

# ARIZONA STATE SENATE

Fifty-Fifth Legislature, First Regular Session

#### FACT SHEET FOR H.B. 2047

insurance; optometrists; contracts; covered services

## **Purpose**

Prohibits a contract between an optometrist and an optometric service corporation, health care services organization, disability insurer, group disability insurer or blanket disability insurer (insurer), entered into or renewed beginning January 1, 2022, from requiring the optometrist to provide uncovered services at a fee set by the insurer.

## **Background**

The Arizona State Board of Optometry examines, licenses and regulates the profession of optometry in Arizona. An *optometrist* is a person who has graduated from an accredited college of optometry (A.R.S. § 32-1701).

A contract between a dentist and certain insurers may not require the dentist to provide a covered individual with uncovered services based on a fee set by the insurer. A *covered service* is a service for which any reimbursement is available under the subscription contract, evidence of coverage or insurance policy without regard to contractual limitations by a deductible, copayment, coinsurance, waiting period, annual or lifetime maximum, frequency limitation, alternative benefit payment, exclusion or other limitation. The contract requirement applies to contracts between dentists and the following health care insurers: 1) dental service corporations; 2) health care services organizations; 3) disability insurers; 4) group disability insurers; and 5) blanket disability insurers (A.R.S. §§ 20-847; 20-1057.12; 20-1342.06; 20-1402.04; and 20-1404.04).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

#### **Provisions**

- 1. Prohibits a contract between an insurer and an optometrist entered into or renewed beginning January 1, 2022, from:
  - a) requiring the optometrist to provide an uncovered service to a covered individual at a fee set by the insurer;
  - b) prohibiting the optometrist from offering or providing an uncovered vision service to a covered individual at a fee determined by the optometrist or by the optometrist and the individual; and
  - c) requiring the optometrist to use specific vendors to replenish the optometrist's spectacle lenses inventory after the optometrist dispenses the inventory to eligible vision plan members as a covered vision service.
- 2. Specifies that the contract requirements do not restrict the ability of an insurer to enter into a contract for an optometrist to participate in an insurer-sponsored discount program for uncovered services, if:
  - a) participation in the insurer network is not contingent on participation in the sponsored discount program; and

- b) the insurer offers equal treatment to an optometrist who does not participate in the sponsored discount program regarding promotions, marketing benefits, materials and covered service contract terms.
- 3. Allows an insurer, when providing a list of optometrists in the insurer network, to identify whether an optometrist participates in a discount program for uncovered services if the list states that other discounts may be available with individual optometrists.
- 4. Requires all contracts, by the sooner of December 31, 2022, or the first renewal period beginning January 1, 2022, to comply with the contract requirements.
- 5. Defines *covered service* as a service for which any reimbursement is available under a subscription contract, an evidence of coverage or an insurance policy without regard to contractual limitations by a deductible, copayment, coinsurance, waiting period, annual or lifetime maximum, frequency limitation, alternative benefit payment, exclusion or other limitation.
- 6. Becomes effective on the general effective date.

### **House Action**

HHS 1/25/21 DP 9-0-0-0 3<sup>rd</sup> Read 2/4/21 58-0-1-0-1

Prepared by Senate Research March 1, 2021 CRS/LB/kja