

1 SB270
2 166809-3
3 By Senator Blackwell
4 RFD: Banking and Insurance
5 First Read: 18-MAR-15

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4 ENGROSSED

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7 A BILL
8 TO BE ENTITLED
9 AN ACT

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11 Relating to vision care providers; to prohibit
12 insurers of vision care services from limiting a vision care
13 provider's ability to set fees for services and materials, to
14 participate in specific vision care plans, and to choose
15 sources of suppliers in certain circumstances; to prohibit
16 vision care providers from charging more to an insurer than
17 the customary rates of those vision care providers; to require
18 reasonable reimbursements for vision care services and
19 materials to vision care providers; to exempt certain health
20 care service plans; and to authorize the Department of
21 Insurance to adopt rules to implement this act.

22 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

23 Section 1. (a) As used in this section, the
24 following words shall have the following meanings:

25 (1) CONTRACTUAL DISCOUNT. A percentage reduction
26 from a provider's usual and customary rate for covered

1 services and materials required under a participating provider
2 agreement.

3 (2) COVERED MATERIALS. Materials for which
4 reimbursement from the insurer or vision care plan is provided
5 to a vision care provider by an enrollee's plan contract, or
6 for which a reimbursement would be available but for the
7 application of the enrollee's contractual limitations of
8 deductibles, copayments, or coinsurance.

9 (3) COVERED SERVICES. Services for which
10 reimbursement from the insurer or vision care plan is provided
11 to a vision care provider by an enrollee's plan contract, or
12 for which a reimbursement would be available but for the
13 application of the enrollee's contractual plan limitations of
14 deductibles, copayments, or coinsurance.

15 (4) INSURER. A health plan as defined in subdivision
16 (3) of Section 27-56-2, Code of Alabama 1975. The term shall
17 not include corporations organized pursuant to Article 6 of
18 Chapter 20 of Title 10A, Code of Alabama 1975, commencing at
19 Section 10A-20-6.01, or to policies, plans, or contracts
20 entered into, issued by, or administered by such corporations.

21 (5) MATERIALS. Ophthalmic devices, including, but
22 not limited to, lenses, devices containing lenses, artificial
23 intraocular lenses, ophthalmic frames and other lens mounting
24 apparatus, prisms, lens treatments and coatings, contact
25 lenses, and prosthetic devices to correct, relieve, or treat
26 defects or abnormal conditions of the human eye or its adnexa.

1 (6) SERVICES. The professional work performed by a
2 vision care provider.

3 (7) VISION CARE PLAN. An entity that creates,
4 promotes, sells, provides, advertises, or administers an
5 integrated or standalone vision benefit plan, or a vision care
6 insurance policy or contract that provides vision benefits to
7 an enrollee pertaining to the provision of covered services or
8 covered materials. The term shall not include corporations
9 organized pursuant to Article 6 of Chapter 20 of Title 10A,
10 Code of Alabama 1975, commencing at Section 10A-20-6.01, or to
11 policies, plans, or contracts entered into, issued by, or
12 administered by such corporations.

13 (8) VISION CARE PROVIDER. A licensed optometrist or
14 a licensed ophthalmologist.

15 (b) A contract between an insurer or a vision care
16 plan and a vision care provider may not:

17 (1) Require that a vision care provider provide
18 services or materials at a fee limited or set by the insurer
19 or vision care plan, unless the services or materials are
20 reimbursed covered services or reimbursed covered materials
21 under the contract.

22 (2) Require that a vision care provider participate
23 with or be credentialed by any specific vision care plan as a
24 condition to join an insurer's provider panel.

25 (3) Restrict or limit, either directly or
26 indirectly, the vision care provider's choice of sources and

1 suppliers of services or materials or use of optical labs in
2 his or her practice.

3 (c) A vision care provider may not charge more to an
4 enrollee of a vision care plan or insurer for services or
5 materials that are not covered services or not covered
6 materials than the vision care provider's usual and customary
7 rate for those services and materials.

8 (d) Reimbursements paid by an insurer or vision care
9 plan for covered services and covered materials shall be
10 reasonable and may not provide nominal reimbursement in order
11 to claim that services and materials are covered services and
12 covered materials.

13 (e) No provision of this section shall prohibit the
14 use of a discount card by an enrollee if:

15 (1) Enrollment by the vision care provider is
16 completely voluntary and not conditioned upon the vision care
17 provider's participating in any other discount card with
18 different provider terms and conditions or a different
19 insurance program; and

20 (2) The discount card program does not make or
21 include any coverage or payment to the vision care provider.

22 (f) The Commissioner of Insurance may adopt rules
23 pursuant to the Administrative Procedure Act to implement the
24 provisions of this section.

25 (g) The provisions of this section apply to insurer
26 or vision care plan contracts, addendums, and certificates
27 executed, delivered, issued for delivery, continued or renewed

1 in this state. A vision care plan contract under this section
2 may not be longer than two years from the date that it is
3 executed. Vision care plans are prohibited from making changes
4 to the provider manual without notification to an individual
5 vision care provider.

6 Section 2. This act shall become effective
7 immediately following its passage and approval by the
8 Governor, or its otherwise becoming law.

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Senate

Read for the first time and referred to the Senate
committee on Banking and Insurance..... 18-MAR-15

Read for the second time and placed on the calen-
dar with 1 substitute and..... 09-APR-15

Read for the third time and passed as amended 07-MAY-15

Yeas 25
Nays 0

Patrick Harris
Secretary