in 1955 and is governed by a board of directors.²



VSP is the nation’s largest vision insurance company.³ VSP offers vision insurance through employers, commercial health plans, Medicare/Medicaid supplemental plans, and individual plans.⁴ VSP reports they have over 82 million members nationwide, covering around 1 in 4 Americans. VSP’s national network contains about 33,000 eye care professionals and 29,000 in-network retail locations.⁵ Vision Service Plan Insurance Company (VSPIC) is the wholly owned subsidiary of VSP that provides vision insurance in Oregon.⁶

In addition to its vision insurance business, VSP is engaged in multiple other lines of business related to vision care. These include retail sales of corrective eyewear, manufacturing and distribution of frames, optical laboratories, management services for optometry practices, a group purchasing organization, practice management software for optometry practices, and a real estate holding company.⁷

A simplified VSP organizational chart showing VSP’s ownership of its retail optical entities is included below. See [HCMO attachment C](#) for the complete VSP organizational chart with all subsidiaries.



VSP Optical

VSP is the ultimate owner of VSP Optical, holding 50% of VSP Optical directly, and 50% indirectly through its wholly owned vision insurance subsidiaries of VSPIC and VSP Vision Care, Inc.⁸ VSP Optical is the holding company for VSP's vision and optical related subsidiaries, including retail and online sales of corrective eyeglasses and contact lenses.⁹ VSP Optical is a Delaware corporation that is governed by its board of directors and operated by its officers pursuant to its bylaws.¹⁰ Each of the subsidiaries owned by VSP Optical operates within its own governing documents with some overlapping boards of directors or managers and officers.¹¹

VSP Optical's Retail Entities

VSP Optical sells retail corrective eyewear through three of its subsidiary entities: VisionWorks, Inc. ("VisionWorks"), a nationwide retail optical chain with approximately 700 stores nationwide, Eyeconic, Inc., ("Eyeconic"), an online retailer of prescription glasses, sunglasses, and contact lenses, and VSP Retail, Inc., ("VSP Retail"), a provider of retail eyewear for on-site clinics at large companies.¹²

Through these subsidiaries, VSP Optical currently sells corrective eyewear in Oregon via 12 VisionWorks brick-and-mortar stores, online sales at Eyeconic, and at two on-site clinics at Nike and Intel.¹³

Other VSP Subsidiaries

Outside of vision insurance and retail optical sales, VSP engages in a variety of vision-related businesses. The below tables identify the VSP subsidiaries operating in each of these lines of business.¹⁴

Manufacture and Distribution of Frames

Business Name	Description
Allure Eyewear, LLC	Manufacturer and distributor of ophthalmic and sunglass frames. It sells and distributes optical frames, but not complete corrective eyewear.
Marchon Eyewear, Inc.	Global eyewear manufacturer and distributor. It sells and distributes optical frames, but not complete corrective eyewear.
Altair Eyewear, Inc.	Business under Marchon Eyewear. Eyewear manufacturer and distributor in the US. It sells and distributes optical frames, but not complete corrective eyewear.

Optical Laboratory

Business Name	Description
VSP Labs, Inc.	Network of optical laboratories producing products such as lenses.

Optometry Practice Services

Business Name	Description
iCare Acquisitions, Inc.	Holding company for iCare Health Solutions, a specialty network and administrator of comprehensive ocular care services.
VSP Ventures Management Services, LLC	Provides certain management services to independent optometry practices and serves as an intermediary entity between VSP Labs, Inc. and VSP Ventures Optometric Solutions.
VSP Ventures Optometric Solutions, LLC	Acquires certain non-clinical assets of independent optometry practices and provides certain management services to independent optometry practices. VSP Ventures manages five independent optometry practices in Oregon.
Healthy Eyes Advantage, LLC	Operates as a group purchasing organization and intermediary in purchasing transactions.
Professional Eye Care Associates of America, Inc.	Operates a community of independent eye care professionals for group purchasing and business solutions.
Eyefinity, Inc.	Provides clinical and practice management software to optometry practices.

Supply Chain Administration

Business Name	Description
Plexus Optix, Inc.	Operates as an administrator of the VSP Optics supply chain.

Real Estate

Business Name	Description
VSP Ceres, Inc.	A real estate holding company that owns or leases real property (none in Oregon). Direct subsidiary of VSP Optical.

Mergers and Acquisitions

Over the past five years, VSP has acquired a number of vision-related entities around the country. VSP Optical acquired VisionWorks in 2019 and iCare Health Solutions in 2021, a specialty network of eye care providers and administrator of comprehensive ocular care services.¹⁵

In Oregon, VSP Ventures Optometric Solutions, LLC (“VSP Ventures”) purchased the non-clinical assets of and entered into a management services agreement with Eyecare Associates of Southern Oregon in 2024 and with Mt. Hood Vision Center in 2021.¹⁶ VSP Ventures is a subsidiary of VSP that owns non-clinical assets of independent optometry practices and provides management services. VSP Ventures has engaged in a number of similar transactions with optometry practices throughout the country in the last five years. For a full listing, see Attachment I to the Appendix.

Operations in Oregon

VSP has approximately 1.8 million vision insurance subscribers in Oregon, with annual claims coverage around \$75 million dollars.¹⁷ VSP’s insurance line of business employs 3,428 employees nationwide and 34 in Oregon.¹⁸

For retail sales, VSP’s VisionWorks has 12 retail stores in Oregon, with locations in the Portland metro region, Eugene, Bend, Medford, Salem, and Albany.¹⁹ VisionWorks employs 2,407 people nationwide and 47 in Oregon.²⁰ In Oregon, VisionWorks had 48,863 transactions of corrective eyewear materials in 2023 and 33,724 transactions in 2024 from January to November. VSP’s on-site clinics at Intel and Nike had 6,273 eyewear transactions in 2023 and 5,566 in 2024 from January to November.²¹ Through Eyeconic, there were 9,729 sales of eyewear (including non-corrective) to Oregonians in 2023 and 9,389 sales in 2024 through November.²²

VSP Ventures manages five independent optometry practices in Gresham, Salem, Corvallis, Eugene, and Medford.²³ The 2024 aggregate eyewear transaction count for these practices was approximately 11,600 as of November 2024.²⁴

Eyemart Express

Eyemart Express is a privately owned limited liability company headquartered in Texas.²⁵ Eyemart Express is the operating entity and wholly owned subsidiary of Eyemart Express Holdings, LLC (“Eyemart Parent”).²⁶

