

CONFIDENTIAL
LEGISLATIVE BILL REVIEW FORM: 2016

Bill Number: S.215 Name of Bill: An act relating to the regulation of vision insurance plans

Agency/ Dept: DVHA Author of Bill Review: Lindsay Parker

Date of Bill Review: 4/28/16 Related Bills and Key Players Senator Mullin is bill sponsor

Status of Bill: (check one): ☐ Upon Introduction ☐ As passed by 1st body ☒ As passed by both
(passed House, back to Senate as of 4/27/16)

Recommended Position:

☐ Support ☐ Oppose ☒ Remain Neutral ☐ Support with modifications identified in #8 below

Analysis of Bill

1. Summary of bill and issue it addresses. *Describe what the bill is intended to accomplish and why.*

S.215 was passed by Senate on 3/17/16, and passed by House on 4/27/16; in Senate with amendment.

This bill proposes to amend Sec 1 8 V.S.A. 4088j to allow consumers choice of providers for vision care and medical eye care services.

This bill amends current statute and proposes that:

- Section (e)(1) - An agreement between a health insurer and vision provider (defined as optometrist or ophthalmologist) under a stand-alone vision care plan or other health insurance plan shall not require that providers offer services or materials at a fee limited or set by the plan or insurer, unless the services or materials are reimbursed as covered services under the contract.
- Section (e)(2) - Providers shall not charge more for services and materials that are non-covered services under a vision care plan than his or her usual and customary rate for those services and materials.
- Section (e)(3) - Reimbursement paid by a vision care plan for covered services and materials shall be reasonable, and insurers shall not provide nominal reimbursement in order to claim that services and materials are covered services.
- Section (e)(4) - A vision care plan shall not limit, directly or indirectly, a provider's choice of or relationship with sources and suppliers of services or materials or use of optical laboratories. The plan shall not impose any penalty or fee on an optometrist or ophthalmologist for using any supplier, optical laboratory, product, service, or material. ***This provision shall not apply to Medicaid.***
- Section (f) - A person who violates the provisions of subsection (c), (d), or (e) of Sec 1 8 V.S.A. 4088j commits an unfair and deceptive act in trade and commerce in violation of 9 V.S.A. § 2453. The Attorney General shall have the same authority to make rules, conduct civil investigations, enter into

assurances of discontinuance, and bring civil actions as provided under 9 V.S.A. chapter 63, subchapter 1.

Per S.215, “vision care plan” means an integrated or stand-alone plan, policy, or contract providing vision benefits to enrollees with respect to covered services or covered materials, or both.

This bill does not include policies or plans providing coverage for a specified disease or other limited benefit coverage.

Act would take effect on July 1, 2016.

1. Is there a need for this bill? *Please explain why or why not.*

As written, the bill does propose any changes to VT Medicaid’s coverage and reimbursement of vision care services and supplies.

Background:

Currently, Vermont Medicaid provides vision care services for adults (with limitations), and children. Coverage of eyewear is limited to beneficiaries under the age of 21.

Eye and vision care services must be provided by a licensed physician or optometrist. An optician, optometrist, or ophthalmologist can provide eyeglass-dispensing services. Medicaid members can choose to receive vision care from any provider of their choice that is enrolled in VT Medicaid. Per Medicaid Rule 7316, 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.

Eyeglasses (frames and lenses), repairs and replacements are covered under the terms of DVHA's sole-source contract. The sole-source vendor provides all eye glasses. Eye glasses do not require prior authorization (PA); a PA is required if there is a request for more eye glasses or a special item. Local providers who send in the prescription for eye glasses receive the glasses from the sole-source vendor and the local vendor (dispenser) fits and dispenses the glasses to Medicaid beneficiaries without a PA.

2. What are likely to be the fiscal and programmatic implications of this bill for this Department?

None.

3. What might be the fiscal and programmatic implications of this bill for other departments in state government, and what is likely to be their perspective on it?

The Attorney General is charged with enforcement of the provisions in this bill.

4. What might be the fiscal and programmatic implications of this bill for others, and what is likely to be their perspective on it? (for example, public, municipalities, organizations, business, regulated entities, etc)

None anticipated.

5. Other Stakeholders:

Please return this bill review as a Microsoft Word document to Jahala.Dudley@vermont.gov & Jessica.Mishaan@vermont.gov

6.1 Who else is likely to support the proposal and why?

Consumers may support this bill as it provides increased access, choice and information for vision services and supplies.

Vision and eyewear providers may support this bill by ensuring equitable coverage and fair treatment from the insurer.

6.2 Who else is likely to oppose the proposal and why?

Commercial insurers may oppose this bill if they use sole-source contracts with suppliers of eyewear and other materials.

6. Rationale for recommendation: *Justify recommendation stated above.*

DVHA is neutral on the bill as there are no impacts to VT Medicaid operations or budget.

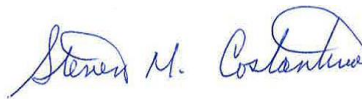
7. Specific modifications that would be needed to recommend support of this bill: *Not meant to rewrite bill, but rather, an opportunity to identify simple modifications that would change recommended position.*

None.

8. Will this bill create a new board or commission AND/OR add or remove appointees to an existing one? If so, which one and how many?

No.

Secretary/Commissioner has reviewed this document: __



Date: 5/3/16__