PROPOSAL
for
EYEGlasses, LENSES, FRAMES, CASES & ASSOCIATED PARTS

STATE OF VERMONT

DEPARTMENT OF VERMONT HEALTH ACCESS
RFP # 03410-105-12
Bid Due Date: March 1, 2012 @ 2:00 p.m.

Submitted by:
Dawn Friedkin, COO
Classic Optical Laboratories, Inc.
3710 Belmont Avenue
Youngstown, OH 44505
(330) 759-8245 ext. 306
**NOTE:** This information sheet must be included as the cover sheet of the application being submitted. Be sure to complete this form in its entirety. Please fill out and attach a Fw-9 to this form signed by the duly appointed signing official for your company.

**Applicant Organization:** Classic Optical Laboratories, Inc.

**Contact Person:** Dawn Friedkin

**Title:** Chief Operating Officer

**Mailing Address:** P.O. Box 1341, 3710 Belmont Avenue

**Town, State, ZIP:** Youngstown, OH 44501

**Telephone:** (888) 522-2020  Fax #: (888) 522-2022

**E-mail Address:** dawn@classicoptical.com

**Fiscal Agent (Organization Name):**

**FY Starts:** January 1  **FY Ends:** December 31

**Financial Contact Person:** Amy Barnes

**Mailing Address:** P.O. Box 1341, 3710 Belmont Avenue

**Town, State, ZIP:** Youngstown, OH 44501

**Telephone:** (888) 522-2020  Fax #: (888) 522-2022

**E-mail Address:** amy@classicoptical.com

**Federal Tax ID Number:** 34-1395500

**Whom should we contact if we have questions about this application?**

**Name:** Dawn Friedkin  **Phone Number:** (888) 522-2020, ext. 306
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# Table of Contents

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Executive Summary
Executive Summary

Classic Optical Laboratories, Inc. is the nation’s premiere wholesale ophthalmic fabrication laboratory and has continually been recognized as one of the Top 25 Independent Optical Laboratories\(^1\) nationally. As one of the largest independent optical laboratories in the United States, we have established our reputation on providing the highest quality products at competitive pricing, and building superior customer relationships through the delivery of unrivaled value.

Classic Optical is a family-owned and operated small business that has successfully supplied numerous state and federal governmental entities with top-quality, low-cost eyewear for over 40 years. Classic Optical is owned by its founder and President, Monte Friedkin. His daughter, Dawn Friedkin, the Chief Operating Officer, manages the daily operations. With our centralized, world-class lab located in Youngstown, Ohio, Classic Optical produces thousands of custom eyeglasses every day and delivers them across the country to an extensive network of more than 3,000 ophthalmic professionals and retail locations.

Dawn Friedkin, COO

Classic Optical employs more than 100 people, many of whom have committed their careers to the optical industry and many who have devoted their entire professional life to Classic Optical. Our associates are the foundation of our success, and this team of dedicated professionals makes Classic Optical an industry leader. We focus on hiring the best technical staff and the most caring Customer Service Representatives to provide incomparable services in every facet of our business. Our collective mission is to ensure the highest quality and most expedient delivery of precision crafted eyewear to meet every client’s and every patient’s individual needs. Appended to this proposal is an Organizational Chart in Attachment A.

Classic Optical specializes in serving high-volume, multi-year, sole-source contracts with public and private entities. We are expert at performing high-volume contracts for managed care organizations, educational institutions, correctional facilities, manufacturing facilities and numerous federal and state government programs, including the U.S. Department of the Navy, the U.S. Department of Veterans Affairs, and we have served more than 10 different sole-source state Medicaid programs.

Classic Optical believes that its experience and expertise in performing governmental contracts is unmatched. We currently serve more federal and state contracts than any other optical laboratory in the United States. In addition, we have been awarded and re-awarded

\(^1\) Vision Monday, 2011
these contracts numerous times. We are proud of the work we do and proudly refer the Department of Vermont Health Access (DHVA) to any of the contract administrators identified in the References section on page 9.

Classic Optical has extensive experience in performing every requirement of this RFP. We currently meet these and similar requirements daily for a number of other government and private sector contracts. As a result, we understand the goals and objectives of this procurement and are ready, willing, and able to meet them when awarded this contract.

- Our skilled and dedicated staff, cutting-edge computer system, advanced robotics, and state-of-the-art equipment will enable us to consistently produce high-quality eyewear for the State of Vermont Medicaid recipients.
- Our close and long-standing relationships with lens and frame vendors will enable us to offer a wide variety of products and timely repair and replacements, if necessary.
- Our rigorous Quality Control program will enable us to prevent errors before they occur as well as take immediate corrective actions in the rare cases when they do.
- Our sophisticated computer system will enable us to track orders throughout the production process and generate progress reports that are essential for ensuring the timely production of our high-quality products.
- Our performance of numerous high-volume eyeglass contracts, and in-depth understanding of the related rules and regulations, enables us to quickly adapt to all contract-specific requirements.
- Our extensive experience and proven expertise working with our retail, wholesale, and government eyeglass customers, providers, and administrators, enables us to provide prompt and professional customer and technical service.
- Our user-friendly, HIPAA-compliant, password-protected website offers round the clock access to SMART order entry, order tracking, photos and descriptions of contract frames, program-specific Frequently Asked Questions (FAQ) and blank order forms.
- Our In-house Technology Team continuously develops innovative custom programs to meet the specific needs of each customer base (including contract specific websites, data interface platforms, utilization databases, and unique customer service tools).
- Our commitment to continuous improvement in all aspects of serving our customers is unmatched by any other optical laboratory in the country.
- Our financial strength coupled with our decades of experience will enable us to fulfill all requirements for the full term of this contract.

In summary, benefitting from our 40 years’ experience, in which we have fabricated over 15 million pairs of eyeglasses we:

- have in place time-tested, well-established systems and processes;
- employ the absolute latest technologies and equipment; and
- make exceptional eyeglasses . . . exceptionally quickly.

Classic Optical believes that no other vendor can offer this level of experience and expertise. We look forward to the opportunity of serving the State of Vermont and welcoming the DVHA into the Classic Family.
Evaluation of the Organization
Evaluation of the Organization

Corporate Background and Contracting Experience (Question 1)

Classic Optical specializes in serving high-volume, multi-year, sole-source eyewear contracts with public and private entities. Our reputation is founded on our accomplishments in this demanding area of the optical industry. We are expert at performing high-volume contracts for managed care organizations, private sector eyewear insurance plans, educational institutions, correctional facilities, manufacturing plants, and numerous federal and state government programs, including the U.S. Department of the Navy, the U.S. Department of Veterans Affairs, and more than 10 different sole-source state Medicaid programs.

We currently serve six (6) state Medicaid programs in the states of Maine, New Hampshire, Michigan, Ohio, Wisconsin, and Alabama. We serve national managed care organizations in Nevada, New York, Florida, Louisiana, and Washington D.C., in addition to multiple managed care organizations in Ohio, Wisconsin, and Michigan where we also serve Medicaid populations directly through state contracts.

Classic Optical is the sole source contractor in Maine, New Hampshire, Michigan, and Wisconsin. In Ohio, Classic Optical shares the contract with another lab, yet providers choose Classic Optical 99.9% of the time. For example, in 2011, Classic Optical processed 89,811 orders, while the other lab processed only 100 orders.

Similarly, the State of Alabama has one contractor but allows providers the option to use the contractor or any other lab (at the contracted rates). After almost 30 years of serving as the State of Alabama contractor, Classic Optical was not awarded the contract in this summer’s RFP process. Now more than six months into the new contract, Alabama providers continue to choose Classic Optical. For example, in 2011, Classic Optical produced close to 100,000 orders (approximately 2,000/week) for Alabama Medicaid and so far this year (January 1, 2012 – February 24, 2012) we have produced more than 18,000 orders (approximately 2,250/week).
The following table details the state Medicaid contracts we have been awarded and re-awarded.

### Current Medicaid Contracts

<table>
<thead>
<tr>
<th>State</th>
<th>Volume</th>
<th>New Contracts &amp; Contract Extensions</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Carolina Department of Corrections</td>
<td>Expected Annual Volume: 2,000 eyeglasses</td>
<td>October 2011 – October 2012</td>
</tr>
</tbody>
</table>

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2 The State of Michigan ended its adult program in July 2009; as a result, this contract is one-quarter its original size.

3 The State of Ohio contracts with two (2) vendors and providers can choose their lab of choice. This volume represents the orders received by Classic Optical (99.9% of all Ohio Medicaid contract orders).

4 The State of North Carolina contracts with the North Carolina Department of Corrections (Nash Optical) to produce eyeglasses for its Medicaid beneficiaries. Nash Optical subcontracts the more difficult orders it cannot handle.
### Previously Held Contracts

<table>
<thead>
<tr>
<th>State</th>
<th>Volume</th>
<th>Contract Periods</th>
</tr>
</thead>
</table>
                        |                                                       | July 1990 – June 1993  
                        |                                                       | July 1996 – June 1999  
                        |                                                       | July 1999 – June 2002  
                        |                                                       | July 2002 – June 2005  
                        |                                                       | July 2008 – June 2011\(^5\) |
                        |                                                       | November 2001\(^6\) – June 2003  
                        |                                                       | July 2003 – December 2006 |
| Georgia\(^7\) | 1996 Volume: 33,000 eyeglasses | July 1991 – June 1996 |
| Massachusetts\(^8\) | 1996 Volume: 95,000 eyeglasses | August 1988 – October 1994  
                        |                                                       | November 1994 – December 1996 |
                        |                                                       | February 1994 – December 1994  
                        |                                                       | January 1995 – February 1999 |

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\(^5\) The State of Alabama contracts with one (1) vendor, but providers can choose to use the contracted vendor or any other lab, at the contracted rates. In June 2011 Classic Optical was not awarded the contract in the competitive bids process. Now, more than six months into the new contract, even more providers choose Classic Optical for their orders. For example, in 2011 Classic Optical averaged close to 2,000 orders per week from Alabama providers; now in 2012 Classic Optical is receiving an average of 2,250 orders per week from Alabama providers.