Eyemart Express’s primary business is the furnishing of corrective eyewear through both brick-and-mortar retail stores and online sales.²⁷ It operates stores in 42 states, including four locations in Oregon in Medford, Eugene, Roseburg, and Bend. Eyemart Express also sells optical products online in Oregon.²⁸ Eyemart Express also subleases commercial space to independent optometrists but does not control or manage these practices.²⁹

Eyemart Express also owns Visual Eyes Eyewear, LLC (“Visual Eyes Eyewear”), a distributor and wholesaler for optical products, including eyeglass frames.³⁰

Governance and Organizational Structure

Eyemart Parent is owned by two aggregator entities, FFL/EM holdings and GEI VII EM Aggregator, that hold their equity interest on behalf of passive investors, as well other passive investors that each hold a less than 10% interest.³¹ Eyemart Express is governed by a Board of Directors appointed by its owners.³² None of the owners of Eyemart Parent have control over day-to-day operations of Eyemart Parent or Eyemart Express.³³

Mergers and Acquisitions

Over the past five years, Eyemart Express has acquired optical dispensary assets from approximately 15 independent optometry practices in states outside of Oregon.³⁴ Eyemart Parent purchased its majority interest in Visual Eyes Eyewear in 2020.³⁵

Operations in Oregon

Eyemart Express employs 2,118 people nationwide, with 32 employees in Oregon.³⁶ Eyemart Express served 16,027 people in Oregon stores in its fiscal year 2023, and 94 Oregon residents purchased eyewear from Eyemart Express’s online business.³⁷ Total brick-and-mortar sales in Oregon for 2023 was approximately \$5.2 million, with an additional \$15,000 in online sales.³⁸

Visual Eyes Eyewear sold \$727.25 in products to providers in Oregon over the last three years.³⁹

Eyemart Express also subleases commercial space to independent optometrists, but does not control or manage these practices, nor does it employ any optometrists in Oregon.⁴⁰

Transaction Terms

VSP Optical intends to acquire and hold 100% of the issued and outstanding voting securities of Eyemart Parent in exchange for \$1.245 billion dollars.⁴¹ Eyemart Parent will become a wholly owned subsidiary of VSP Optical with Eyemart Express continuing to operate as a subsidiary under Eyemart Parent. Eyemart Parent will ultimately be integrated into VSP Optical's retail optical segment.

Rationale for the Transaction

In the notice, the entities stated that:⁴²

The parties expect that the proposed transaction will provide enhanced customer access to vision care by allowing existing Eyemart Express...stores to continue offering a wide range of optical products (i.e., lenses, frames, and contacts) and facilitating reliable access to optometric care in local communities.

The entities also expect the transaction to “result in overall increased access to services and enhanced coverage with Eyemart Express’s four locations becoming ‘in-network’ for customers with VSP coverage.”⁴³ They also state that the transaction “supports VSP’s mission to provide best-in-class vision care across multiple demographics and localities.”⁴⁴

Post-Transaction Plans

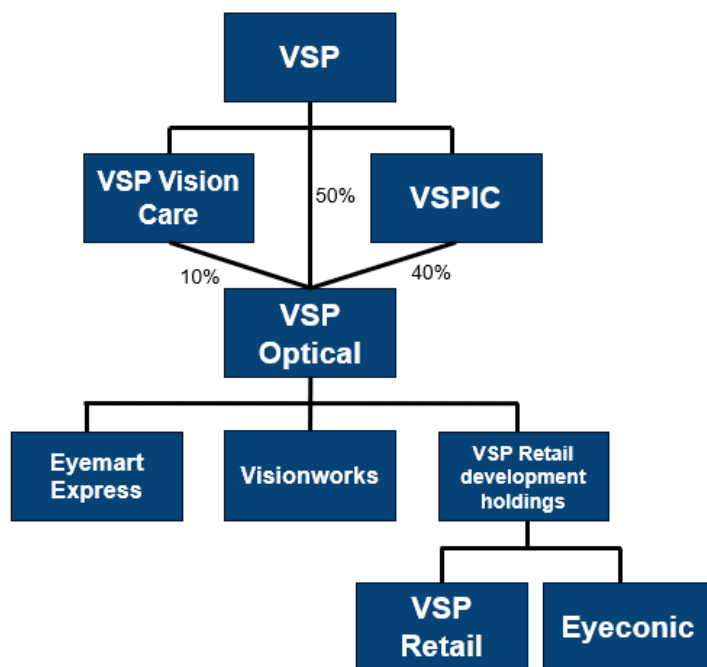
After the transaction closes, the entities intend to operate Eyemart Express as a direct subsidiary of VSP Optical, which also operates VSP’s other retail optical subsidiaries of VisionWorks, Eyeconic, and VSP Retail's on-site employer clinics.⁴⁵

The entities do not expect the transaction to result in any changes to the Eyemart Express locations, availability of products or services, or workforce.⁴⁶

In the notice, the entities also stated:⁴⁷

There are no plans to reduce or eliminate services or participation in any payer program or plan network that may apply to Eyemart Express’s optical retail services or independent optometrist’s optometry practice.

Below is a simplified organizational chart of VSP after the transaction closes with Eyemart Express.



