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FISCAL NOTE

Drafting Number: LLS 18-0448 Date: February 6, 2018
Prime Sponsors: Rep. Becker J.; Lontine Sen. Lundberg; Aguilar Bill Status: House Health, Insurance, and Environment
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Bill Topic: VISION CARE PLANS CARRIERS EYE CARE PROVIDERS

Summary of Fiscal Impact: State Revenue, State Expenditure (minimal), State Transfer, TABOR Refund, Local Government, Statutory Public Entity

This bill places certain restrictions on contract provisions that a vision plan provider may place on vision care providers. It will increase state agency workload by a minimal amount on an ongoing basis.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Summary of Legislation

This bill places certain restrictions on contracts between health insurance carriers or other entities that offer vision care plans (insurers) and eye care providers. Specifically, this bill prohibits an insurer from requiring an eye care provider to:

- provide services or materials to a covered person at a fee set by, or subject to the approval of, the insurer unless the services or materials are covered by the vision care plan and the insurer provides payment for the covered service or material in an amount that is reasonable and not nominal or de minimis;
charge a covered person an amount for a noncovered service or material that is less than the usual and customary amount that the eye care provider charges for persons who do not have a vision care plan; or
participate in another vision plan offered by the insurer as a condition of participating in a vision care plan.

In addition, the bill specifies that an insurer cannot change the terms of a contract with an eye care provider without communication with and the agreement of the eyecare provider. Further, an insurer is prohibited from restricting or limiting the eye care providers choice of sources and suppliers of services and materials, or the use of optical labs provided by the eye care provider to a covered person. If the Commissioner of Insurance determines that an insurer has violated the provisions of the bill, the Commissioner may institute a corrective action plan for the insurer and/or use any other enforcement power to ensure compliance by the insurer.

State Expenditures

The bill increases workload in the Division of Insurance in the Department of Regulatory Agencies (DORA) by a minimal amount. The Division of Insurance may be required to conduct rulemaking and perform outreach to insurers to communicate the changes under the bill. In addition, the division may receive complaints concerning violations of the prohibitions in the bill, which will require staff to investigate the violations and potentially take disciplinary actions. The State Board of Optometry and the State Medical Board in the Division of Professions and Occupations in DORA will also have a workload increase to communicate the changes to optometrists and ophthalmologists and to conduct outreach with these regulated professionals. Overall, this increase in workload will be minimal and no changes in appropriations to DORA are required.

Effective Date

The bill takes effect August 8, 2018, if the General Assembly adjourns on May 9, 2018, as scheduled, and no referendum petition is filed. It applies to vision care plans issued or renewed on or after this date.

State and Local Government Contacts

Health Care Policy and Financing
Judicial
Personnel

Information Technology
Law
Regulatory Agencies