\(^6\) Four months into the contract period the state asked Classic Optical to assume the contract from a non-performing lab.

\(^7\) The Medicaid vision contract was moved to the state’s prison system optical lab.

\(^8\) The Medicaid vision contract was moved to the state’s prison system optical lab.

\(^9\) The Medicaid vision contract was moved to the state’s prison system optical lab.
Classic Optical believes that its experience and expertise in performing governmental contracts is unmatched as we currently serve more direct state Medicaid contracts than any other optical laboratory in the United States.

References
The state agencies we serve are very satisfied with Classic Optical’s performance as evidenced by the number of state agency contracts in effect and re-awarded. Classic Optical is an expert in the high-volume contracting arena and is regularly sought after for its services. Classic Optical invites the State of Vermont to review the letters of recommendation we have included in Attachment C and to contact any Contract Administrator listed here to confirm the respective state agency’s satisfaction of the products and services we provide.

Current Contracts

<table>
<thead>
<tr>
<th>State of New Hampshire</th>
<th>State of Maine</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jane M. Hybsch, RN, BSN, MHA</td>
<td>Julie Tosswill</td>
</tr>
<tr>
<td>NH Department of Health and Human Services</td>
<td>MaineCare Authorization Unit</td>
</tr>
<tr>
<td>Office of Medicaid Business and Policy</td>
<td>DHHS, MaineCare Services</td>
</tr>
<tr>
<td>129 Pleasant Street</td>
<td>SHS 11, 442 Civic Center Drive</td>
</tr>
<tr>
<td>Concord, NH  03301-6521</td>
<td>Augusta, ME  04333-0011</td>
</tr>
<tr>
<td>(603) 271-9423</td>
<td>(207) 287-1773</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>State of Ohio</th>
<th>State of Michigan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Don Sabol</td>
<td>Marilyn Russo</td>
</tr>
<tr>
<td>State of Ohio Job &amp; Family Services</td>
<td>Department of Community Health</td>
</tr>
<tr>
<td>Bureau of Policy and Health Plan Services</td>
<td>Capital Commons Bldg.</td>
</tr>
<tr>
<td>Office of Ohio Health Plans</td>
<td>400 South Pine</td>
</tr>
<tr>
<td>50 W. Town Street 4th Floor</td>
<td>P.O. Box 30170</td>
</tr>
<tr>
<td>Columbus, Ohio  43215</td>
<td>Lansing, MI  48933</td>
</tr>
<tr>
<td>(614) 752-4589</td>
<td>(517) 335-5263</td>
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<table>
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<tr>
<th>State of Wisconsin</th>
<th>North Carolina Dept. of Corrections</th>
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<tbody>
<tr>
<td>Elizabeth Scudder</td>
<td>Phil Driver</td>
</tr>
<tr>
<td>Department of Human Services</td>
<td>Nash Optical</td>
</tr>
<tr>
<td>WI Bureau of Benefits Management</td>
<td>2869 US Hwy 64A</td>
</tr>
<tr>
<td>1 W. Wilson St.</td>
<td>Nashville, NC  27856</td>
</tr>
<tr>
<td>P.O. Box 350</td>
<td>(252) 459-6200</td>
</tr>
<tr>
<td>Madison, WI  53703</td>
<td></td>
</tr>
<tr>
<td>(608) 261-7838</td>
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## Previous Contracts

<table>
<thead>
<tr>
<th>State of Arkansas</th>
<th>State of Alabama</th>
</tr>
</thead>
<tbody>
<tr>
<td>Catherine Higgins</td>
<td>Leigh Ann Hixon</td>
</tr>
<tr>
<td>Arkansas Dept. of Human Services</td>
<td>Alabama Medicaid Agency</td>
</tr>
<tr>
<td>Medical Assistance Visual Unit</td>
<td>501 Dexter Avenue</td>
</tr>
<tr>
<td>P.O. Box 1437</td>
<td>P.O. Box 5624</td>
</tr>
<tr>
<td>Little Rock, AR 72203</td>
<td>Montgomery, AL 36103</td>
</tr>
<tr>
<td>(501) 682-8342</td>
<td>(334) 353-3031</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>State of North Carolina</th>
<th>State of Georgia</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Medicaid contract moved to corrections</td>
<td>The Medicaid contract moved to corrections</td>
</tr>
<tr>
<td>and we no longer have any contact information.</td>
<td>and we no longer have any contact information.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>State of Massachusetts</th>
<th>State of North Dakota</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Medicaid contract moved to corrections</td>
<td>The Medicaid contract moved to corrections</td>
</tr>
<tr>
<td>and we no longer have any contact information.</td>
<td>and we no longer have any contact information.</td>
</tr>
</tbody>
</table>

## Lab Management

The lab is managed by a team of seasoned, licensed opticians who lead the nearly 80 lab technicians who ensure Classic Optical customers receive top quality lenses and eyewear efficiently and promptly. All senior lab operations personnel are Licensed Dispensing Opticians (LDOs); they are highly skilled and experienced technicians who have traveled the world for specialized training. In addition, all lab managers and technicians are full-time employees who have been with Classic Optical for an average of 25 years.

Classic Optical’s daily laboratory operations are managed by Rodney Remsey, LDO, Director of Laboratory Operations. In Mr. Remsey’s absence, the duties of managing daily operation are transferred to Harold Sample, LDO, Assistant Lab Manager and Surface Lab Manager. With more than 40 years of management experience in the optical industry between them, Mr. Remsey and Mr. Sample will ensure that all requirements for this contract are met.
Mr. Remsey and Mr. Sample are assisted by an equally skilled and loyal staff with years of experience providing cost-effective, high-quality eyewear in a prompt and professional manner. All lab technicians are cross-trained in multiple positions and perform at least two different positions daily. This daily job switching increases productivity. It also gives Classic Optical the flexibility to move lab technicians quickly to reduce bottlenecks in production.

**Quality Control**

Classic Optical recognizes that its reputation and success hinges on the quality of the goods and services it produces. To ensure that its goods are of the highest possible quality, Classic Optical’s Quality Control Team (QCT) is headed by John Jorgensen, the Quality Control and Process Improvement Manager. Mr. Jorgensen has been in the optical industry for 20 years and is cross-trained to perform every position within a lab. Adding to the success of the Quality Control program is the fact Mr. Jorgensen is an optician.

The QCT monitors quality and efficiency throughout the production process and in every department. The QCT reports any problems or possible improvements to the Lab Manager and adjustments and improvements are made quickly. This process both ensures the efficient daily processing of Classic Optical’s more than 2,500 orders per day, and the prompt treatment of any order that requires special or especially expedited attention.

As a result of all of these efforts, **Classic Optical takes pride in its 99.95% accuracy rate (return rate of less than 0.05%) on more than 500,000 orders per year.**

**Classic Optical PITS Crew (Problem, Identification, Tracking, and Solution)**

The Classic Optical PITS Crew identifies and tracks problems and finds solutions. In all situations, Classic Optical first remedies the error and then strives to prevent it from happening again. To this end, our QCT prepares a weekly report identifying internal manufacturing errors and customer complaints. The QCT works with the Lab Manager to recommend and implement corrective action. These reports, which include recommendations for remedial actions, are given to the directors and discussed at regular Quality Control meetings.

The PITS Crew gathers its information from a number of sources:

- **Returned Orders** – The Classic Optical Customer Service team examines all returned orders. If Customer Service determines that the products are returned for inferior quality or workmanship the order is recorded on a log sheet and the product is given to the QCT. The QCT adds the returned product to the regular reports and each returned order is discussed at the regular QCT meetings and a plan is implemented to prevent such error from happening again.
• **Lab Equipment** – Classic Optical monitors its defect rate by location and department. Reports are given to the department managers and the Lab Manager every morning and reviewed at the weekly managers meeting. Corrective actions are reported to the Lab Manager and the errors are used to focus training programs.

• **Old Orders** – Classic Optical conducts monthly reviews of all orders that require more than five (5) days to complete. These orders are added to the regular reports and each delayed order is discussed at the regular QCT meetings. A plan is then implemented to prevent such error from happening again.

**Insurance Certificates**

Appended to this proposal in **Attachment B** is a copy of our blanket Acord Certificate of Liability Insurance. Classic Optical will name the State of Vermont and its officers and employees as additional insureds for liability arising out of this agreement. Upon contract notification, Classic Optical will supply the necessary insurance verification within 5 days. Classic Optical also maintains additional Stop Gap coverage with Wausau.

Also in **Attachment B** is a copy of our Ohio Workers Compensation certificate.

**Sound Financial Base**

As an independently-owned ophthalmic laboratory, Classic Optical has a long history under one management as it is still owned and operated by its founders. Classic Optical’s success is anchored in its organizational stability and financial soundness that allows the Friedkin Family to keep investing in the latest technology to ensure it continues to provide its customers with cutting edge services. Classic Optical is pleased to offer evidence of its financial ability including annual financial reports for each of the last two years, if requested by the State.

**Vermont-specific Web Pages at [www.classicoptical.com](http://www.classicoptical.com)**

For more than a decade, Classic Optical has been working with providers and state Medicaid contract administrators to perfect online tools that make doing Medicaid easy. Within Classic Optical’s website are state-specific and program-specific pages available to providers free of charge.