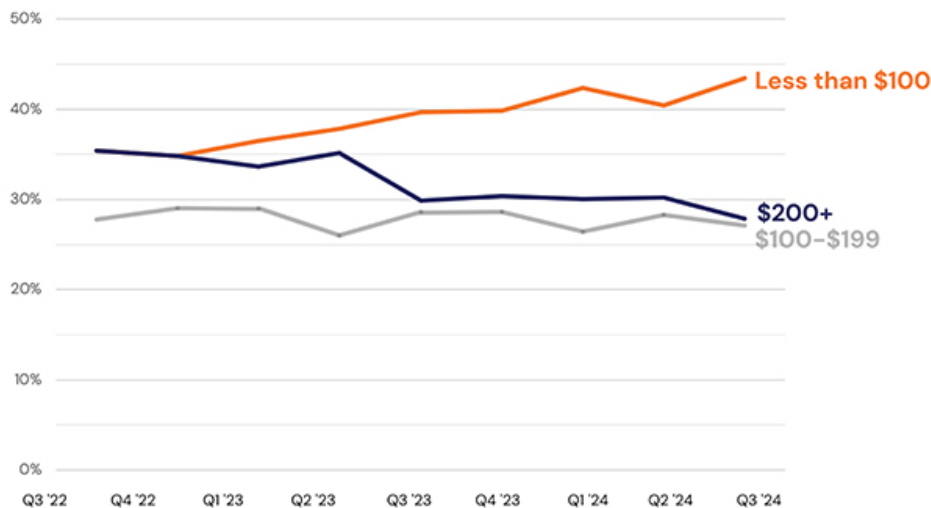
Trends in Vision Care

Retail Optical Market

Consumers purchase prescription eyeglasses and contact lenses (corrective eyewear) through many different types of optical retailers: optometry offices, independent optical shops, warehouse clubs (e.g., Costco), superstores (e.g., Walmart), brick-and-mortar chain glasses stores (e.g., LensCrafters), and online retailers (e.g., Warby Parker).⁴⁸ According to The Vision Council, a vision care trade association, in the third quarter of 2024, 86% of consumers with a recent eyeglass purchase bought in-person and 14% bought online.⁴⁹ By contrast, about 40% of contact lens purchases were made online, a significant increase from 33% in the second quarter of 2024. The same report also found a continued trend of consumers opting for more budget-friendly eyewear over the last two years, with it becoming even more pronounced in the third quarter of 2024.

Amount paid out-of-pocket for recent eyewear purchase (%)

If multiple pairs were purchased, amount reflects most expensive item



In total, how much did you pay out-of-pocket for your last eyewear purchase? n = 12,908

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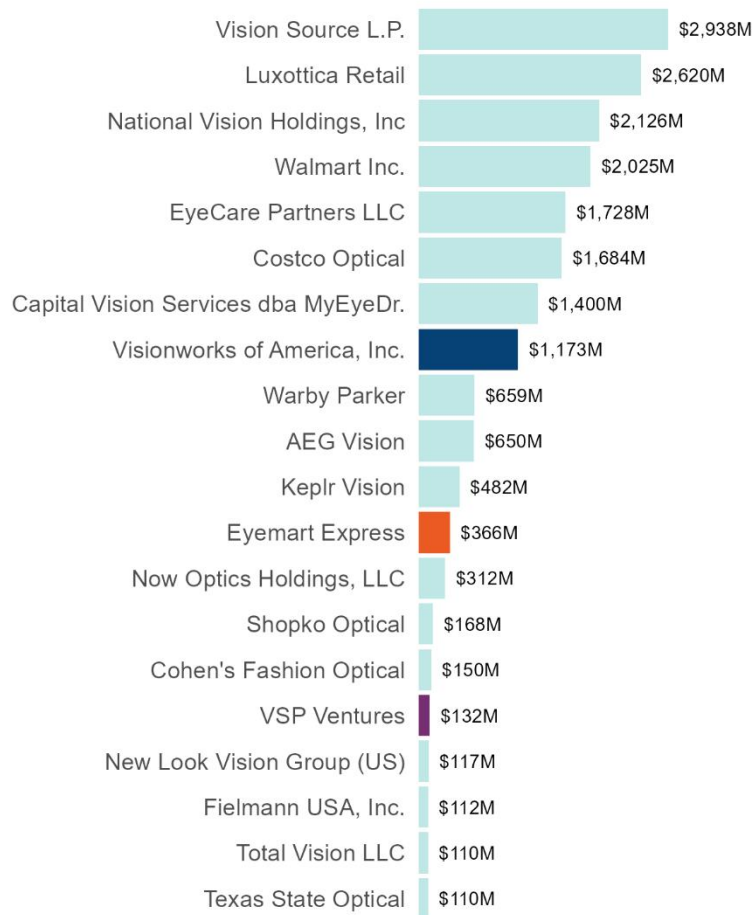
Chart from Vision Monday, The Vision Council's inSights Report Shows Consumers Are Prioritizing In-Person, Budget-Friendly Eyewear Purchases. November 5, 2024. Available at: <https://www.visionmonday.com/eyecare/article/the-vision-councils-insights-report-shows-consumers-are-prioritizing-inperson-budgetfriendly-eyewear-purchases/>. (Citing from The Vision Council. Consumer inSights Quarterly Report – 2024 Q3. November 1, 2024. Available at: <https://thevisioncouncil.org/blog/vision-council-releases-new-research-spotlighting-q3-consumer-trends-across-optical-products>)

Consumer Reports found that costs for eyeglasses can vary widely based on retailer type.⁵⁰ In a 2022 survey, they found that the median price paid for glasses after insurance at independent optical shops was \$205. At chain glasses stores, the median price varied anywhere from \$190 to \$326.

Vision Monday, an optical industry news site, found that the leading optical retailer in the United States in 2023 was Vision Source, with \$2.94 billion dollars in sales.⁵¹ VSP's

VisionWorks ranked 8th with \$1.17 billion dollars in sales and VSP Venture’s managed optometry practices ranked 16th with \$132 million in sales. Eyemart Express ranked 12th with \$366 million in sales. Other large retailers include LensCrafters, America’s Best Contacts & Eyeglasses, Walmart, Costco, and Warby Parker.

Top 20 Leading Optical Retailers in 2023⁵²



Vision Insurance

Vision insurance generally covers some portion of vision exams, glasses lenses, frames, and/or contact lenses. There are both standalone supplemental vision insurance plans, such as those offered by VSP, and health insurance plans that include vision insurance. Standalone supplemental plans are often provided by employers.

Under the Affordable Care Act, vision care is only considered to be an essential health benefit for children.⁵³ All plans on the Health Insurance Marketplace will include vision coverage for children, but only some plans include it for adults.⁵⁴ Adults can buy standalone vision coverage plans outside the Marketplace if coverage is not included in their health insurance plan.

Traditional Medicare does not cover routine eye exams or eyeglasses or contacts, but will cover some vision related expenses like diabetic eye exams, cataract surgeries and other

vision related conditions.⁵⁵ Some Medicare Advantage plans include coverage for vision expenses.

