

1 HB540  
2 167902-1  
3 By Representative Fridy  
4 RFD: Insurance  
5 First Read: 23-APR-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, or  
24 for 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. The term shall  
9 not include corporations organized pursuant to Article 6 of  
10 Chapter 20 of Title 10A, Code of Alabama 1975, commencing at  
11 Section 10A-20-6.01, or to policies, plans, or contracts  
12 entered into, issued by, or administered by such corporations.

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

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

21 (7) VISION CARE PLAN. An entity that creates,  
22 promotes, sells, provides, advertises, or administers an  
23 integrated or standalone vision benefit plan, or a vision care  
24 insurance policy or contract that provides vision benefits to  
25 an enrollee pertaining to the provision of covered services or  
26 covered materials. The term shall not include corporations  
27 organized pursuant to Article 6 of Chapter 20 of Title 10A,

1 Code of Alabama 1975, commencing at Section 10A-20-6.01, or to  
2 policies, plans, or contracts entered into, issued by, or  
3 administered by such corporations.

4 (8) VISION CARE PROVIDER. A licensed optometrist or  
5 a licensed ophthalmologist.

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

8 (1) Require that a vision care provider provide  
9 services or materials at a fee limited or set by the insurer  
10 or vision care plan, unless the services or materials are  
11 reimbursed covered services or reimbursed covered materials  
12 under the contract.

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

16 (3) Restrict or limit, either directly or  
17 indirectly, the vision care provider's choice of sources and  
18 suppliers of services or materials or use of optical labs in  
19 his or her practice.

20 (c) A vision care provider may not charge more to an  
21 enrollee of a vision care plan or insurer for services or  
22 materials that are not covered services or not covered  
23 materials than the vision care provider's usual and customary  
24 rate for those services and materials.

25 (d) Reimbursements paid by an insurer or vision care  
26 plan for covered services and covered materials shall be  
27 reasonable and may not provide nominal reimbursement in order

1 to claim that services and materials are covered services and  
2 covered materials.

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

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

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

12 (f) The Commissioner of Insurance may adopt rules  
13 pursuant to the Administrative Procedure Act to implement the  
14 provisions of this section.

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

23 Section 2. This act shall become effective  
24 immediately following its passage and approval by the  
25 Governor, or its otherwise becoming law.