The advantages of the Vermont-specific web pages will be dramatic to Vermont providers. The pages will offer providers the ability:

- to place orders online;
- to view order status;
- to track orders;
• to view frame information; and
• to view each patient’s vision profile including previous Rx information and benefit information.

And while some other labs offer these tools, no other lab offers a proven system of contract-specific online tools dedicated to multiple state Medicaid programs.

For example, the SMART order system that Classic Optical has developed and successfully uses with all of our other state and managed care Medicaid programs reduces in-lab processing time because orders are processed faster. This proven online form not only prevents incomplete orders or non-feasible ophthalmic combinations, but it is also “contract smart”; the form is designed with drop-down menus that restrict orders to only the materials and services allowed under each specific contract.

Although the online order website is very intuitive to use, prior to the start of the contract, Classic Optical will provide each provider with a welcome packet including instructions on setting up an online account and step-by-step instructions for placing orders. A sample welcome packet is appended to this proposal as Attachment E.

Classic Optical’s Customer Service team will be available to answer any questions Vermont providers may have to start using the Vermont-specific online order portal.

**Order Processing through the Laboratory (Questions 2 and 4)**

Classic Optical is expert at performing high volume contracts, having performed these functions for close to 30 years and for more than 10 different state Medicaid programs. As a result, Classic Optical understands the volume of orders that come with state Medicaid eyeglass contracts and all system-related aspects of Medicaid contracts, including verifying Medicaid eligibility, managing eyeglass benefit limits, manufacturing large volumes of eyeglasses within short time frames, and processing claims via electronic submission.

The following flow chart depicts the order process through the laboratory. A more detailed narrative of the work flow follows the chart.

After the order process flow chart and narrative we have included flow charts for eligibility checking, electronic claims submission, and prior authorization checking. Classic Optical respectively requests that these proprietary processes be kept confidential.

These work processes have been in place at Classic Optical for several decades and are the reason Classic Optical has successfully performed a number of high-volume contracts for multiple decades.
Figure 1 – Flow of orders through the laboratory

The following narrative describes the order process through the laboratory in more detail.
Stage 1: Order Receipt & Order Entry (Sales Coordinator and IT Director oversee this function)

Order Receipt & Order Entry:
The majority of orders are now being submitted electronically directly through our proprietary online ordering system and electronically interfaced into our proprietary Medicaid Management System (MMS). For orders received via United States Postal Service (USPS) or fax, orders are entered into MMS by our Data Entry department.

Date-Stamping:
Orders received via common carrier or fax are opened and date stamped. Online orders are automatically date stamped as they are downloaded into Classic Optical’s MMS.

Completeness & Accuracy Review:
Each Rx received via common carrier or fax is reviewed by our order processing department to ensure the order is complete and accurately entered into the Classic Optical MMS. By comparison, the completeness of online orders are checked automatically by MMS as the order is placed.

Duplicate Order Check:
Once the order is in the system, the MMS automatically cross-references our electronic file history to identify previous orders processed for the recipient and to ensure it is not a duplicate order sent from the Eye Care Provider (ECP).

Stage 2: Eligibility Confirmation/Denial (IT Director oversees this function)

Note: At this stage we are reviewing each order for conformity with each state’s Medicaid rules and program policy and procedures.

Plan Eligibility:
Orders are verified for eligibility using each state’s specific Medicaid online eligibility system by cross-referencing the recipient’s Medicaid number and the date of service. Classic optical prefers doing this by HIPAA-compliant electronic real-time or batch transmission, depending on the state’s system. (Where required, Classic Optical can confirm eligibility through a manual process.) This process can be completed as often as the state eligibility system will permit. (Some states only permit such a transaction once a day, while others permit the transaction multiple times throughout the day. Classic Optical prefers the latter so that it is able to process orders as quickly as possible.)
Benefit Eligibility:
Orders are verified for benefit/frequency limitations. Where available, eyeglass benefit information is cross-referenced with the state’s information. In all cases the eyeglass benefit information is cross-referenced in-house with our internal database of orders. This process ensures eyeglasses are not produced and submitted to the state for payment where they exceed the state’s prescribed benefit. (For example, if the state requires that replacement Rx be the same as the original pair, we compare the Rx to the previous order for that patient to confirm the Rx is the same. If the Rx is the same we process the order. If the Rx is different, we deny the order.)

Eligibility Denial:
Ineligible orders are denied. The means of notice of the denial depends upon the means by which Classic Optical received the order. For example, in states where Classic Optical has full recipient files from the state (e.g., 834 member files) and the order is placed online, Classic Optical issues a pop-up window denial within seconds of the recipient ID being entered; it obviates the need for the order to be entered. Where Classic Optical uses a 270/271 eligibility transaction and an order was placed online, Classic Optical issues an ineligible message via email within 2 hours of the time the order was placed. When the order is received by mail or fax, Classic Optical returns the order by mail to the ECP with an ineligible notice. These notices are mailed the day after the order is received.

Stage 3: Production Starts (Data Processing Manager and Stockroom Manager oversee this function)

Work Ticket Creation:
Eligible online orders are assigned a unique job ID that is downloaded into Classic Optical’s Lab Management System (LMS). The work tickets are created and automatically print in the Stockroom. The work ticket is placed in a tray with the Rx. Each work ticket includes a bar code that is read as the order leaves each station in the order process.

Frame-to-Come Station:
In the rare case where a patient’s own frame is following an order, the order is processed and the lenses continue through the production process as far as possible until the frame is received. Depending on the prescription, the lens processing may have to wait for receipt of the frame so that the frame can be traced and the lenses properly produced. The Sales Coordinator and Production Manager oversee this process.
Stage 4: Frame & Lens Pick (Stockroom Manager oversees this function)

In the Stockroom, Frame and Lens Department personnel pull the required frame and lenses for each Rx and place them in the tray. To assist in lens and frame selection, the computerized system prints an exact lens and frame shelf location on the work ticket. This lens pulling system increases accuracy by reducing the potential for human error in manual lens pulling. Before the tray leaves the Stockroom, a bar code wand is use to electronically verify the frame and lens in the tray (bar code on lens box and frame bag to bar code on order).

Stage 5: Inspection/Verification (Quality Control Manager oversees this function)

From the Stockroom the tray moves to the Inspection Department where the inspection team manually confirms that the selection of materials matches the materials ordered. The Inspection Team also conducts a visual inspection on all lenses and frames for manufacturer defects. Frames are also inspected to confirm that they are properly marked, colored, and all soldering points are in proper order.

At this point orders that do not require surfacing skip Stages 6 and 7 and proceed directly to Stage 8.

Stage 6: Surface (Surface Manager oversees this function)

The semi-finished lenses (lenses that need to be surfaced) are processed through the Layout Department, where each lens is examined to verify on-axis blocking. After blocking, the lenses are generated and the operator verifies the thickness of each lens after it is cut. Tool inspectors verify that the correct tools have been pulled for that specific order. The orders are then fined, polished, washed, and checked for scratches, gray, and surface marks.

Stage 7: Surface Inspection (Surface/Quality Control Managers oversee this function)

The lenses then enter our Surface Inspection Department to be inspected by automated lens analyzers for proper prescription grinding (power accuracy). All jobs are tagged with the inspector’s unique inspector number for accountability and additional training, where necessary. The lenses to be finished are spotted-up and sent to our Finish Department. Lenses that do not require edging or inserting into a frame are inspected and then sent to the mailroom to be shipped (Stage 10).

Stage 8: Finish (Finish Manager oversees this function)

The orders process through our Finish Department.
Finished Lenses:  
Lenses that do not need to be surfaced are placed in a tray with their respective frame and placed on a conveyer in the Stockroom, travel to the tracing station where the frame is traced and placed back on the conveyer. Next, the tray proceeds to the automated robotic surface inspection and blocker machine through the automated robotic edgers into the hands of the lens inserters.

Semi-finished Lenses:  
Lenses that have been surfaced are taken to the tracing station where the frame is traced and placed back on the conveyer. Next, the tray proceeds to the automated robotic surface inspection and blocker machine through the automated robotic edgers into the hands of the lens inserters.

All glass jobs are chemically-hardened or heat-treated and then drop-ball tested.

Insertion:  
All edged lenses are manually inserted by a team of experienced lens inserters.

Stage 9: Final Inspection (Finish/Quality Control Managers oversee this function)  
Final inspectors use automated lens analyzers to verify Rx accuracy. The final inspectors also look for cosmetic defects like scratches, production marks, frame alignment, and proper lens sizing for the frame. The final inspector also completes a visual inspection to confirm tints, coatings, and that the frame is the proper style, color, and size as ordered. All jobs are tagged with the inspector’s unique inspector number. All jobs that pass Final Inspection are sent to our Shipping Department.

Stage 10: Shipping (Shipping Manager oversees this function)  
Random Inspection:  
In the Shipping Department, random orders are pulled from the shipping bins to check on inspectors.

Shipping:  
In the Shipping Department, orders are placed in cases and packaged with an invoice detailing the order information. Each order is sorted by customer group (e.g., specific state contract, large retailer, specific doctor's account). Then each order is placed in a shipping bin designated for its particular account.

Within the client group, all orders for a particular shipping location are packaged together and shipped by the most efficient and cost effective means.
The computer system returns the shipping date “date stamp” based on the date the order leaves the building.

**Eligibility Checking and Claims Submission**

The following flow chart shows the process for eligibility checking and electronic claims processing.
Figure 2 – Eligibility checking and claims submission
The following narrative describes eligibility checking, claims processing, and the assignment of procedure codes to orders.

**Stage 1: Provider Places Orders Online, by Fax, or through Mail**

Online orders process directly into Classic Optical’s proprietary claims processing system, MMS.