In Oregon, Medicaid plans include coverage for routine eye exams for children and adults, but do not cover glasses or contacts for non-pregnant adults over the age of 21, with the exception of certain medical conditions.⁵⁶

Key Players in Vision Insurance

VSP is the largest vision insurer in the nation.⁵⁷ Most of VSP's insurance business comes from plans that companies offer their workers, called group insurance plans.⁵⁸

Approximately two-thirds of people with a separate vision insurance plan have VSP.⁵⁹ The next largest insurer offering a separate insurance plan is Blue Cross Blue Shield, accounting for 18% of the market.⁶⁰ Humana, Delta Dental, and VBA follow with around 5%, 4%, and 2% of the market respectively.⁶¹

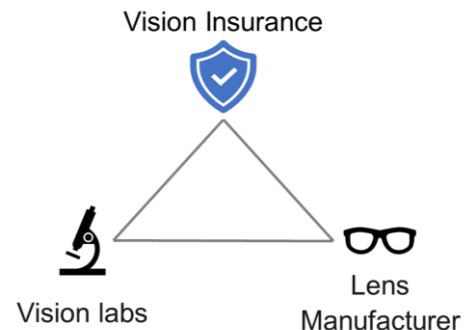
Vertical Consolidation in Vision Care

Vertical consolidation in healthcare occurs when there is consolidation between entities that offer different services along the same supply chain.⁶² In vision care, this could occur when a vision insurance plan also owns optometry clinics, optical retail stores, or frame and lens manufacturers.⁶³

Vertical consolidation comes with potential costs and benefits to the community it serves. Vertical consolidation can lead to improved supply chain efficiency, lower costs for the entities, and more control over quality of the supply chain and overall consumer experience. However, vertical consolidation can also lead to limited choice, lower quality, and increased prices.⁶⁴ Vision insurers that own other vision services like frame manufacturers, labs, and retail optical stores are able to steer their members and in-network doctors to buy the goods and services that the insurer owns, therefore eliminating competition on price and quality for these items.

VSP's dominance in the vision insurance market and numerous vertically integrated business lines have led to concerns about the vertical integration of the company and how VSP may use its market power to steer customers to their stores and away from competitors. In 2023, the House Committee on Oversight and Accountability sent a letter to the chair of the Federal Trade Commission asking for a briefing on the impacts of consolidation in the vision care industry.⁶⁵ The letter named VSP as the largest provider of vision insurance who also owns other vision related services that allows them to control prices of vision services. The letter states:

Several vision insurers have also sought to vertically consolidate, creating their own brick-and-mortar retail stores providing favorable copays and pricing to steer consumers to their stores and away from their competitors.



The same Committee sent a separate letter to the Attorney General of the Department of Justice (DOJ) in November 2024 requesting a briefing regarding the DOJ's work to ensure that consolidation in the vision care industry is not detrimentally affecting patients.⁶⁶ The letter named the proposed transaction between VSP and Eyemart Express as an example of vision care insurers creating vertically integrated companies that could have detrimental impacts on patients.

Concerns about VSP's growing vertical integration have also been raised in a lawsuit filed in 2023 by Total Vision LLC against VSP in U.S. District Court in the Central District of California.⁶⁷ Total Vision is a California company that supports 59 independent optometry practices in California. The complaint accuses VSP of using anticompetitive practices to try to drive Total Vision LLC out of business. The lawsuit states⁶⁸:

"The problem this has created is that VSP uses the power it derives from its vision insurance business mercilessly to force optometry practices to purchase glasses frames and lenses from its subsidiaries at supra-competitive prices for lower-quality products, purchase its back-office software regardless of whether they want it or not, and, perhaps most insidiously, prevent independent optometry practice groups from growing because VSP wants to dominate those services just as it does vision insurance."

VSP is denying the allegations. On February 20, 2024, the judge denied in substantial part VSP's request to dismiss the lawsuit, thus allowing the lawsuit to proceed.⁶⁹ VSP filed its answer to the complaint, along with counterclaims against Total Vision, on March 26, 2024.⁷⁰ Discovery is ongoing in the case and trial is currently set to begin December 1, 2025.⁷¹

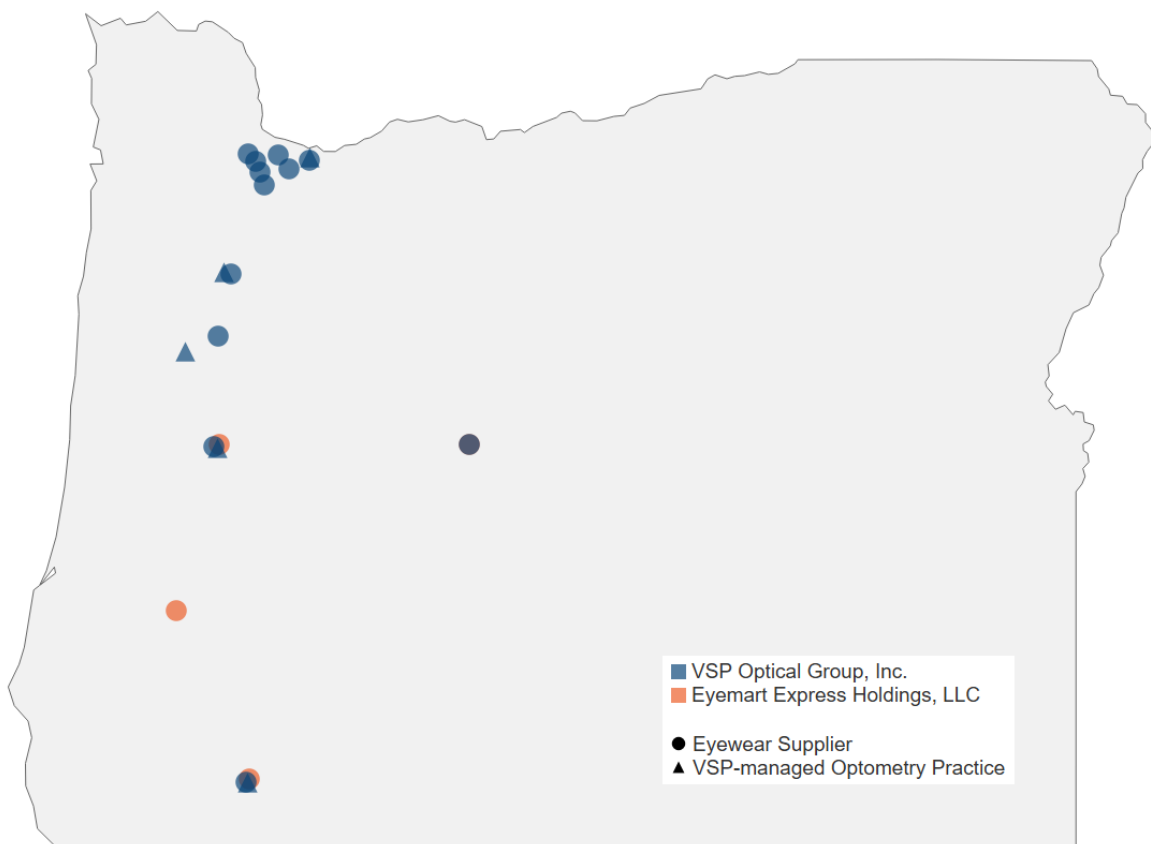
Findings & Potential Impacts

OHA compiled available data and information to understand and examine the potential impacts of the proposed transaction across four domains: access, cost, quality, and equity. To assess the potential impacts of the proposed transaction on Oregon residents' equitable access to affordable care, OHA considered the following:

- Transaction terms
- Market characteristics
- Statements by entities
- Publicly available data, research, and reports on the vision care market

Service Areas

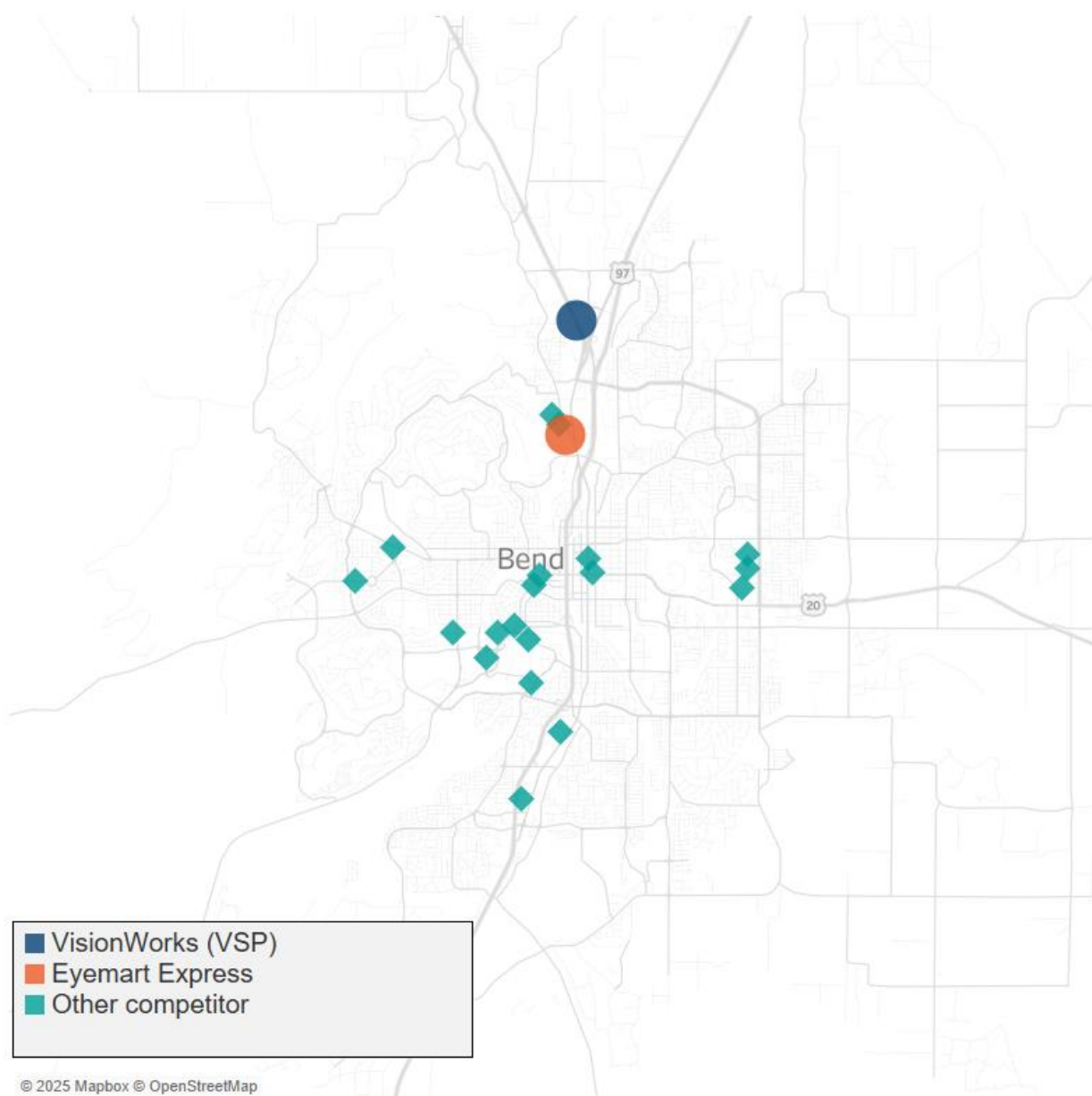
The map below shows VSP's 12 VisionWorks retail locations, five VSP-managed independent optometry practices, and the four Eyemart Express locations in Oregon.⁷²



The four maps below show the locations of other retail optical stores in the cities where Eyemart Express currently has a location.⁷³ Bend, Eugene, and Medford each have one current VSP-owned retail location (VisionWorks), and Roseburg currently does not have any VSP-owned retail locations. Outside of VSP and Eyemart Express retailers, there are approximately 19 alternative optical retailers in Bend, 28 in the Eugene-Springfield metro area, 18 in Medford, and 8 in Roseburg. These include many different types of optical retailers: optometry offices, independent optical stores, warehouse clubs (e.g., Costco), superstores (e.g., Walmart), and chain glasses stores (e.g., LensCrafters).⁷⁴

