1-800 Contacts

Meeting with FTC Chairman Joseph Simons



We Appreciate Your Time

We appreciate your time and the attention you and your staff have dedicated to this rule review

1-800 Contacts supports most of the proposals made in the SNPRM:

- Prescriber signed acknowledgement/record keeping requirement
 - Vital because:
 - Prescribers continue to refuse to release prescriptions
 - Consumers do not fully understand their rights
 - Credible threat of enforcement needed to encourage compliance
- Digital release of prescriptions (but with verifiable consent)
- Uniform quality standards for automated verification calls
- Prescribers required to respond to prescription requests within 40 business hours



We Urge You to Review Some Aspects of the SNPRM

We are particularly interested in discussing the following:

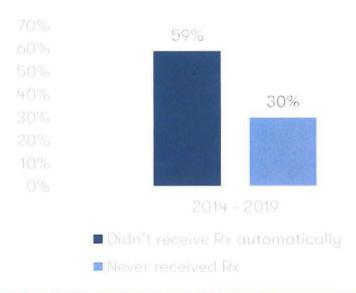
- Abandonment of the important notice language in the previous signed acknowledgement proposal
- Requirement for sellers to record automated verification calls
- Seller Alteration of Contact Lens Prescriptions



Prescription Release Issues Still Exist

Despite the FCLCA being 15 years old, release issues are still prevalent

- Multiple consumer surveys conducted by several organizations over many years show compliance is inadequate
- Less than half of consumers are automatically provided with a copy of their prescription
- Consumer surveys show approximately 30% of consumers never receive their prescription





Signed Acknowledgement Informs Consumers of Their Rights

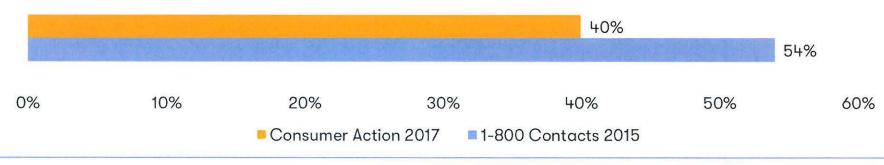
Informing patients of their rights is an important objective of the CLR

- Notice language is an efficient, low cost method to educate consumers
- Prescriber concerns can be addressed with minor modifications:

"My eye care professional provided me with a copy of my contact lens prescription at the completion of my contact lens fitting. I understand that I am free to purchase contact lenses from <u>my prescriber or</u> from the seller of my choice"

 Encourages prescribers to release when it matters: before selling and dispensing lenses

% OF CONSUMERS AWARE OF RIGHTS





Prescriber Concerns About Perception Are Self Created

Prescriber concerns that this notice would suggest they had been misleading patients or violating the law are unfounded

 This perception would only occur only if the prescriber routinely refused to release in the past



 The Commission should not reject a cost-effective mechanism to educate consumers in order to protect prescribers from the consequences of their own poor behavior



Signed Acknowledgement Benefits Outweigh Costs

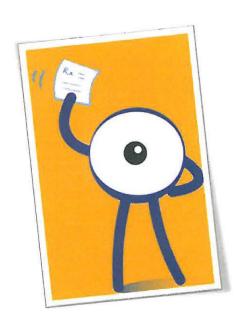
With signed acknowledgement verification requests are likely to fall sufficiently to completely offset the modest costs of the amendment

- Using the Commission's cost estimate and more conservative assumptions,
 Dr. Baker continued to conclude that verifications are likely to fall sufficiently to offset the modest cost of the amendment
- The benefits to consumers from increased prescription release bolster the cost/benefit case in favor of the amendment
 - Facilitates comparison shopping and competition
 - Enables third-party sellers to provide faster delivery
 - This reduces the risk of overwear by consumers on their last pair





We Support the Proposal to Improve Verification Calls



1-800's Phone Verification System Meets FTC's Proposed Standards	Proposed by FTC
1. Every call is initiated by a live person	
2. Gives clear notice of company and intent of call	✓
3. Allows eye care provider to repeat verification information	1
4. Provides a clear contact person and contact number	✓
5. Provides all information in a slow and deliberate manner	1
6. Provides information at an understandable volume	✓

Consumer selects prescribed brand Verification request is made, typically via phone

ECP has 8 business hours to respond

We agree that these requirements, along with targeted enforcement, will help deter bad actors from misusing phone verification systems



The Proposed Amendment Regarding Seller Alteration of Prescriptions Is Unclear

We agree that sellers should not intentionally use passive verification to sell lenses that have not been prescribed for the consumer

- For the verification framework to work as intended sellers must be able to presume that a consumer has a valid prescription for the lenses they order
- We agree sellers should have a mechanism for consumers and prescribers to provide prescriptions, but don't think this resolves the current issues
- Cleaning up issues with verification call quality will enable prescribers to help address the emergence of single brand business models

The current language referring to an "order form" doesn't consider modern ways for consumers to initiate an order

- Modern retailers offer many ways for consumers to select their prescribed product including drop-down menus, search boxes, box scans, filters, etc.
- Prescriptively regulating how sellers can accept orders will likely prove difficult and may constrain innovation



In Summary, the FCLCA Works When All Players Comply With Obligations in Good Faith

Prescribers automatically release prescriptions

Consumers are enabled to shop around

If verification is needed, sellers verify:

- With high-quality verification requests
- For the lenses selected by the consumer

Prescribers pay attention to verification requests and respond when appropriate



Thank you

