

RESEARCH SUMMARY

Restoring Vision to Consumers and Competition to the Marketplace: Analyzing the Effects of Required Prescription Release

Patients who use contact lenses need a prescription from an optometrist. Until recently, optometrists could withhold prescriptions from consumers and force them to purchase contact lenses from the optometrist. Locking in patients after examining their vision may have enabled optometrists to charge higher prices for contact lenses and earn higher salaries.

In “Restoring Vision to Consumers and Competition to the Marketplace: Analyzing the Effects of Required Prescription Release,” Edward J. Timmons and Conor Norris find that giving patients more choices about where to buy their contact lenses by requiring optometrists to release prescription information to patients reduces optometrist wages by 10 percent.

Fairness to Contact Lens Consumers Act

The federal Fairness to Contact Lens Consumers Act (FCLCA) of 2004 requires vision service providers to release prescription information. This statute enhances the ability of patients to comparison-shop for their contact lenses.

State Regulation of Contact Lens Prescriptions

Some states had passed similar laws before 2004, led by Ohio in 1978. Most states followed suit in the next two decades. Fifteen states and the District of Columbia implemented the change in 2004 along with the FCLCA: Alaska, Connecticut, Hawaii, Illinois, Mississippi, Missouri, Montana, Nevada, New Mexico, North Dakota, Pennsylvania, Rhode Island, South Carolina, Tennessee, and West Virginia.

KEY FINDINGS

- The FCLCA increased competition, allowing consumers to purchase contact lenses from vision professionals, brick-and-mortar retail stores, or online outlets. This has resulted in lower wages for optometrists.
- Requiring optometrists to share prescriptions allowed consumers to search out lower-cost alternatives for their lenses.
- Legislation similar to the FCLCA may prove to be effective at lowering costs in other markets, such as medical services. Medical professionals could recommend tests and minor procedures, and the tests could be performed outside the medical provider’s office, potentially at a lower cost to the patient.

- Lawmakers should maintain the intent of the FCLCA, which provides more competition in the marketplace and better serves the needs of contact lens users.

Requiring optometrists to release prescription information to patients may have made consumers better off, with increased competition in the contact lens market.