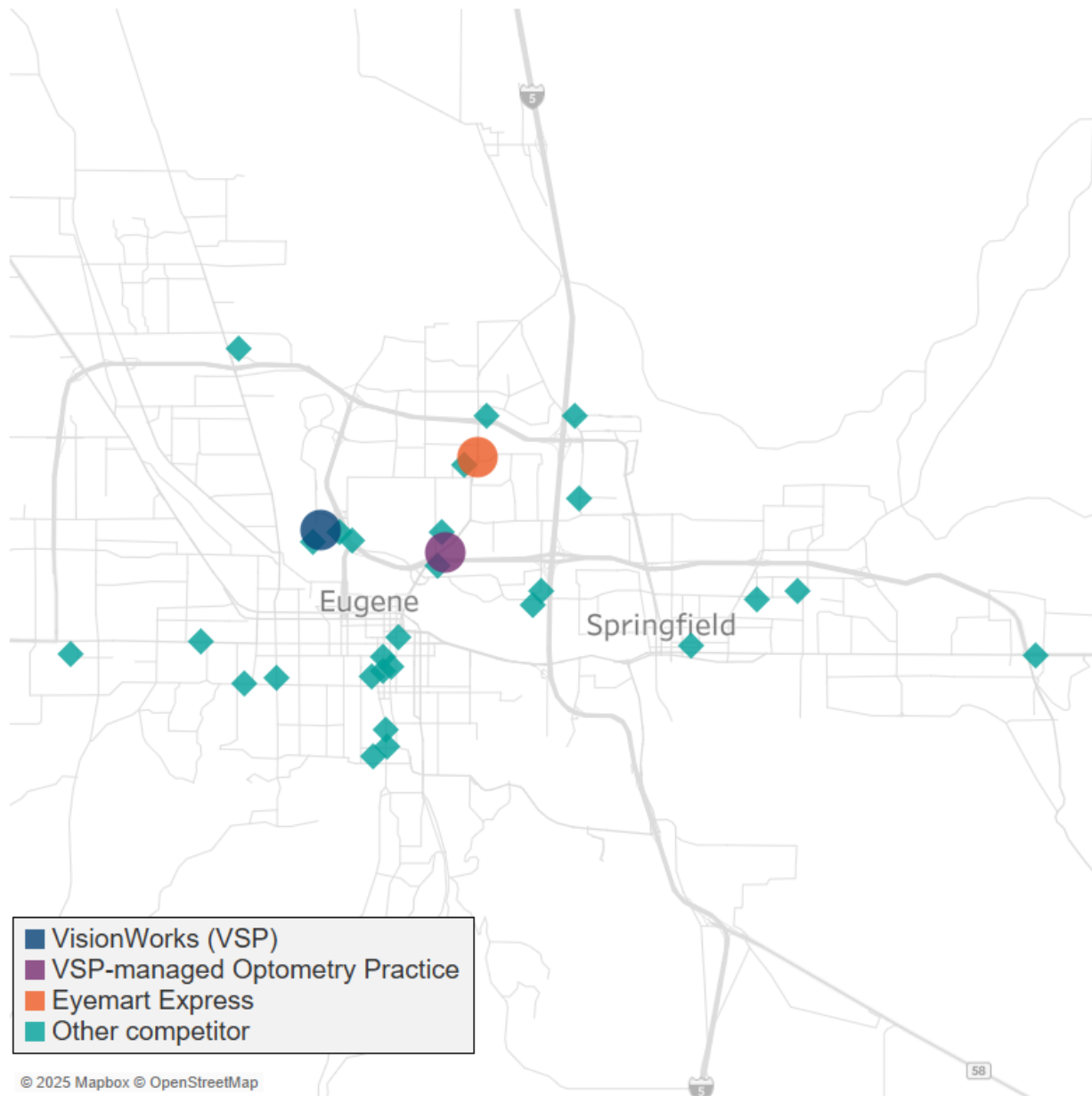
Bend

There are 19 alternative optical retailers in Bend.



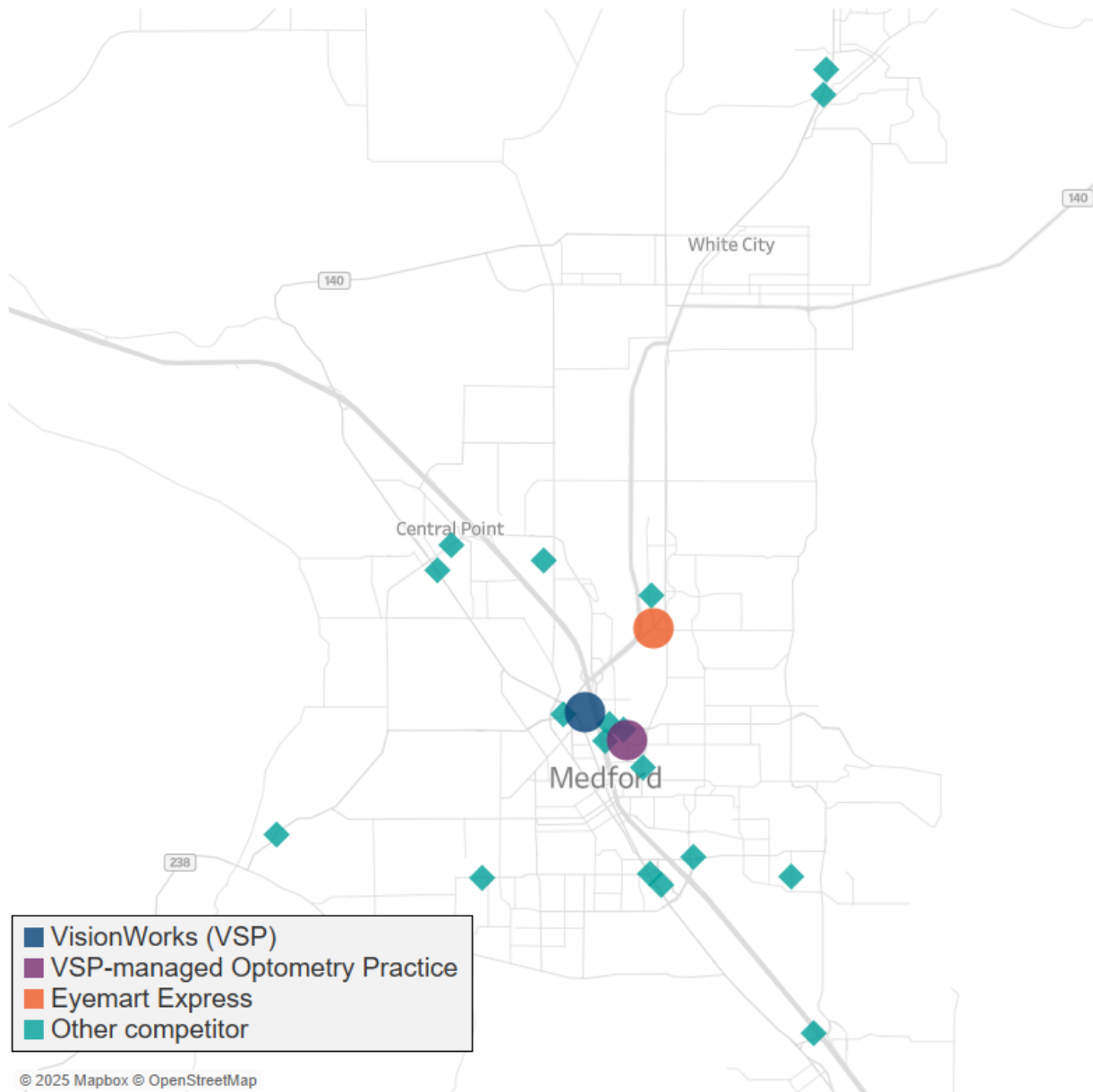
Eugene-Springfield Metro Area

There are 8 alternative optical retailers in the Eugene-Springfield metro area.