Mailed or faxed orders are electronically entered into MMS by our Data Entry team.

**Stage 2: Checking Eligibility (Benefit and Frequency)**

All orders are checked for eligibility prior to processing in the lab.

1. Classic Optical’s claims processing system assigns the specific Vcodes associated with the frame and lenses based on the materials ordered through Classic Optical’s online order system.
2. Classic Optical’s claims processing system sends a HIPAA-compliant 270 transaction batch eligibility file to the State’s claims processing system.
3. The State’s claims processing system returns a HIPAA-compliant 271 transaction batch response file back to Classic Optical’s claims processing system.
4. Classic Optical’s claims processing system checks the order against previous orders to confirm the order is within the State’s prescribed benefit limit.
5. Eligible orders are automatically released to the LMS to process orders. Providers are advised of ineligible order as described in Stage 2 of order processing on page 16.

**Stage 3: Order Processing**

Orders are processed through the lab and shipped to providers as described in the “Order Processing through the Laboratory” on page 13.

**Stage 4: Claims Submissions**

All shipped orders are added to the claims processing system.

1. The Classic Optical claims processing system retrieves all shipped orders and assigns the order and its related Vcodes to a state-specific HIPAA-compliant 837 file.
2. The Classic Optical claims processing systems submits the HIPAA-compliant 837 file to the State.
3. The State posts an 835 remittance file on its secure transaction portal.
4. Classic Optical retrieves the 835 remittance from the portal.
Prior Authorization Checking (Question 2)

Having served state Medicaid programs for close to 30 years, Classic Optical is accustomed to learning the nuances of each program’s requirements. For example, some states require providers to obtain a prior authorization (PA) before submitting an order to the lab. Other states require the PA request form to accompany the order to the lab and the lab forwards the PA request to the state’s Prior Authorization Unit.

Classic Optical looks forward to working with the State of Vermont PA Unit to ensure the process is as efficient as possible. Moreover, we look forward to working with the State to ensure that the correct procedure codes are entered on the PA form. We have developed prior authorization forms for other programs and made them available on our program-specific online portal. We would be happy to do the same for the State of Vermont, if desired. This fill-in pdf file would allow providers to enter information online and then print and fax the form to DVHA for approval. We have included a sample prior authorization form in the sample welcome packet that is appended to this proposal as Attachment E.

Process flow for prior authorization checking is highlighted in the following figure.
Figure 3 – Prior authorization checking
The following narrative describes the prior authorization checking process.

The Classic Optical online order system is SMART and does not allow items that require PA to be ordered; it instructs providers to request a PA and submit the approval with the order via fax to Classic Optical. Faxed orders follow the procedure listed here.

1. Orders are checked for items that require PA.
2. If no PA is required, the order is processed.
3. If a PA is required for an item ordered, the Classic Optical team confirms that the required approval letter and/or number (depending on the State’s process for approvals) are included with the order.
4. If PA is required but the approval is not included with the order, the order is faxed to the provider with a notice advising that PA is required.
5. Approved PA requests are matched to orders and orders are processed.
6. Orders with denied PA requests are returned to the provider and not processed.

Age and Condition of Laboratory Equipment

To maintain its established performance benchmarks, Classic Optical continues to invest in the latest technology and most advanced equipment to ensure high quality, precision engineered lenses and eyewear.

Classic Optical is currently equipped with the latest AIT, Automation Robotics, Essilor, Gerber-Coburn, Humphrey, LOH, MEI, National Optronics, Optotek, Santinelli, Schneider, and Veach optical manufacturing equipment, and thousands of feet of Flex Link conveyors.

The following list summarizes the equipment in the laboratory.

Also appended to this RFP as Attachment D, please find a more detailed list of Classic Optical’s lab equipment by manufacturer, acquisition date, and description of the functionality by department.

Surface Equipment
1 Automated Robotic Lens Taper
3 Manual Lens Tapers
2 Automated Robotic Surface Blockers
4 Manual Surface Blockers
3 Conveyor Lines (fully automated from verification through generating)
1 Automated Robotic Generator
3 Toric Generators
39 Cylinder Machines
2 Backside Coaters
1 Automated Robotic Surface Lens Analyzer

Digital Grinding in the Laboratory
3 Automated Lens Analyzers  
1 Manual Lens Analyzer

**Finish Equipment**

5 Tracers  
2 Manual Finish Blocker/Tracers  
3 Manual Finish Blockers  
1 Automated Robotic Finish Blocker  
5 Conveyor Lines (fully automated from stock room through edging)  
1 Pattern Generator  
1 Automated Dual Head Robotic Edger  
1 Automated Dual Head Robotic Edger with Drill  
12 Manual Edgers  
2 Drills  
1 Groover  
3 Drop Ball Testers  
3 Chem Units  
1 Lab Oven  
6 Tint Units  
2 Spectrometer and Light Meter  
13 Frame Warmers  
1 Solder Machine  
4 Temple Markers  
13 Automated Lens Analyzers  
2 Pupilometers

**Miscellaneous**

196 Trackable Bar Coded Production Stations  
15,000 Ophthalmic Trays

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**Classic Optical’s Customer Service Philosophy (Question 3)**

Classic Optical prides itself on a customer service team that is second to none. With close to 75 years of combined experience at Classic Optical, every one of the 10 Classic Optical Customer Service Representatives (CSR) are cross-trained in each client group’s specific requirements, with a team leader for each client group. This customer service philosophy significantly differs from most other optical labs. We do not limit our provider groups to just one CSR. All of the customer service team is available to take provider calls, ensuring a much faster response time to provider questions.

Mary Anne O’Toole, Manager of Customer Service, ensures that this team delivers the highest level of customer service and maintains its singular focus on the mission of
exceeding customer expectations on every call for every patient. Classic Optical’s exceptional team of knowledgeable, caring, helpful individuals, listen closely to our customers and strive to do whatever it takes to ensure not only satisfaction, but total delight.

During regular business hours (8:00 a.m. – 7:00 p.m. Eastern Standard Time) our team of CSRs answer calls to Classic Optical’s national toll-free phone number to respond to providers or transfer the call depending on the matter to be addressed. **At a minimum, all customer calls are acknowledged the same day and responded to within 24 hours.**

Customer service also plays an essential role in Classic Optical’s comprehensive Quality Control Program, as detailed on page 11. All customer questions and concerns are logged on a daily log sheet, coded, and recorded in a database as part of the Quality Control Program. Reports are generated regularly to monitor the customer calls and issues (this same report is also used by the QCT to address any quality issues). Classic Optical’s CSRs complete provider complaint forms when required by the contract and forward them to the Classic Optical Contract Manager for compilation and reporting to the client group, where required. The Contract Manager will also generate the response to the complainant. Classic Optical takes all complaints seriously, especially written complaints, and responds in writing to these complaints within one (1) business day.

Classic Optical’s telephone system offers 23 incoming lines. All CSRs have their own telephone with a specific extension and voice mail. They each also have their own computer with access to all order information including work in process and jobs shipped. They also have their own e-mail accounts and email addresses for communicating with each other and with providers.

Classic Optical has four fax machines, three of which are dedicated to receiving orders. The other machine is dedicated primarily to sending outgoing faxes. We offer providers a toll-free fax number to use when faxing orders. All fax machines are tied together and if one is busy it rolls to the next and then the next and back to the first machine. The machines can receive up to a total of about 360 orders per hour (1 order per 30 seconds per machine). Approximately 85% of all orders received at Classic Optical currently are transmitted via the Internet, with an additional 300 to 400 orders received via fax per day. Classic Optical can easily absorb faxed orders under almost any growth scenario with its current fax capacity, given that capacity exceeds its current faxed workload by 23 times. Moreover, it is available, like the online system, for providers to send orders 24/7/365.

Classic Optical uses the outgoing fax machine to communicate back to providers. For example, incomplete orders are faxed back to providers to request the missing information. In our decades of serving similar contracts we have found that faxing to request missing information is more effective than trying to reach providers by phone. It also creates a written record of the request and correlating response. Of course, where the provider’s office does not have a fax machine, we call.
Classic Optical accepts emailed orders via HIPAA-compliant email systems; however, orders are not typically sent via email given that few providers have a HIPAA-compliant e-mail system. For example, Classic Optical will not accept an order in the body of an email and/or as an attachment to an email.

Classic Optical still receives a few orders and provider communications via regular mail, but this is diminishing rapidly as more provider offices go online.

**Average In-lab Turnaround Time (Question 4)**

All orders are checked for completeness and accuracy and then date stamped upon arrival at the laboratory. Depending on contract terms, the clock starts when the order is received in house or the day following the order receipt.

**Average turnaround time is less than one (1) day.** In 2011, 98% of more than 500,000 orders were completed in six (6) days or less. Given this proven track record, Classic Optical is confident that it will meet or exceed the six (6) day turnaround time requirement of this RFP.

**Ensuring Readily Accessible Services Provided in Timely Manner (Question 5)**

Classic Optical has successfully supplied numerous state and federal governmental entities with top-quality, low-cost eyewear for over 40 years. All materials supplied are first quality and in strict adherence to current industry guidelines regarding quality and safety. With our centralized, world-class lab located in Youngstown, Ohio, Classic Optical produces thousands of custom eyeglasses every day and delivers them across the country to an extensive network of more than 3,000 ophthalmic professionals and retail locations.

Classic Optical specializes in serving high-volume, multi-year, sole-source contracts with public and private entities. We are expert at performing high-volume contracts for managed care organizations, educational institutions, correctional facilities, manufacturing facilities and numerous federal and state government programs, including the U.S. Department of the Navy, the U.S. Department of Veterans Affairs, and we have served more than 10 different sole-source state Medicaid programs.

