

FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580



Office of Policy Planning
Bureau of Economics
Bureau of Competition

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The Honorable Harry R. Purkey
Commonwealth of Virginia House of Delegates
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is likely to benefit consumers by relaxing some of the restrictions that currently exist.

practitioners ("ECPs") do not. By contrast, enactment of HB 160 or SB 272 is likely to cause Virginia consumers to pay higher prices for prescription drugs.

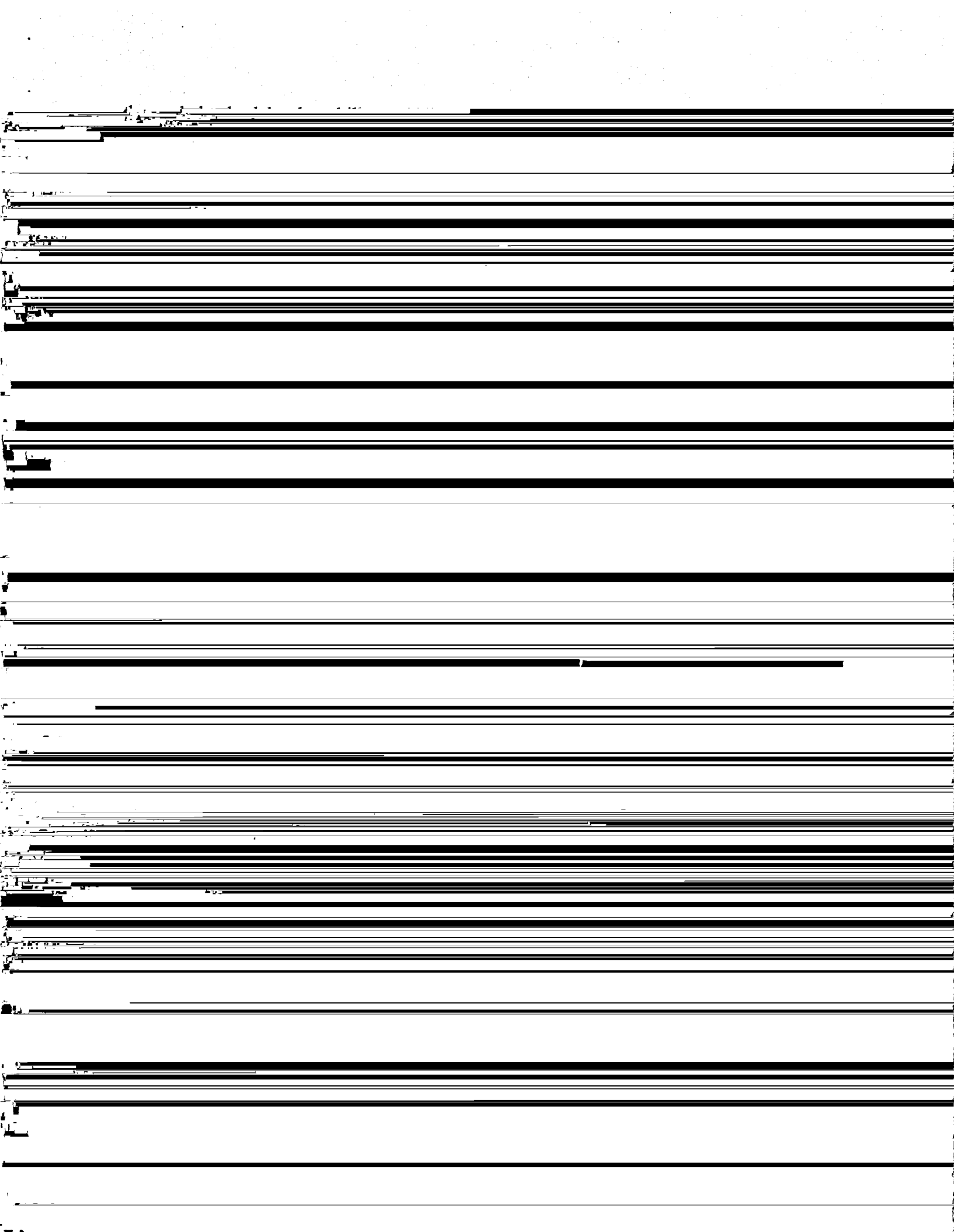
Current Virginia law governing the practice of optometry prohibits an optometrist from

in person or through any commercial or mercantile establishment, that he is a licensed practitioner and is practicing or will practice optometry as a lessee of or in the commercial or mercantile establishment.

commercial operation. It is unlikely that this business model represents the most efficient integration of optometric practice and commercial sales of ophthalmic goods or would exist

commercial optometry tend to make commercial optometric practice more difficult and therefore to drive up prices.²⁴

By strengthening the restrictions in current Virginia law, both SB 272 and HB 160 are likely to further impede the ability of commercial optometric practices to compete against independent optometric practices. In particular, the restrictions in these bills may have their largest impact on national wholesale club chains that provide ophthalmic goods and services



restrictions on commercial optometric practice, and our findings indicate that consumers

restrictions tend to increase costs while producing no offsetting consumer benefit, thus resulting in a net loss for consumers.

Two major studies by FTC staff examined many of the same issues presented in SB 272, HB 160, and HB 2518. These studies, plus several others conducted by independent researchers

restrictions affirmatively harm a group of citizens because the restrictions lead to higher

many price-sensitive consumers deferred seeking eye care.³²

On the basis of these studies and other evidence assembled in the Eyeglasses II rulemaking proceeding,³³ the FTC concluded that unnecessary restrictions on commercial practices by eye care providers result in significant consumer injury, in the form of monetary losses and less frequent vision care, without providing consumer benefit.³⁴ The Commission found that "the record is quite clear on this central issue: There is no difference in the average quality of care available to consumers in restrictive and nonrestrictive markets."³⁵ The Commission also found that of the more than \$8 billion consumers spent on eye exams and eyewear in 1992, a substantial portion was attributable to the

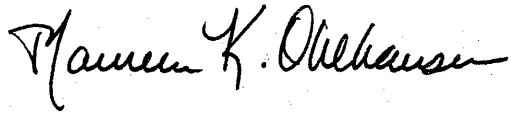
between the eye examination area and the area where ophthalmic goods are sold is needed to

prevent consumer harm, it is unclear why this prohibition would apply only to commercial entities, but not to independent optometric practices that sell ophthalmic goods.

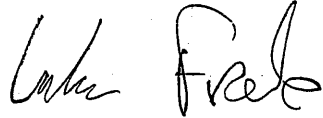
Conclusion

Current Virginia law places significant restrictions on the commercial practice of

Respectfully submitted,



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