

1 SB270
2 165847-1
3 By Senator Blackwell
4 RFD: Banking and Insurance
5 First Read: 18-MAR-15

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8 SYNOPSIS: This bill would prohibit insurers of vision
9 care services from limiting a vision care
10 provider's ability to set fees for services and
11 materials, to participate in specific vision care
12 plans, and to choose sources of suppliers in
13 certain circumstances.

14 This bill would prohibit vision care
15 providers from charging more to an insurer than the
16 customary rates of those vision care providers.

17 This bill would require reasonable
18 reimbursements for vision care services and
19 materials to vision care providers.

20 This bill would exempt certain health care
21 service plans.

22 This bill would also authorize the
23 Department of Insurance to adopt rules to implement
24 this act.

25
26 A BILL
27 TO BE ENTITLED

1 AN ACT

2
3 Relating to vision care providers; to prohibit
4 insurers of vision care services from limiting a vision care
5 provider's ability to set fees for services and materials, to
6 participate in specific vision care plans, and to choose
7 sources of suppliers in certain circumstances; to prohibit
8 vision care providers from charging more to an insurer than
9 the customary rates of those vision care providers; to require
10 reasonable reimbursements for vision care services and
11 materials to vision care providers; to exempt certain health
12 care service plans; and to authorize the Department of
13 Insurance to adopt rules to implement this act.

14 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

17 (1) CONTRACTUAL DISCOUNT. A percentage reduction
18 from a provider's usual and customary rate for covered
19 services and materials required under a participating provider
20 agreement.

21 (2) COVERED MATERIALS. Materials for which
22 reimbursement from the insurer or vision care plan is provided
23 to a vision care provider by an enrollee's plan contract, for
24 which a reimbursement would be available but for the
25 application of the enrollee's contractual limitations of
26 deductibles, copayments, or coinsurance.

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

7 (4) INSURER. A health plan as defined in subdivision
8 (3) of Section 27-56-2, Code of Alabama 1975. Notwithstanding
9 the foregoing, the term shall not include an entity organized
10 pursuant to Article 6 of Chapter 20 of Title 10A, Code of
11 Alabama 1975.

12 (5) MATERIALS. Ophthalmic devices, including, but
13 not limited to, lenses, devices containing lenses, artificial
14 intraocular lenses, ophthalmic frames and other lens mounting
15 apparatus, prisms, lens treatments and coating contact lenses,
16 and prosthetic devices to correct, relieve, or treat defects
17 or abnormal conditions of the human eye or its adnexa.

18 (6) SERVICES. The professional work performed by a
19 vision care provider.

20 (7) VISION CARE PLAN. An entity that creates,
21 promotes, sells, provides, advertises, or administers an
22 integrated or standalone vision benefit plan, or a vision care
23 insurance policy or contract that provides vision benefits to
24 an enrollee pertaining to the provision of covered services or
25 covered materials.

26 (8) VISION CARE PROVIDER. A licensed optometrist or
27 a licensed ophthalmologist.

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

3 (1) Require that a vision care provider provide
4 services or materials at a fee limited or set by the insurer
5 or vision care plan, unless the services or materials are
6 reimbursed covered services or reimbursed covered materials
7 under the contract.

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

11 (3) Restrict or limit, either directly or
12 indirectly, the vision care provider's choice of sources and
13 suppliers of services or materials or use of optical labs in
14 his or her practice.

15 (c) A vision care provider may not charge more to an
16 enrollee of a vision care plan or insurer for services or
17 materials that are not covered services or not covered
18 materials than the vision care provider's usual and customary
19 rate for those services and materials.

20 (d) Reimbursements paid by an insurer or vision care
21 plan for covered services and covered materials shall be
22 reasonable and may not provide nominal reimbursement in order
23 to claim that services and materials are covered services and
24 covered materials.

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

1 (1) Enrollment by the vision care provider is
2 completely voluntary and not conditioned upon the vision care
3 provider's participating in any other discount card with
4 different provider terms and conditions or a different
5 insurance program; and

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

8 (f) The Commissioner of Insurance may adopt rules
9 pursuant to the Administrative Procedure Act to implement the
10 provisions of this section.

11 (g) The provisions of this section apply to insurer
12 or vision care plan contracts, addendums, and certificates
13 executed, delivered, issued for delivery, continued or renewed
14 in this state. A vision care plan contract under this section
15 may not be longer than two years from the date that it is
16 executed. Vision care plans are prohibited from making changes
17 to the provider manual without notification to an individual
18 vision care provider.

19 Section 2. This act shall apply to contracts entered
20 into on or after the effective date of this act.

21 Section 3. This act shall become effective
22 immediately following its passage and approval by the
23 Governor, or its otherwise becoming law.