The State of Vermont can be assured that with this proven success in delivering on time, high-quality eyeglasses to more Medicaid programs than any other company, Classic Optical is more than able to provide these same services to the beneficiaries of the Vermont Medicaid program.

There are three (3) main components to a Medicaid eyeglasses contract: (1) production capacity, (2) sufficient frame and lens inventory, and (3) IT capabilities. Classic Optical is

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For details on Classic Optical’s process from receipt of an order to making of the eyeglasses, please see page 13 (Order Processing through the Laboratory).
expert at performing all of these functions for state Medicaid contracts, having served more than 10 different state Medicaid eyeglass contracts and having been re-awarded these contracts numerous times.

**Production Capacity**
More specifically, Classic Optical currently produces in excess of 2,500 order per day and maintains excess manufacturing capacity of 10%. The expected Vermont volume of 6,200 orders represents a 1% increase over Classic Optical’s current manufacturing volume. For this reason, Classic Optical is confident that it can easily absorb the Vermont order volume into its current production process.

**Sufficient Frame and Lens Inventory**
Classic Optical has long-standing relationships with its frame and lens vendors. These relationships ensure that Classic can maintain proper inventory levels to meet the demands of its high-volume contracting partners. For example, Classic Optical maintains a 45-day inventory of all contract frames and requires its frame vendors to stock a minimum of an additional six (6) months of inventory. For this reason, Classic Optical is confident we can readily provide eyeglasses and associated parts in a timely manner.

**IT Capabilities**
Classic Optical has an in-house IT team that specializes in state Medicaid eyeglass program contracts. Under the guidance of its Director, Steve Mermer, the IT team is expert in designing software programs to enable real-time benefit verification, custom electronic billing systems, and streamlining all transaction processing. Classic Optical does not and will not outsource these information technology functions. With our benchmark in-house IT Center and Team, Classic Optical can immediately respond and adapt to client needs. History shows that Classic Optical’s in-house IT Team completes projects while its competitors are still waiting for their outside IT companies to provide a quotation to complete the same project. These in-house resources are a key differentiator as to how Classic Optical separates itself from its competitors and make us much more than “Just a Lab.”

**Provider Requests for Items Not Included on the Contract (Question 6)**
Depending on the contract terms, there are many ways Classic Optical handles requests for items not on the contract. For example, if the contract permits members to purchase upgrades, Classic Optical will make the order and bill the provider for the portions not covered by the State. We have a standard wholesale price list that we offer providers for these items.

More specifically, when a provider attempts to order non-contract items online, a pop-up message informs them that they will be responsible for the non-contract items.
Conversely, if the contract prohibits members from purchasing upgrades or services not included on the contract, our system is programmed to stop these orders. For orders placed online, items not included on the contract are not available for the provider to choose from the drop-down list. Faxed or mailed orders that are data entered at Classic Optical would stop prior to processing the order through the eligibility checking.

A CSR will call the provider to advise of the non-contract items and inquire how we should process the order.

**Internal Optical Policies that Go Beyond Medicaid Policy (Question 7)**

*Cosmetic Consideration*
Section 3.7.3 of the RFP implies some labs will only surface a high power lens with a PA. As detailed on page 34, Classic Optical always considers cosmetic appearance in its lens fabrication and therefore produces the thinnest lens possible upon order; the cost to surface lenses, when necessary, is included in our price proposal.

*Warranties*
Classic Optical takes great pride in setting industry standards by producing only high quality products. Classic Optical guarantees all of our products to be free of manufacturing defects in material and workmanship.

*Returns Policy*
For a period of one year from delivery, Classic Optical warrants all frames and lenses to be free from any manufacturing defects. Lenses dispensed to a patient that are later determined not to meet the prescribing doctor’s prescription will be remade to correct specifications at no charge to the State. Frames dispensed to a patient that are later determined to be defective will be replaced by Classic Optical at no charge to the State.

*Progressive Lens Non-adapt Policy*
Classic Optical offers a 60-day patient adaptation policy for progressive lenses. If the patient cannot adapt within this time period, Classic Optical will remake the lenses to single vision, a flat top bifocal, or trifocal lenses.

*Drug Free Workplace*
Classic Optical maintains a drug free workplace.

*Affirmative Action Program*
Classic Optical is certified by the State of Ohio that it complies with all state and federal affirmative action programs.

*Production Backup*
Classic Optical has a two-tiered contingency plan with back-up optical labs, should the need arise. The back-up labs are located in different regions of the United States. The selection of
the primary versus the secondary labs depends upon the nature of the situation and the end location for delivery.

The primary back-up optical labs are located within 10 miles of Classic Optical’s Youngstown, Ohio facility. Neither lab alone could assume all of Classic Optical’s current production, but together they can maintain the current level of production. Bi-annual assessments of the capacities of the primary back-up optical labs are conducted to ensure the needed capacity.

Secondary back-up labs are provided by one of the largest ophthalmic laboratory networks in the world. With 23 ophthalmic laboratories dispersed across the United States, the secondary back-up labs can handle all of the current level of production of Classic Optical for as long as Classic Optical might need.

**Bidder/Provider Responsibilities (RFP Sections 3.0 – 3.8)**

**3.1 – Bidder/Provider Responsibilities**
Classic Optical has successfully supplied numerous state and federal governmental entities with top-quality, low-cost eyewear for over 40 years. All materials supplied are first quality and in strict adherence to current industry guidelines regarding quality and safety. With our centralized, world-class lab located in Youngstown, Ohio, Classic Optical produces thousands of custom eyeglasses every day and delivers them across the country to an extensive network of more than 4,000 ophthalmic professionals and retail locations.

Classic Optical specializes in serving high-volume, multi-year, sole-source contracts with public and private entities. We are expert at performing high-volume contracts for managed care organizations, educational institutions, correctional facilities, manufacturing facilities and numerous federal and state government programs, including the U.S. Department of the Navy, the U.S. Department of Veterans Affairs, and we have served more than 10 different sole-source state Medicaid programs.

The State of Vermont can be assured that with this proven success in delivering on time, high-quality eyeglasses to more Medicaid programs than any other company and regularly meeting the requirements of this RFP for six (6) other state Medicaid programs, Classic Optical is more than able to provide these same services to the beneficiaries of the Vermont Medicaid program.

**3.2 – Sample Frame Brochure**
As discussed on page 45, for the State’s evaluation, we have assembled a sample frame kit for display, representing the 44 proposed frame styles available under the contract. A pictorial of the proposed frame collection is appended to this proposal in Attachment F. From these styles Classic Optical will offer providers, at no charge, their choice of a 26-piece frame kit that includes up to four (4) flexure titanium memory metal frames.
Classic Optical has included the frames and a selection of available cases in a kit at no charge to DVHA as part of our response to this RFP.

### 3.3 – Communication and Support to Vision Service Providers

Within one week of finalized contract, Classic Optical will:

1. Notify enrolled active vision care providers in writing about the new contract. This will be in the form of a “welcome packet,” which includes an introductory letter, log on instructions, an online quick reference, sample forms, and the frame brochure. A sample welcome packet is appended to this proposal in [Attachment E](#).

2. Provide a complete, detailed list of Vermont Medicaid frames to providers free of charge. (A full color frame brochure is included with the welcome packet we will send to each provider. A sample frame brochure is appended to this proposal in [Attachment F](#).)

3. Provide frame information and assistance to dispensing providers on procedures and ordering throughout the term of any resulting contract. As discussed on page 25, Classic Optical’s Customer Service team of ten representatives are knowledgeable, friendly, and available for technical and professional consultation with DVHA and providers Monday through Friday during regular business hours (8:00 a.m. – 7:00 p.m. EST). Classic Optical regularly prepares and disseminates informational bulletins to participating providers, at no charge. The bulletins are posted online and, depending upon the content, access may be limited to a particular contract group. Some states use Classic Optical’s website to reiterate their own provider announcements, recognizing that a large majority of its providers visit [www.classicoptical.com](http://www.classicoptical.com) on a regular basis. Classic Optical looks forward to working with DVHA on the best means for disseminating information to Vermont providers.

### 3.4 – The Medicaid Lab of Choice

Classic Optical’s experience and expertise with managing Medicaid programs for close to 30 years has allowed us to help states reduce fraud and abuse and to help positively impact the health of beneficiaries. For example, as described in detail on page 12, our SMART order system checks eligibility, state-specific benefits, prior authorization requirements, and frequency, and does not allow ineligible orders to process. It is the success of these systems that differentiate Classic Optical from the other high-volume labs and continue to make Classic Optical the Medicaid contract lab of choice.

### 3.5 – Provider Enrollment Form

At the time of contract notification, Classic Optical will enroll as a provider in the Vermont Medicaid program.

### 3.6 – Frames

As described in the “Frame Selection Process” on page 43, Classic Optical analyzed and evaluated frame collections – specifically ones with similar age groups as the Vermont
Medicaid program – to include frames that meet the requirements of this RFP. We chose to include frames from a selection of vendors whom we have worked with for many years and have had much success in our other state Medicaid programs.

One of these vendors is the current supplier of all the frames on the current contract. While this supplier is one of our vendors of choice, we believe it is best to offer a collection from a mix of manufacturers to reduce the risks associated with offering products available from only one supplier.

Classic Optical inventories more than 1,000 different frame styles. If the DVHA determines a particular style is missing, or would like to review more styles, Classic Optical would be pleased to expand the available options for review.