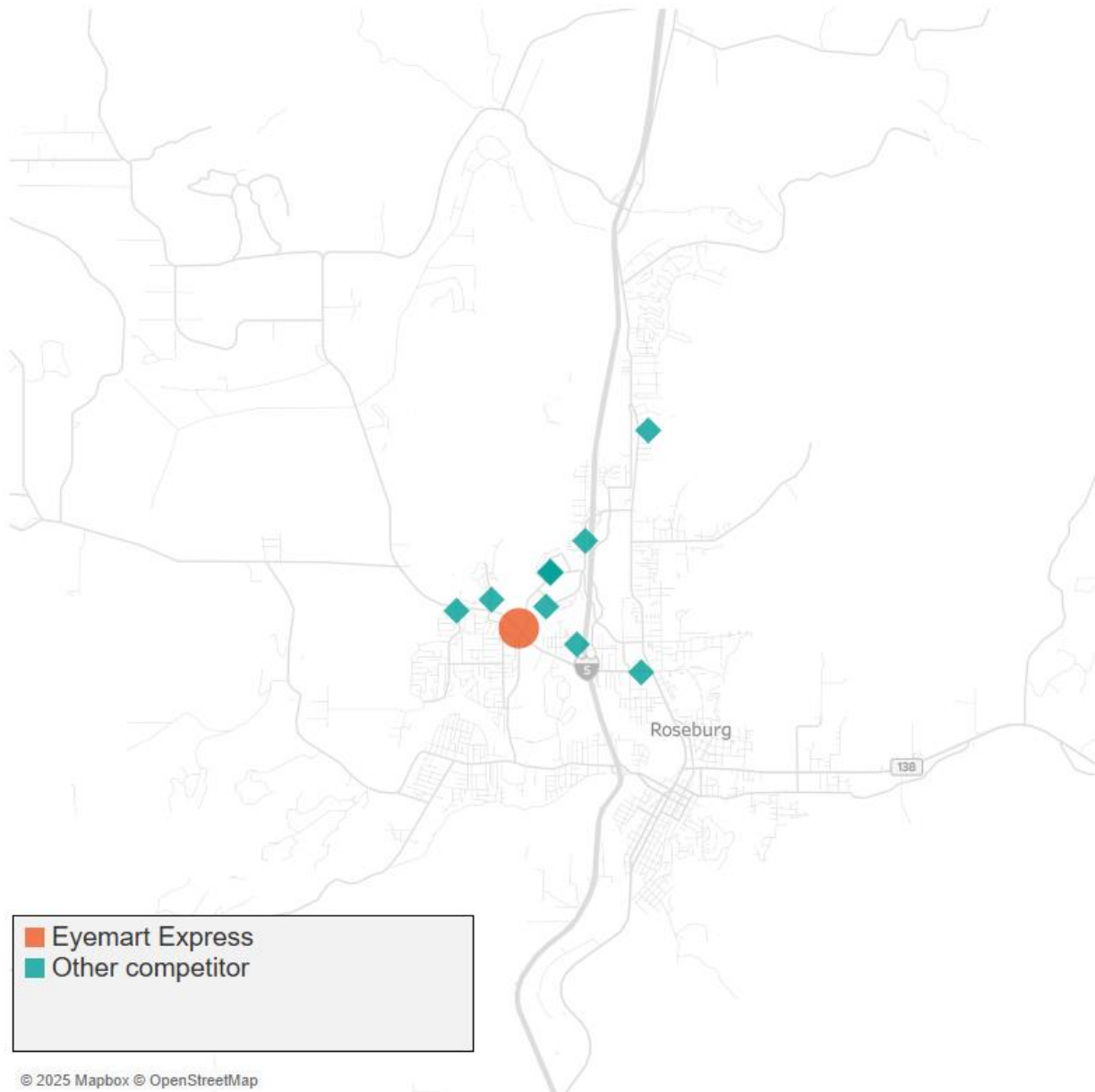
Medford

There are 18 alternative optical retailers in Medford.



Roseburg

There are 8 alternative optical retailers in Roseburg.



Access

The proposed transaction is not expected to impact access to corrective eyewear items and services for people in Oregon.

In the notice, the entities state:

The transaction is not expected to result in any changes to the availability of products or services, any changes in workforce, or in any material changes to the

locations from which such products and services are provided. The transaction is expected to result in overall increased access to services and enhanced coverage with Eyemart Express's four locations becoming 'in-network' for customers with VSP coverage.⁷⁵

Eyemart Express is already currently in-network for some VSP plans, but not all plans.⁷⁶ The entities also stated that there are no plans to reduce or eliminate coverage by other insurance plans currently accepted by Eyemart Express.

Although no changes are expected, if the transaction results in any VSP or Eyemart Express stores closing or reducing or eliminating products, services, or insurance coverage, there are a number of alternative options that consumers could pursue.

OHA may assess whether the transaction resulted in any changes to access, such as number of store locations or accepted insurance plans, during its one-year, two-year, and five-year follow up reviews.

OHA does not have concerns about reductions in access to care resulting from this transaction.

Cost

The proposed transaction is unlikely to affect health care costs in Oregon due to the small presence of Eyemart Express in the state and the competitive landscape of each affected city.

In the notice the entities stated:

The parties do not expect the Merger to result in any material impacts to health care costs.⁷⁷

As discussed above, there have been serious concerns raised about vertical consolidation in the vision care industry and the potential resulting impact on costs. Through acquiring Eyemart Express, VSP will strengthen its retail optical presence. While OHA acknowledges those concerns, due to Eyemart Express's small presence in Oregon's market for corrective eyewear, no material impacts on costs are expected.

OHA may assess whether the transaction results in changes to the cost of corrective eyewear provided by VSP through its retail and online locations during its one-year, two-year, and five-year follow-up reviews.

OHA does not have concerns about cost increases resulting from the transaction.

Quality

The proposed transaction is unlikely to affect the quality of care in Oregon, as there are no plans to change services or products offered in the state.

In the notice, the entities stated:⁷⁸

Eyemart Express's mission is to provide the highest quality optical goods and services to its customers, customer service that far exceeds the industry standards and the best value for corrective eyewear possible.

The entities further stated that they did not anticipate any negative impacts on quality.⁷⁹

Oregon consumers also have alternative options available in each of the affected markets should the quality of the corrective eyewear or services provided at Eyemart Express stores decline. This competition should incentivize VSP to maintain or improve quality at Eyemart Express locations.

