

## Idaho House panel endorses banning contact lens price floors

By KIMBERLEE KRUESI, Associated Press

BOISE, Idaho (AP) — A company that sells contact lenses online has cleared its first hurdle in persuading the Idaho Legislature to ban manufacturers from cutting off retailers that don't sell their product at a set minimum price.

The Idaho House and Welfare Committee unanimously voted Thursday to send the bill to the House floor for a full vote.

Online retailer 1-800 Contacts says consumers are paying more under a new pricing policy by the nation's top contact lens makers.

Johnson & Johnson, the country's largest lens maker, countered that the pricing strategy has reduced contact lens prices and has made it more convenient to purchase their products.

Three of the top four contact lens manufacturers — which make up 90 percent of the market — have implemented some sort of pricing floors, known as "unilateral pricing policies." This means retailers and optometry providers will be cut off unless they sell contact lenses at the price the manufacturer sets.

Rep. Kelley Packer, R-McCammon, who introduced the legislation, said that unlike electronics or cellphones, people often don't have a choice of what brand to use when prescribed contacts. Instead, consumers can only use the prescription given by their doctor.

"If this (bill) is allowed, we're going to let the market decide the price," Packer said. "We're going to allow the consumer to choose, especially for a product where they have no choice if they need it or not."

Jay Magure, a 1-800 Contacts vice president, argued that he's seen some products double in price since the new policies were adopted.

For others, the effects have not been so extreme. According to an archived version of the 1-800-Contact website, a box of six Johnson & Johnson Acuvue Advance lenses sold for \$29.99 almost a year ago. Today, that same box is selling for \$32.99. However, the 24-box pack of that same product has remained at the same price of \$99.99.

"Not everyone is paying a lower price, but a considerable amount of people are paying less," said Eric Helms, a manager with Johnson & Johnson. "You're unlikely to find this happen in other industries. However, you're not going to find other examples of this pricing policy were applied in any other industry."

In the end, however, committee members remained unconvinced that the manufacturers' approach would help reduce overall costs.

"I think having this (pricing strategy) is not helpful to our consumers in Idaho," said Rep. Christy Perry, R-Nampa. "And if manufacturers stop selling in Idaho because of this legislation, I think we'll have grounds for an anti-trust case."

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