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*Agency of Human Services*

## MEMORANDUM

**To:** Senator Tim Ashe, Chair, Senate Committee on Finance

**From:** Steven M. Costantino, Commissioner, Department of Vermont Health Access

**Cc:** Hal Cohen, Secretary, Agency of Human Services

**Date:** January 22, 2016

**Re:** Department of Vermont Health Access Comments on S.215, An Act Relating to the Regulation of Vision Insurance Plans

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This memorandum is in response to the request for comments from the Department of Vermont Health Access on S.215, An act relating to the regulation of vision insurance plans. Thank you for the opportunity to comment on the bill as introduced.

### Comments from the Department of Vermont Health Access

#### **S.215 An act relating to the regulation of vision insurance plans**

- The Medicaid Act regulates vision plans and providers and allows the states discretion in some areas. This law, if enacted as it stands, would negatively alter many discretionary provisions of vision care for Medicaid members (see specifics below).
- Medicaid provides vision care services for adults (with limitations), and children. Coverage of eyewear is limited to beneficiaries under the age of 21.
- Medicaid should not be included in the definition of an insurance plan. Medicaid provides services as authorized by federal and state law.
- If Medicaid is included in this bill, there will be a fiscal impact and required changes to the Medicaid Management Information Systems (MMIS).
- If Medicaid is included in this bill, compliance must be contingent on approval by CMS.

Areas of current Medicaid alignment include:

- Medicaid members can chose to receive vision care from any provider that is enrolled in VT Medicaid.
- Ophthalmologist, optometrists and opticians are providers of vision services.
- Medicaid reimburses provider types at the same rate for the same services provided within their scope of practice.
- There is no difference in co-payments or co-insurance for vision providers.

If industry standards set through this bill, and apply to Medicaid, Medicaid coverage that is not aligned with this bill would be subject to change. These may include:

- Current limitations on vision care coverage for adults.
  - Potential increase in reimbursement rates for vision care and materials.
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- Loss of cost savings resulting from utilization of one source of eyewear through a competitive bidding process.
- Lengthening the time requirements, and changing the process for informing providers of changes to the plan.
- Requirement to provide each enrollee with annual documentation of premiums paid and all payments rendered on behalf of the enrollee. This type of documentation and sending of information to enrollees would be a new and additional cost to Medicaid.
- The proposed legislation mandates a fixed dollar amount that enrollees may use towards materials. This is not currently possible and not authorized under federal regulations.