3.6.1 – Frame Quality and Durability
Classic Optical is very mindful of the State of Vermont’s desire to offer frames that will help reduce the incidents of breakage and thus reduce costs to the Medicaid program. Through our analysis of frame replacements across the Medicaid programs we serve, we selected the frames for the collection that led to the least number of breakage replacements. The chosen frames are lightweight, strong, and durable without adding bulk. They include options that are flexible and of substantial materials with sturdy hinge structures. Most of the frames are unigender and appeal to both females and males under age 21; they are fashionable and current. In addition, we are offering flexible titanium memory metal frames as part of the standard V2020 category at no charge to the providers or DVHA. Some of the frame styles in the collection come with cable temples to help keep eyeglasses secure on toddlers and others.

3.6.2 – Frame Standards and Bid Requirements
Classic Optical’s frame collection meets or exceeds all the requirements of this RFP. All frames are from reputable vendors and meet all state and federal ANSI standards for safety. Please see the “Sample Kits” section on page 45 for more detail on the number of plastic, metal, and titanium memory metal frames offered in our collection. A written explanation of the reasons we chose these frames for the Vermont Medicaid program and the Miraflex line for deluxe/non-standard frame under V2025 is on page 43. All orders will include a slip-in frame case. As described in more detail in “Frame Selection Process” on page 43, Classic Optical will maintain an adequate supply of frames and lenses in inventory.

3.6.3 – Frame Substitution/Potential Problems
Classic Optical understands that if at any time during the term of the contract a contract frame is to be discontinued by the manufacturer, Classic Optical is required to substitute another frame of equal quality and durability at the same price as the discontinued frame, subject to the approval by DVHA. Where practical, Classic Optical will notify DVHA in writing at least 30 days in advance of the change.
When a frame style is on back order CSRs call providers to advise and offer suggestions to providers to change orders to other styles. Should the provider remain with the back ordered frame, the CSR records a note in the order that the provider prefers to wait for the frame and approved the delayed order.

When a frame is going to be discontinued, Classic Optical has procedures in place to ensure current orders will be filled. Providers are notified of the frame discontinuation in several ways; a notice is sent in the outgoing orders, a notice posted on the state-specific online order portal, and calls are made to those providers that most often use the specific frame. Classic Optical will offer suggestions to DVHA to replace frames that are going to be discontinued.

Classic Optical will notify DVHA as quickly as possible of any potential problems in providing eyeglasses, lenses, frames, etc.

3.6.4 – Frame Guarantee, Replacement & Repairs
As detailed under “Warranties” on page 29, Classic Optical takes great pride in setting industry standards by producing only high-quality ophthalmic products. Classic Optical guarantees all of our products to be free of manufacturing defects in material and workmanship.

If within 90 days after delivery an article furnished by Classic Optical is found to be defective or not correct due to contractor error, Classic Optical will replace the defective material and mail it to the provider at no charge. Classic Optical understands that errors due to prescribing or refracting error are not our responsibility and we will remake the order at the provider’s expense.

3.6.5 – Annual Frame Review
Classic Optical understands and accepts all of the requirements of this section of the RFP.

Classic Optical welcomes the annual review of frames and will assist the DVHA in analysis of frame utilization to replace underutilized frames.

3.7 – Lenses
All lenses supplied by Classic Optical will meet the bid requirements.

3.7.1 – Lens Standards & Bid Requirements
All lenses supplied by Classic Optical are first quality ophthalmic lenses. All eyeglasses will be fabricated at our Youngstown, Ohio facility, which meets all ANSI standards.

Classic Optical will supply single vision, bifocal, and trifocal polycarbonate lenses, per the bid requirements. The lenses will have built-in scratch coating.
3.7.2 – Lens Mounting Requirements
Classic Optical will harden, edge, and mount lenses ordered with a contract frame or a beneficiary’s own frame, provided it is not, in Classic Optical’s professional opinion, a new frame or deemed not acceptable to mount the lenses in the frame. In these instances, Classic Optical will return the frame with the prescription and explanation as to why these lenses were not mounted. Classic Optical will not charge an additional fee for edging lenses for metal frames.

3.7.3 – Cosmetic Consideration
Classic Optical considers cosmetic satisfaction with all of its fabrication efforts. To this end, Classic Optical surfaces lenses, at no extra charge, when surfacing is necessary or requested to ensure a cosmetically appropriate lens.

3.7.4 – Lens Replacement Requirements
Classic Optical will replace lenses that lost, broken, or scratched beyond use into the beneficiary’s frame at the contracted price. If the lenses are from non-contract frames and we cannot adapt lenses to the frame, Classic Optical will advise providers that a complete lens and frame order must be placed.

3.7.5 – Inspection, Defects & Errors
Classic Optical completes all orders according the vision care provider instructions. We understand we are responsible for inspection and assuring the product shipped meets requirements (bench adjustments, axis, etc.). Classic Optical will replace, at no cost to DVHA, lenses containing defects or errors caused in the provision of lenses. Such defects or errors include, but are not limited to, lenses which are broken, scratched, or chipped when received by the provider or lenses which deviate from the provider’s prescription beyond deviation standards permitted by the current ANSI Z80.1 standard.

Moreover, as described in our “Quality Control” section on page 11, Classic Optical’s quality control procedures assure all orders are inspected throughout the production process and each order must pass final inspection before it is shipped. In addition to eyeglass inspection and requirements, random orders are pulled from shipping and the inspector’s work is inspected.

Classic Optical understands that the provider shall return such defective lenses to Classic Optical within seven (7) days of receipt, noting the nature of the defect. Classic Optical will assume all shipping and handling charges for materials returned due to contractor error, defect, or damage.

3.7.6 – Special Lenses & Miscellaneous Services
Classic Optical will supply special lenses and miscellaneous services as necessary to complete a prescription order, including those that require PA. As described in “Prior Authorization Checking” on page 22, any orders requiring prior authorization are checked for approval prior to processing the orders.
3.8 – Cases
Every order will be shipped in a protective eyeglass case. Cases in a variety of colors and sizes have been included with this proposal for the State’s evaluation.

Order Review/Processing and Claims (RFP Sections 4.0 – 4.5)

4.0 – Order Review/Processing and Claims
Classic Optical will submit claims to the State’s fiscal agent, HP, as detailed in “Eligibility Checking and Claims Submission” section on page 19.

As described in the “Order Processing through the Laboratory” section on page 13, all orders are:

- date stamped at the time of receipt;
- reviewed for accuracy, completeness, and conformities with state-specific rules and programs policy;
- checked for PA requirements; and
- date stamped at the time of shipment.

Incomplete faxed orders are faxed back to the provider for completion within 24 hours of receipt.

4.1 – Shipping Costs
Classic Optical will absorb all shipping and handling costs related to this contract as part of its quoted price.

4.2 – Contact Information
Classic Optical has toll free phone and fax numbers for providers to use from anywhere in the United States. CSRs are available Monday through Friday, 8:00 a.m. – 7:00 p.m. Eastern Standard Time.

The primary contact for this RFP and the resulting contract will be Dawn Friedkin, Chief Operating Officer. Mary Womble, Contracts Manager, will assist Ms. Friedkin on day-to-day issues and coordination of the implementation plan and transition schedule, as detailed on page 40. Both can be reached toll-free at (888) 522-2020, extension 306.

4.3 – Delivery Requirements
As detailed in the “Average Turn Around Time” section on page 27, Classic Optical will meet (and exceed in most cases) the delivery requirement of this RFP. Providers will be promptly notified within 48 hours of receipt when orders arise that will take longer than the required six (6) days for completion or cannot be completed.
Classic Optical will inspect materials with strict adherence to current ANSI Z80.1 standard and correct any issues prior to shipping. Classic Optical understands and accepts that successful delivery also includes proper packaging to ensure no damage occurs in transit. Orders are also inspected correct material is shipped within the specified period.

All goods specified will be shipped prepaid and individually per prescription order. However, if multiple orders are received from the same provider and all of the orders can be filled within the delivery time frame, orders may be combined.

**4.4 – Data Reporting & Audit Requirements**

Classic Optical understands and accepts the data reporting requirements of this RFP. We provide similar performance reports to several of our other Medicaid programs.

Classic Optical’s Information Technology Team is expert at designing software programs to meet the data reporting requirements of this RFP. Classic Optical will prepare quarterly and annual reports by the 15th of the month following the reporting period that will include (at minimum) the following report parameters:

- Reporting period dates
- Date of report
- Quantity of lenses, frames, and parts by HCPCS codes
- Total number of frames with lenses
- Total number of frames without lenses
- Total number of frames by frame name/data itemizing frame style selections
- Number of orders filled as a result of provider error
- Number of order filled as a result of contractor error

The Contract Manager will be responsible for the timeliness, accuracy, and completeness of the reports. Sample quarterly reports are appended to this proposal in **Attachment G**.

As the optical supplier for six (6) other state Medicaid programs, Classic Optical would be pleased to offer additional information on the types of reports requested by and supplied to these states.

Classic Optical will retain files and records of orders, prescriptions and related information for seven (7) years after the start of the contract and make these files available to the State upon request.

**4.5 – Billing Requirements**

Classic Optical’s Information Technology Team is expert at designing software programs to meet the electronic billing requirements of this RFP. As detailed in the “Eligibility Checking and Claims Submission” section on page 19, Classic Optical’s claims processing system will bill Vermont Medicaid directly on electronic CMS 1500 claim forms through the State’s fiscal agent, HP.
Other Contractor Duties (RFP Section 4.6)

4.6.1 – Training
As detailed in the “Implementation Plan and Transition Schedule” section on page 40, Classic Optical will send our Territory Sales Manager to Vermont to meet with providers and answer any questions they may have at the start of the contract. CSRs will also make direct calls to providers prior to and during implementation of the contract. This personal training has proven very successful in our other state Medicaid programs.

If the DVHA desires, Classic Optical will conduct webinars to walk DVHA and providers through the order process. Classic Optical will provide a call-in number and link for providers to see the order process in action.

