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Their vision for the future really came into focus

Warren company has cornered market on office optical sales

By **Brett Johnson** March 16, 2015 at 10:45 AM

Twenty-five years ago, not long before Vision Associates was founded, Medicare was reimbursing ophthalmologists at about $2,500 per eye for cataract removal surgery.

They're now paid $675 for the same operation — and that's in 2015 dollars, meaning they're breaking even, at best.

"Their costs are going up and their reimbursements are going way down; they need every penny," said Joe Casorio, co-principal of Warren-based Vision Associates. "So now they're turning to (sales from) the optical dispensary as the profit center."

From left, Kurt Behrle and Joe Casorio saw the need for Vision Associates back in 1995. - (PHOTO BY AARON HOUSTON)

Casorio and Kurt Behrle came up with the answer more than two decades ago: They created a business that handles all aspects of managing an ophthalmology practice's optical dispensary — where patients can purchase eyeglasses and other products.

Talk about having a vision for the future.

The company acts as an outsourcing firm for its 80-some national clients. It staffs the client's glasses shop, brings in manufactured eyewear, organizes third-party billing and does in-house marketing.

When Vision Associates started, Casorio said, "There was gift shop mentality behind optical dispensaries — it was just something ophthalmologists offered on the side for convenience."

Illustrating the attitude change are the 40 clients the company added in the past three years. And it increased its substantial $20 million-plus revenue more than 20 percent last year alone.

Not bad for what was originally intended to be a side business for the two former retail store owners.

"We actually started it with the goal of working four days a week," Behrle said. "So much for that. Now we live on airplanes."

Casorio and Behrle travel so much in part because they employ many more workers outside New Jersey than in the state. That also means they're heavily reliant on regional managers.

Accommodating the growth of the company requires having the technology and support staff in place at their headquarters to support satellite offices.

"We've invested heavily in our infrastructure," Casorio said. "I think we could've retired if we hadn't. We've reinvested so much money in our facility, our computer systems and our staffing, so we're well-positioned for the expansion of our services."

After being on the verge of bursting at the seams for years, the company recently added 3,000 square feet to its space in Warren.

From Behrle's view, it's infrastructure that separates Vision Associates from three or four competitors that also do optical dispensary management.

Given that there's only a handful of competitors, it's clearly a niche business.

But with the pressure on surgeons' offices to derive profit from optical sales, that might change. Behrle spoke to the dilemma these doctors are faced with:

"Optical will end up representing 10 percent of their business, with surgery and everything else being the other 90. But how much time will they be able to invest in that part of the business?

"They hire an optician, tell him or her to buy inventory, set up the pricing and (handle) everything else having to do with the patient. … And that person might possess optical skills, but not business skills."

Some of these dispensaries are seven-figure operations, so business expertise is important.

And the dispensaries can become success stories in themselves. Casorio pointed to a big client the company has in the Midwest, which has seen 40 percent growth in the five years since Vision Associates entered its facilities.

But many more still try and fail to do it on their own, he added.

"You walk in and see the potential of these practices," Casorio said. "And we're able to fix broken facilities and make them profitable. That's really the joy of it — having the right prescription."

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The biz in brief

Company: Vision Associates
Headquarters: Warren
Founders: Kurt Behrle and Joe Casorio
Founded: 1995
Employees: About 15 in Warren headquarters, close to 250 nationally
Revenue: Between $25 million and $50 million
One more thing: Vision Associates' supplier of lenses is right next door, literally. The company set up an optical laboratory facility at its Warren base early in its development. In 2002, the space was sold to Essilor Labs of America, the nation's leading lens manufacturer.

State of the industry

Pennsylvania opticians have been in practice without licensure since the inception of the field.

Meaning the person helping you with your glasses in that state might not have the résumé you may expect.

"That's part of the problem we run into in this field," Joe Casorio said. "New Jersey has a state board and very strong certifications for opticians. Not all states are like that."

As a nationwide firm, Vision Associates has to be cognizant of the varying levels of knowledge the opticians they work with have.

"We have someone who goes out and trains opticians to bring them up to a higher education level," Casorio said. "We also use webinars every single day to accomplish that."