

State Corporation Commission

2015 Fiscal Impact Statement

1. Bill Number: HB1444

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Ware

3. Committee: Commerce and Labor

4. Title: Vision care plans; reimbursement for services.

5. Summary: Vision care plans; reimbursement for services. Prohibits a participating provider agreement between a vision care plan carrier and an optometrist or ophthalmologist from establishing the fee or rate that the optometrist or ophthalmologist is required to accept for the provision of health care materials or services, or from requiring that an optometrist or ophthalmologist accept the reimbursement paid by the vision care plan carrier as payment in full, unless the services or materials are covered services or covered materials under the applicable vision care plan. Reimbursements by a vision care plan carrier are required to be reasonable, and vision care plans shall not require an optometrist or ophthalmologist to use a particular optical laboratory, manufacturer, or third-party supplier as a condition of participation in a vision care plan. Changes to a proposed participating provider agreement shall be submitted in writing to the optometrist or ophthalmologist at least 30 days prior to their effective date. Any person who violates this provision shall be civilly liable for liquidated damages of \$10,000 and reasonable attorney fees, plus provable damages caused as a result of such violation, and is subject to such other remedies, legal or equitable, including injunctive relief, as may be available to the party damaged by such violation. The State Corporation Commission does not have jurisdiction to adjudicate individual controversies arising out of this measure.

6. Budget amendment necessary: No

7. Fiscal Impact Estimates: No fiscal impact on the State Corporation Commission

8. Fiscal implications: None on the State Corporation Commission

9. Specific agency or political subdivisions affected: State Corporation Commission Bureau of Insurance

10. Technical amendment necessary: The State Corporation Commission Bureau of Insurance (the Bureau) offered the patron of House Bill 1444 the following technical suggestions:

- In subsections B, C and F, beginning at line 47 of the introduced bill, the Bureau suggested deleting the term “participating provider agreement” and replacing it with the term “provider contract” for consistency with terminology used elsewhere in Title 38.2, as follows:

*B. No ~~participating provider agreement~~ **provider contract** shall establish the fee or rate that the optometrist or ophthalmologist is required to accept for the provision of health care materials or services, or require that an optometrist or ophthalmologist accept the reimbursement paid as payment in full, unless the health care materials and services are covered materials or covered services under the applicable vision care plan.*

C. Reimbursement paid by the vision care plan carrier for covered services and covered materials shall be reasonable and shall not provide nominal reimbursement in order to claim that services and materials are covered services or covered materials under the applicable vision care plan.

D. No vision care plan shall require an optometrist or ophthalmologist to use a particular optical laboratory, manufacturer, or third-party supplier as a condition of participation in a vision care plan.

*E. Any changes to a ~~participating provider agreement~~ **provider contract** proposed by the vision care plan carrier shall be submitted in writing to the optometrist or ophthalmologist at least 30 days prior to the effective date of such proposed changes.*

*F. This section shall apply with respect to any ~~participating provider agreement~~ **provider contract** that is entered into, amended, extended, or renewed on or after July 1, 2015.*

- On Lines 52-54, the terms “reasonable” and “nominal” are used in subsection C in reference to reimbursement amounts and in the determination of covered services and materials, respectively. The Bureau suggested that these terms be defined or that “reasonable” and “nominal” amounts be identified in the statute. Without such clarification, these terms would be ambiguous and subject to varying interpretations.

11. Other comments: House Bill 1444 has been assigned to House Commerce and Labor Subcommittee #2.

Date: 01/20/15/V. Tompkins

cc: Secretary of Commerce and Trade
Secretary of Health and Human Resources