We will also provide carefully written instructions for setting up online accounts to use the Vermont-specific portal on the Classic Optical website. These instructions will be sent to providers in the welcome packet within one week of the finalized contract. A sample of the welcome packet is appended to this proposal in Attachment E.

Classic Optical has vast experience working with other state Medicaid programs in developing Frequently Asked Questions (FAQ). We have found that such a document can be a great help for providers and we will work closely with the DVHA to anticipate providers’ questions. As policy changes are made, Classic Optical is able to quickly update and post the FAQ to the Vermont-specific portal for easy access by providers.

Classic Optical looks forward to working with DVHA to finalize a training plan and delivering it to providers within seven (7) days of contract notification.

We look forward to bringing the Vermont Medicaid vision services providers into the Classic Optical Family.

4.6.2 – Communications
Classic Optical will submit all proposed communications with providers to DVHA for approval prior to disseminating to providers.

4.6.3 – Liaison
For close to 30 years, Classic Optical has worked with state contract administrators to effect contracts just like this one. Classic Optical looks forward to working with the DVHA liaison with respect to the direction and performance of contractual responsibilities.

4.6.4 – Performance/Problem Reporting
Classic Optical agrees to notify DVHA within three (3) days after discovery of any problem that may jeopardize the successful completion of its contractual obligations, and to notify DVHA in writing of the problem and Classic Optical’s resolution of such problem.
4.6.5 – Suspected Fraud, Waste & Abuse
Classic Optical looks forward to partnering with the DVHA’s Program Integrity Unit and will immediately report any encounter of suspected fraud, waste, & abuse. Classic Optical’s Vermont-specific online order portal will have programming in place to prevent this from happening. In other state Medicaid programs, where we have discovered a loophole for potential abuse of the Medicaid benefit, Classic Optical worked closely with state policy makers to eliminate the problem, even if it meant Classic Optical would not make the eyeglasses and thus not get paid.

Classic Optical understands DVHA’s Program Integrity (PI) Unit in its striving to ensure that Medicaid funds are utilized appropriately through the identification and reduction of Medicaid fraud, waste, and abuse. We applaud the quality control measures designed to control rising costs and protect diminishing state resources that help protect the integrity of the Medicaid program. Classic Optical will refer to DVHA any suspected fraudulent or abusive practices encountered by Classic Optical in the performance of its contractual responsibilities. Classic Optical will provide, on a timely basis, any documentation possessed by us which may be necessary to investigate or document suspected instances of Medicaid fraud or abuse. To this end, Classic Optical will utilize the reporting form on the DVHA’s website.

4.6.6 – Safety and Security of Information/Commitment to Privacy
Classic Optical confirms that all patient eligibility information is maintained confidentially and securely at Classic Optical in conformity with applicable state and federal requirements. Similarly, Classic Optical also confirms that the safety and security of all information, data, and procedures are protected during the performance of the contract, as well as after the contract term. All hardware and software used by Classic Optical to support operations comply with the Health Insurance Portability and Accountability Act (HIPAA).

Classic Optical has in place a HIPAA-compliant Privacy Policy to protect the personal information (PI) and personal health information (PHI) of its employees, as well as the patients for which it manufactures eyeglasses.

Classic Optical’s General Counsel and Chief Privacy Officer developed and is responsible for implementing Classic Optical’s internal and online privacy policies. A copy of Classic Optical’s privacy policy is available upon request. Classic Optical’s online privacy policy is available for review at anytime at www.classicoptical.com.

Business Associate Agreements (BAA):
Pursuant to the requirements of HIPAA, Classic Optical understands that it is a covered entity with regard to its relationship with the State of Vermont Medicaid Program and will execute a BAA with the State upon contract award.

Moreover, Classic Optical requires its Business Associates to execute similar HIPAA-compliant BAA. Examples of Classic Optical’s HIPPA-compliant business associates include
companies for lens manufacturing software, document shredding, off-site electronic records back-up, web server, back-up laboratories, etc. Classic Optical would be pleased to supply the State with copies of these BAA, should the need arise.

**Files and Records:**
All files, records, and correspondence relating to state Medicaid contracts are under the exclusive control of the Contract Manager who fully appreciates the confidential nature of this information. The Contract Manager takes reasonable precautions to ensure the safety and security of all information, data, procedures, methods, and funds involved in the performance under the contract, and requires the same of any other personnel involved in the contract or with access to the information.

**Electronic Files:**
Electronic copies of all recipient and provider files are maintained in our server room, which is locked and can be accessed only by authorized personnel. Computer access to a file can only be obtained by personnel with an authorized access code. Access codes are given only to those individuals that need the specific information to process orders or claims for that specific contract.

**Paper Files:**
Paper copies of Medicaid Rx orders for a particular Medicaid contract are handled only by those Classic Optical personnel dedicated to handling that particular contract. These paper copies can only be accessed by authorized personnel with the approval of the Contract Manager. These procedures ensure that confidentiality is maintained at all times.

Current Rxs are kept in locked file cabinets in the office and can be accessed only by personnel dedicated to handling that particular contract. Previous years Rxs are archived in the warehouse in a locked file room. Again, access is permitted only to those personnel dedicated to handling that particular contract. Document destruction is done according to contract requirements.

Classic Optical contracts with a HIPAA-compliant document shredding company to destroy old records.

**HIPAA 5010 Conversion:**
Our IT department proactively programmed for the HIPAA 5010 January 1, 2012 conversion. This change affects both the claims and eligibility processing of Medicaid information and e-mail communication. Classic Optical has completed or is in the final testing phase for the 5010 conversion with each of its state and managed care contract partners. As always, Classic Optical was one of the first HIPAA-compliant trading partners among contracting parties to meet the 5010 conversion requirements.
Implementation Plan and Transition Schedule (RFP Section 1.8.9)

Given our experience in implementing dozens of contracts just like this one, we have found it is best to have one point of contact that is responsible for coordinating all activities during the implementation of a new contract. As Contracts Manager, Mary Womble will be the main point of contact for the implementation of the Vermont contract.

Classic Optical is expert at adding programs just like the Vermont program and has been doing so for more than 30 years.

Given this experience, Classic Optical offers the following detailed implementation plan. The implementation plan is organized with an estimated timeline based on an April 1 contract award and July 1 contract start. The plan will be adjusted accordingly depending on the actual date of contract execution. Each task is assigned to key contract support departments, with oversight of all tasks by our Chief Operating Officer, Dawn Friedkin.

Classic Optical has never missed a scheduled contract start date, whether the implementation period was 90, 60, 30, or 12 calendar days. Communication with any of the contract administrators listed in the “References” section on page 9 of this proposal, or the letters of recommendation in Attachment C will support this fact. Given our tremendous success rate with contract implementations just like this one, we do not anticipate having any issues with providers transitioning orders to Classic Optical. Given that we are offering new frame kits, at no cost, we expect no frame transition issues.

Classic Optical’s Implementation Plan and Transition Schedule for the State of Vermont

<table>
<thead>
<tr>
<th>April</th>
<th>Celebrate contract award (all Classic Optical Team)</th>
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<tr>
<td></td>
<td>Send Acord Certificate of Liability Insurance within 5 days of contract award</td>
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<tr>
<td></td>
<td>Coordinate visit of key Classic Optical personnel to Vermont to meet with DVHA Contract Administrators (Contracts)</td>
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<td>Within one week of the finalized contract, disseminate welcome packets to providers (provider letter, online instructions, paper order forms, frame brochure) (Contracts)</td>
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<tr>
<td></td>
<td>Travel to Vermont to meet with DVHA Contract Administrators (Sales)</td>
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<td></td>
<td>Enroll as a Vermont trading partner/provider with Vermont HP (Contracts/IT)</td>
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<tr>
<td></td>
<td>Review internal implementation plan and finalize implementation strategy (Contracts)</td>
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<tr>
<td></td>
<td>Disseminate implementation plan to Classic Optical senior management team (Contracts)</td>
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<tr>
<td></td>
<td>Disseminate plan to DVHA with full contact details (Contracts)</td>
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<tr>
<td></td>
<td>Hold departmental meetings to update personnel of any contract requirements that differ from other standard practices (Senior Management)</td>
</tr>
<tr>
<td></td>
<td>Review DVHA vision program requirements and benefits from information obtained during RFP response preparation (Contracts/IT)</td>
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## Classic Optical’s Implementation Plan and Transition Schedule for the State of Vermont