OHA may assess whether the transaction has resulted in any changes to quality during its one-year, two-year, and five-year follow up reviews.

OHA does not have specific concerns about quality of care for this transaction.

Equity

The proposed transaction is unlikely to result in changes to the types of services offered in Oregon or patients' ability to access those services. There are no planned changes to any Eyemart Express locations, products or services offered, or insurance plans accepted. The proposed transaction is therefore unlikely to have an impact on health equity in the state.

OHA does not have specific concerns about equity for this transaction.

Public Comments

OHA did not receive any public comments related to the transaction during the 30-day preliminary review period.

Conclusions

Based on preliminary review findings, **OHA approved the transaction on January 16, 2025.** See Findings of Fact, Conclusions of Law, and [Final Order](#), dated January 16.

The transaction was approved per ORS 415.501(6)(b) and OAR 409-070-0055(2)(d) because OHA determined the transaction is not likely to substantially alter the delivery of health care in Oregon.

Approval Criteria

The approval criteria are specified in administrative rules for the Health Care Market Oversight Program and are consistent with Oregon law. Below is a summary of the main reasons, based on the findings described in this report, why OHA considers the criterion satisfied.

Comprehensive review of the material change transaction is not warranted as the transaction is not likely to substantially alter the delivery of health care in Oregon.

VSP does not plan to close any Eyemart Express locations in Oregon, make changes to the products and services offered, or eliminate or reduce insurance plans currently accepted by Eyemart Express.

Eyemart Express currently operates four retail locations in Bend, Eugene, Medford, and Roseburg. In each of these cities, there are multiple other retail stores that are available to consumers as an alternative to Eyemart Express and current VSP locations.

No changes to cost are expected and Eyemart Express's current revenues in Oregon are relatively small.

Post-Transaction Monitoring

As required by statute, OHA will conduct follow-up analyses one, two, and five years after the transaction is complete. OHA's monitoring will assess whether the entity keeps the commitments included in the notice. More broadly, OHA will monitor changes to cost, quality, access and equity, and may also assess other measures relevant to each domain.

As part of the required monitoring activities, OHA may request additional information from the entities. OHA will publicly publish findings and conclusions from follow-up analyses.

Acronyms & Glossary

Acronyms & Abbreviations

DOJ	Department of Justice
HCMO	Health Care Market Oversight
OHA	Oregon Health Authority
VSP	Vision Service Plan

Glossary

Competition: A situation in a market in which firms or sellers independently strive to attract buyers for their products or services by varying prices, product characteristics, promotion strategies, and distribution channels.

Consolidation: The combination of two or business units or companies into a single, larger organization. Consolidation may occur through a merger, acquisition, joint venture, affiliation agreement, etc.

Health equity: OHA defines health equity as follows:

Oregon will have established a health system that creates health equity when all people can reach their full health potential and well-being and are not disadvantaged by their race, ethnicity, language, disability, age, gender, gender identity, sexual orientation, social class, intersections among these communities or identities, or other socially determined circumstances. Achieving health equity requires the ongoing collaboration of all regions and sectors of the state, including tribal governments to address:

- The equitable distribution or redistribution of resources and power; and
- Recognizing, reconciling, and rectifying historical and contemporary injustices.

Horizontal consolidation: Refers to the combination of two companies or organizations in the same lines of work.

Vertical consolidation: Refers to the combination of two companies or organizations in different lines of work or operating at different levels of the supply chain.

OHA's Review

OHA performed a preliminary review of the proposed transaction to assess its potential impact on Oregon's health care delivery system. The review explored impacts in four areas (domains): cost, access, quality, and equity. OHA's analysis followed the guidelines and methods set out in the HCMO Analytic Framework published January 31, 2022.⁸⁰ The framework is grounded in the goals, standards and criteria for transaction review and approval outlined in OAR 409-070-0000 through OAR 409-070-0085.

Background Research and Literature Review

OHA conducted background research on the entities involved in the transaction to understand more about the proposed transaction and the entities involved. OHA consulted publicly available sources, including press releases and media reports; business filings with the Secretary of State in Oregon; entity websites; state agency, professional association, and third-party entity reports; reports commissioned by local, state, and federal government; and other relevant governmental communications. OHA also considered articles and research reports about consolidation in vision care.

Public Input

OHA solicited public comments on the proposed transaction during the preliminary review. On December 17, OHA posted a comment form to the [Transaction Notices and Reviews](#) page of the HCMO website and emailed subscribers to HCMO program updates to inform them about the opportunity to provide comment. OHA accepted comments via the form, phone, and by email to hcmo.info@oha.oregon.gov.

Analysis

OHA's analysis assessed the current state of the entities involved in the transaction, related industry trends, and the likely impact of the proposed transaction in Oregon. The table below describes the types of analysis OHA typically performs in each domain.

Domain	Analysis
Cost	Analyses under the cost domain explore how the transaction may affect the prices consumers and payers (e.g., insurers, employers, and governments) pay for services in Oregon and overall spending on services for Oregonians. Prices and spending for services may be affected by the degree of competition between providers offering similar services within a service area.
Access	Analyses under the access domain explore how the transaction may affect the range of services available in the market, types of providers and provider-patient ratios, characteristics of the patient population, and any barriers to access, including transportation burdens and limitations by insurance type.

Domain	Analysis
	Consolidation and change of ownership in the health care market can impact the range and type of services offered in the service area. Changes in population demographics can alter demand for some services and shifts in the labor market can impact availability of specific provider types, potentially affecting the financial viability and profitability of offering certain health care services in a region.
Quality	Analyses in the quality domain explore how the transaction may affect patient outcomes and the experience of care. Consolidations and ownership changes in health care can impact clinical practice, including staffing ratios, time spent or number of visits with patients, timeliness of care, and the patient's experience of care, all of which can have adverse effects on patient outcomes. Analyses in the quality domain consider current indicators of quality and assess potential impacts of the transaction on quality of care.
Equity	Analyses in the equity domain explore how the transaction may affect the entity's ability to assess for and equitably meet the needs of the population it serves. Consolidations and ownership changes in health care can disproportionately impact availability of health services for populations who already experience health inequities, including people of color, low-income families, and residents of rural areas. Equity-focused analysis considers the entities' ability to serve a patient population that is representative of the community in which they operate. OHA also looks for evidence that the entity is actively identifying and addressing inequities in access to or quality of care across their patient population.

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