



# Ohio Legislative Service Commission

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## Bill Analysis

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### **H.B. 275**

131st General Assembly  
(As Introduced)

**Reps.** Schuring, Ruhl, K. Smith, Blessing, Hood, Vitale

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### **BILL SUMMARY**

- Prohibits a health insurer from limiting or influencing an insured's choice of suppliers of vision care materials.
  - Prohibits an agreement between a vision care provider and a health insurer from limiting or influencing an insured's or vision care provider's choice of sources and suppliers of vision care materials.
  - Prohibits specified terms from being included in health care contracts between a vision care provider and a contracting entity (any person that has the primary business purpose of contracting with participating providers for the delivery of health care services).
  - Prohibits a vision care provider from charging more for services and vision care materials that are not covered services than the vision care provider's usual and customary rate for those services and materials.
  - Specifies that none of its provisions prohibit an enrollee from using a discount card from a discount medical plan if certain conditions are met.
  - Makes a violation of the above prohibitions an unfair and deceptive act in the business of insurance.
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### **CONTENT AND OPERATION**

#### **Choice of vision care providers and suppliers of vision care materials**

The bill regulates the provision of vision care materials in health insurance contracts and in provider agreements between insurers and vision care providers

(licensed optometrists and certified ophthalmologists). "Vision care materials" include lenses, devices containing lenses, prisms, lens treatments and coatings, contact lenses, orthotics, vision training, and any prosthetic device necessary to correct, relieve, or treat any defect or abnormal condition of the human eye or its adnexa.<sup>1</sup>

The bill prohibits any health care policy, contract, agreement, or plan of a (1) health insuring corporation, (2) sickness and accident insurer, (3) multiple employer welfare arrangement, or (4) public employee benefit plan (collectively, health insurer) from limiting or influencing an insured's choice of suppliers of vision care materials through coverage practices or otherwise.

The bill also prohibits an agreement between a vision care provider and a health insurer from limiting or influencing an insured's or vision care provider's choice of sources and suppliers of vision care materials through reimbursement policies or otherwise.<sup>2</sup>

### **Unfair and deceptive act in the practice of insurance**

The bill makes it an unfair or deceptive practice in the business of insurance to violate the above prohibitions.<sup>3</sup> Under continuing law, a person who is found to have committed an unfair and deceptive practice in the business of insurance is subject to any or all of the following sanctions:

- Suspension or revocation of the person's license to engage in the business of insurance;
- Prohibition on an insurance company or insurance agency employing the person or permitting the person to serve the company or agency in any capacity for a period of time;
- Return of any payments received by the person as a result of the violation;
- Fees for attorneys and other costs of any investigation into the violations committed by the person.<sup>4</sup>

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<sup>1</sup> R.C. 3963.01 and a conforming change in R.C. 3963.03.

<sup>2</sup> R.C. 1739.05, 1751.72, and 3923.84.

<sup>3</sup> R.C. 1751.72 and 3923.84.

<sup>4</sup> R.C. 3901.22, not in the bill.



## Health Contract Law prohibitions

### Provider contract terms

The bill also prohibits specified terms from being included in health care contracts between a vision care provider and a contracting entity (any person that has the primary business purpose of contracting with participating providers for the delivery of health care services).

The bill prohibits a contracting entity from requiring in a health care contract that covers vision care either of the following:

- That a vision care provider provide vision services or vision care materials at a fee set by the contracting entity unless the services in question are "covered vision services" (those services or materials for which reimbursement is available under an enrollee's health care contract or would be available but for the application of contractual limitations such as deductibles, copayments, waiting periods, annual or lifetime maximums, or any other limitation).
- That a participating vision care provider participate in a health care contract or discount medical plan as a condition to participating in any other health care contract or "discount medical plan." A discount medical plan is a business arrangement or contract in which a person, in exchange for fees, dues, charges, or other consideration, offers access to members to providers of medical services and the right to receive discounted medical services from those providers.<sup>5</sup>

### Provider charges for noncovered services

The bill also prohibits a vision care provider from charging more for vision services and vision care materials that are not covered services than the vision care provider's usual and customary rate for those services and materials.<sup>6</sup>

### Enrollee use of a discount medical card

The bill specifies that the above provisions do not prohibit an enrollee from using a discount card from a discount medical plan if all of the following conditions are met:

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<sup>5</sup> R.C. 3963.02(E)(1) and 3963.01(C), (D), and (F) and R.C. 3961.01, not in the bill.

<sup>6</sup> R.C. 3963.02(E)(2) and conforming changes in R.C. 1753.07 and 1753.09.



- The vision care provider participates in the discount medical plan voluntarily.
- The vision care provider is not required to participate in another discount medical plan with different provider terms and conditions or another health care contract as a condition to participate in the discount medical plan.
- The discount medical plan program does not make or include any payment to the vision care provider.<sup>7</sup>

## Enforcement

These "**Health Care Contract Law prohibitions**" would become part of Ohio's Health Care Contract Law.<sup>8</sup> Continuing law authorizes the Superintendent of Insurance to conduct a market investigation of any person regulated by the Department of Insurance under Ohio's Insurance Law<sup>9</sup> or Ohio's Corporation and Partnership Law<sup>10</sup> to determine whether any violation of the Health Care Contract Law has occurred. When conducting such an examination, the Superintendent can assess the costs of the examination against the person examined. The Superintendent may enter into a consent agreement to impose any administrative assessment or fine for conduct discovered that may be a violation of the Health Care Contract Law. In addition, a series of violations of the Health Care Contract Law by any person regulated by the Department of Insurance that, taken together, constitute a pattern or practice of violating that Law may constitute an unfair and deceptive insurance practice.<sup>11</sup>

The bill also specifies that a violation of these prohibitions is an unfair or deceptive practice in the business of insurance (see "**Unfair and deceptive act in the practice of insurance**" above).<sup>12</sup>

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<sup>7</sup> R.C. 3963.02(E)(3).

<sup>8</sup> R.C. Chapter 3963.

<sup>9</sup> R.C. Title XXXIX.

<sup>10</sup> R.C. Title XVII.

<sup>11</sup> R.C. 3963.09, not in the bill.

<sup>12</sup> R.C. 3901.21(BB).



## General Assembly's intent and findings

The bill provides that its provisions seek to prevent health insuring corporations, vision insurers, vision benefit plans, and other contracting entities from establishing fee limitations on services and vision care materials that are not covered vision services for enrollees under an insurance plan.

Additionally, the bill provides that strategies by health insuring corporations, vision insurers, vision benefit plans, and other contracting entities to adopt or impose a deductible, copayment, coinsurance, or any other reimbursement for services or vision care materials as a method to avoid the impact of the bill is contrary to the spirit and intent of the General Assembly.<sup>13</sup>

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## HISTORY

ACTION	DATE
Introduced	06-24-15

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<sup>13</sup> Section 3 of the bill.