<table>
<thead>
<tr>
<th>Month</th>
<th>Activities</th>
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<tbody>
<tr>
<td>May</td>
<td>Seek clarification from DVHA on any questions related to the vision program requirements and benefits (Contracts)&lt;br&gt;Order frames for inventory and provider kits (Contracts/Stockroom)&lt;br&gt;Finalize provider welcome packet (welcome letter, frame brochure, paper order form, online instructions) and submit to DVHA for approval (Contracts)&lt;br&gt;Request Vermont Medicaid provider file from State (Contracts)&lt;br&gt;Plan regional meetings, phone conferences and web-based training to introduce the Classic Optical team to Vermont providers (Sales)&lt;br&gt;Begin developing Vermont-specific web pages for <a href="http://www.classicoptical.com">www.classicoptical.com</a> (IT)&lt;br&gt;Begin developing Vermont-specific electronic eligibility confirmation, claim submission, billing and remittance transactions (HIPAA-compliant 270/271 and 834/835/837 transaction sets and electronic CMS 1500) (Contracts/IT)&lt;br&gt;Load Vermont Medicaid dispensing provider file into Classic Optical database (IT)&lt;br&gt;With DVHA approval, finalize and print provider Welcome Packet (Contracts)&lt;br&gt;Draft frequently asked questions (FAQ) on Vermont program and submit to DVHA for approval (Contracts)&lt;br&gt;Complete Vermont-specific web pages for <a href="http://www.classicoptical.com">www.classicoptical.com</a> and submit print screens to DVHA for approval (Contracts/IT)</td>
</tr>
<tr>
<td>June</td>
<td>Load the frame and lens products and pricing under the Vermont contract into the Classic Optical online catalogue to enable contract-specific ordering (IT)&lt;br&gt;Load the Vermont program/benefit rules into the Classic Optical system to develop the online ordering SMART technology that will stop orders from being placed that exceed the benefit limits as prescribed by the DVHA (IT)&lt;br&gt;Test electronic eligibility confirmation, claim submission, billing and remittance transactions (HIPAA-compliant 270/271 and 834/835/837 transaction sets) (IT)&lt;br&gt;Launch Vermont web portal at <a href="http://www.classicoptical.com">www.classicoptical.com</a> (new user login feature, online ordering, order tracking, frame pictures and descriptions, frame kit ordering, vision profile screen, FAQ, blank forms) (IT)&lt;br&gt;Conduct regional meetings in Vermont to introduce Classic Optical and present the new frame collection to providers (Sales)&lt;br&gt;Disseminate frame kits to providers (Contracts)&lt;br&gt;Begin webinars to introduce the Classic Optical-Vermont provider portal (educate providers on obtaining a login, placing orders, tracking orders, etc.) (Sales)&lt;br&gt;Conduct direct calls to each Vermont provider to offer one-on-one training (Sales)&lt;br&gt;Train Classic Optical customer service team on the Vermont program (Sales)&lt;br&gt;Disseminate internal communication on Vermont program to Classic Optical senior management (processing time and benefit requirements) (Contracts)</td>
</tr>
<tr>
<td>July</td>
<td>Go live July 1 (all Classic Optical team)</td>
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Classic Optical’s Implementation Plan and Transition Schedule for the State of Vermont

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<tr>
<th>August</th>
<th>Participate in a conference call with DVHA to see how program is going and ask if Classic Optical can do anything to improve the process/program. (Contracts)</th>
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<tbody>
<tr>
<td></td>
<td>Continue direct calls and webinars to providers, where requested (Sales)</td>
</tr>
<tr>
<td></td>
<td>Schedule post-implementation conference call with DVHA (Contracts)</td>
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Evaluation of Samples and Materials
Frame Selection Process
All frames purchased and distributed by Classic Optical meet or exceed state and federal requirements and current ANSI standards for frames. All frames are sturdy, of good quality, and have demonstrated durability to help reduce the need for to replace frames due to breakage. All frames selected for the collection are current styles that are commercially available, in sufficient stock to handle the size of the Vermont program, and are currently in stock at Classic Optical to ensure a quick turnaround time upon order. None of the frames are discontinued, close-out frames, or special “Medicaid” frames. All frames are guaranteed to be free from manufacturer defects including, but not limited to, scratches, fissures, bubbles, discoloration, or other defects in workmanship.

Frames are from a mix of manufacturers with whom Classic Optical has long-standing relationships and who are committed to meeting the needs of Classic Optical’s customers. Classic Optical has excellent working relationships with its numerous frame vendors to ensure that sufficient stock of each frame and every size and color listed is available. Our frame vendors maintain a six month’s inventory based on our projected needs, and Classic Optical itself maintains a 45-day supply of frames in house.

Classic Optical compiled the recommended collection by analyzing the frames most often chosen by beneficiaries under age 21 across more than 10 state Medicaid programs and, more specifically, for the same age group from both the Maine and New Hampshire Medicaid eyeglasses programs. We also reviewed the frames for quality and the number of remakes for broken frames.

Classic Optical routinely tests all frames for production and quality prior to suggesting they go on a program.

The Collection
Given this analysis, Classic Optical is offering providers a choice of 26 frames from a collection of 44 proposed metal, plastic, and titanium memory metal frames. Included in the collection are 18 metal frames and 19 plastic frames appropriate for males and females, evenly divided between kids and teen/adults. There are two (2) toddler frames, one (1) plastic and one (1) metal.

Please note that many popular plastic styles available in the marketplace are limited to only one (1) size per style. We are offering seven (7) additional single size plastic styles beyond the minimum 10 required plastic pairs; these are very popular frames in the under 21 age group. Based on our decades of performing similar programs and our ability to analyze utilization of the exact age group of the Vermont program, we recommend the State allow us to offer these single size styles as an option to providers for their patients.
In addition to metal and plastic frames we are also including seven (7) flexure titanium memory metal frames in the collection that are available in a variety of styles, colors, and sizes. We offer these frames because they are strong and durable, yet lightweight and can stand up to kids who are tough on their glasses. We chose these specific flexure “flexible” frames based on their high utilization in Maine by beneficiaries under 21. Most frames are unigender and include spring hinges as identified in the frame brochure. The frame brochure is appended to this proposal in Attachment F.

Classic Optical is also offering the Miraflex line in the deluxe/non-standard frame collection. The Miraflex line offers all plastic, metal free frames in multiple shapes, sizes, and colors. These durable frames adjust to individual faces and accept lenses with +/- 28.00 Rx. Each frame comes with elastic adjustable bands to keep the frames snug to the face. Recognizing that this category (V2025) requires PA, Classic Optical would like to offer these frames at a prior approved price of $30.

Classic Optical’s deluxe/non-standard frames are not limited to the Miraflex line. Classic Optical welcomes the opportunity to offer other deluxe/non-standard frames if the provider receives a PA from the DVHA Clinical Unit, when the need arises. Classic Optical understands that the reimbursement for these frames will be negotiated with DVHA at the time of the PA request. For children needing wraparound temples, Classic Optical will offer providers an easy-to-use kit that will convert any skull temple to a cable temple.

Cases
Enclosed with this proposal, Classic Optical offers, for the State’s evaluation, a selection of cases in colors and sizes. However, it has been Classic Optical’s experience that using a single color case ensures that beneficiaries don’t get an inappropriate color case with their eye glasses. Classic Optical will leave the case color choice to the State’s preference.

Classic Optical understands that the final collection is subject to the approval of the DVHA. Classic Optical also understands that at any time during the term of the contract a frame listed in the bid is to be discontinued by the manufacturer, Classic Optical is required to substitute another frame of equal quality and durability at the same price as the discontinued frame. Classic Optical will seek the approval of DVHA in writing for these frame substitutions at least 30 days in advance of the change. Classic Optical also understands its obligation to notify providers of the change and bear the burden of any associated costs. Finally, Classic Optical is fully aware of its obligation to advise the DVHA of any problems in providing eyeglasses, frames, lenses, etc.

Frame Brochure
Classic Optical will provide a full color frame brochure listing frames by suggested age group, manufacturer, frame name, and material. Each frame will be listed with a picture of the frame to help providers choose the style and size that best fits the beneficiary. As the
program grows and new frames are added or deleted by the State, Classic Optical will
update the brochure and notify providers.

The up-to-date frame brochure will always be available for download on the Vermont-
specific web pages on the Classic Optical website. Providers may also call Classic Optical
Customer Service and have a brochure faxed or mailed to them.

A copy of the frame brochure will be sent to providers in a welcome packet within a week of
contract notification. A sample of the frame brochure is appended to this proposal as
Attachment F.

Sample Kits
Enclosed with this proposal, for the State’s evaluation, please find four (4) trays with 48
sample frames. The frames include:

- Eight (8) plastic and seven (7) metal frames for kids
- Ten (10) plastic and nine (9) metal frames for teens/young adults
- One (1) plastic and one (1) metal frame for toddlers
- Seven (7) titanium memory metal flexure frames

We have also included five (5) samples of Miraflex frames, which will be offered at a pre-
approved price of $30 per pair as part of the deluxe/non-standard frames that require prior
authorization. Classic Optical carries the full line of Miraflex frames and those sampled were
chosen based on the styles selected most often in our other state Medicaid programs. We
will offer the State of Vermont the full collection.

In a separate plastic bag, please find sample slip-in cases in two (2) sizes and a selection of
colors, as well as a sample Miraflex clamshell hard case, which would accompany any
Miraflex frame order.

From these 48 frames, Classic Optical will offer providers their choice of a 26-piece frame kit
at no charge. The kit will include 22 frames from the metal and plastic group and up to four
(4) flexure style frames. Providers may order additional sample metal or plastic frames at
$10.00 each and any sample flexure frame at $20.00 each, plus shipping and handling costs.
Classic Optical will deliver the kit in trays with vacuum-sealed lids.
Pricing Proposal

Classic Optical Laboratories, Inc.
Pricing Proposal

Pricing Formulation Process
Our pricing was formulated by analyzing our costs associated with the proposed frames and the required lenses. Added to our raw material costs are our process costs distributed proportionately based on the type of lens to be produced, the type of frame the lens will be inserted into, and the IT resources to launch the program. Our general and administrative costs are also proportionately distributed across the total number of expected orders. Moreover, the cost of the free frame kit is absorbed in the raw material costs.

Cost Savings over Current Medicaid Contract
We estimate that our proposed prices represent a 10% savings over the current Medicaid contract cost of $207,000/year. This savings is further augmented by:

- our user-friendly, contract-specific online system that helps make doing Medicaid easy;
- our provision of a 26-piece frame kit to providers free of charge; and
- the inclusion of titanium memory metal frames in the collection at no additional cost to the State of Vermont Medicaid program.

Cost Proposal Bid Sheets
Appended to this proposal as Appendix B are the pricing sheets, which were created using the required Excel spreadsheet. The Excel spreadsheet file is included on the CD included with our proposal.