

BILL ANALYSIS

S.B. 632
By: Carona
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties observe that many vision insurance carriers have implemented contract provisions that limit the amount contracting optometrists and therapeutic optometrists can charge an insured patient for services and products not covered by the plan and that require those professionals to give discounts on services and products not covered by the plan. There is concern that such contract provisions could result in insurance companies, and not the treating optometrist or therapeutic optometrist, determining the fees for virtually all optometry services and products provided to insured patients, regardless of whether the products and services are covered.

Recent legislation prohibited insurers from limiting the fees that a dentist may charge for dental services that are not covered services. S.B. 632 seeks to apply similar prohibitions to products and services provided by optometrists and therapeutic optometrists.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

S.B. 632 amends the Insurance Code to prohibit a contract between an insurer and an optometrist or therapeutic optometrist from limiting the fee the optometrist or therapeutic optometrist is authorized to charge for a product or service that is not a covered product or service, which is defined in the bill to mean a vision care product or service for which reimbursement is available under an enrollee's managed care plan contract or for which reimbursement is available subject to a contractual limitation. The bill prohibits a contract between an insurer and an optometrist or therapeutic optometrist from requiring a discount on a product or service that is not a covered product or service. The bill's provisions apply only to a contract entered into or renewed on or after January 1, 2014.

EFFECTIVE DATE

September 1, 2013.