

SENATE BILL 904

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3lr1853
CF HB 1160

By: **Senator Klausmeier**

Introduced and read first time: February 11, 2013

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance – Vision Services – Provider Contracts and Delivery**
3 **Systems**

4 FOR the purpose of prohibiting a carrier from including in a vision provider contract a
5 provision that requires a vision provider to provide certain services at a fee set
6 by the carrier; requiring a carrier to offer a certain vision point-of-service
7 delivery system option to certain persons under certain circumstances;
8 prohibiting a carrier from imposing a minimum participation level on a vision
9 point-of-service option under certain circumstances; authorizing an employer,
10 association, or other private group arrangement to require an employee or other
11 individual to pay a certain premium under certain circumstances; authorizing a
12 carrier to impose different cost-sharing provisions for a vision point-of-service
13 option based on whether the vision service is provided through the carrier's
14 provider panel or outside the carrier's provider panel; defining certain terms;
15 providing for the application of this Act; and generally relating to vision services
16 and health insurance carriers.

17 BY repealing and reenacting, without amendments,
18 Article – Insurance
19 Section 15–112.2(a)
20 Annotated Code of Maryland
21 (2011 Replacement Volume and 2012 Supplement)

22 BY adding to
23 Article – Insurance
24 Section 15–112.2(h) and 15–114.1
25 Annotated Code of Maryland
26 (2011 Replacement Volume and 2012 Supplement)

27 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
28 MARYLAND, That the Laws of Maryland read as follows:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **Article – Insurance**

2 15–112.2.

3 (a) (1) In this section the following words have the meanings indicated.

4 (2) “Capitated dental provider panel” means a provider panel for one
5 or more dental plan organizations offering contracts only for dental services
6 reimbursed on a capitated basis for certain services.

7 (3) “Carrier” means:

8 (i) an insurer;

9 (ii) a nonprofit health service plan;

10 (iii) a health maintenance organization; or

11 (iv) a dental plan organization.

12 (4) “Enrollee” means a person entitled to health care benefits from a
13 carrier.14 (5) “Fee-for-service dental provider panel” means a provider panel for
15 one or more dental plan organizations, insurers, or nonprofit health service plans
16 offering contracts only for dental services reimbursed on a full or discounted
17 fee-for-service basis.18 (6) “HMO provider panel” means a provider panel for one or more
19 health maintenance organizations.20 (7) “Managed care organization” has the meaning stated in § 15–101
21 of the Health – General Article.22 (8) “Non-HMO provider panel” means a provider panel for one or
23 more nonprofit health service plans or insurers.24 (9) “Provider” has the meaning stated in § 19–701 of the Health –
25 General Article.

26 (10) “Provider contract” means a contract:

27 (i) between a provider and a carrier, an affiliate of a carrier, or
28 an entity that contracts with a provider to serve a carrier; and

1 (ii) under which the provider agrees to provide health care
2 services to enrollees.

3 (11) "Provider panel" means the providers that contract either directly
4 or through a subcontracting entity with a carrier to provide health care services to
5 enrollees.

6 (H) (1) IN THIS SUBSECTION, "COVERED SERVICES" MEANS HEALTH
7 CARE SERVICES THAT ARE REIMBURSABLE UNDER A POLICY OR CONTRACT FOR
8 VISION SERVICES BETWEEN AN ENROLLEE AND A CARRIER, SUBJECT TO ANY
9 CONTRACTUAL LIMITATIONS ON BENEFITS, INCLUDING DEDUCTIBLES,
10 COPAYMENTS, OR FREQUENCY LIMITATIONS.

11 (2) A CARRIER MAY NOT INCLUDE IN A VISION PROVIDER
12 CONTRACT A PROVISION THAT REQUIRES A VISION PROVIDER TO PROVIDE
13 HEALTH CARE SERVICES THAT ARE NOT COVERED SERVICES AT A FEE SET BY
14 THE CARRIER.

15 15-114.1.

16 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE
17 MEANINGS INDICATED.

18 (2) "CARRIER" MEANS:

19 (I) AN INSURER;

20 (II) A NONPROFIT HEALTH SERVICE PLAN;

21 (III) A HEALTH MAINTENANCE ORGANIZATION;

22 (IV) A VISION PLAN ORGANIZATION; OR

23 (V) ANY OTHER PERSON THAT PROVIDES VISION BENEFIT
24 PLANS SUBJECT TO REGULATION BY THE STATE.

25 (3) "VISION POINT-OF-SERVICE OPTION" MEANS A DELIVERY
26 SYSTEM THAT ALLOWS AN INSURED, ENROLLEE, OR OTHER COVERED PERSON
27 UNDER A VISION BENEFIT PLAN TO RECEIVE VISION SERVICES OUTSIDE A
28 PROVIDER PANEL.

29 (4) "PROVIDER PANEL" MEANS THE PROVIDERS THAT CONTRACT
30 WITH A CARRIER TO PROVIDE VISION SERVICES TO THE CARRIER'S INSURED,

1 ENROLLEES, OR OTHER COVERED PERSONS UNDER THE CARRIER'S VISION
2 BENEFIT PLAN.

3 (B) (1) IF AN EMPLOYER, ASSOCIATION, OR OTHER PRIVATE GROUP
4 ARRANGEMENT OFFERS VISION PLAN COVERAGE TO EMPLOYEES OR OTHER
5 INDIVIDUALS ONLY THROUGH A CARRIER'S PROVIDER PANEL, THE CARRIER OF
6 THE EMPLOYER, ASSOCIATION, OR OTHER PRIVATE GROUP ARRANGEMENT
7 SHALL OFFER, OR CONTRACT WITH ANOTHER CARRIER TO OFFER, A VISION
8 POINT-OF-SERVICE OPTION TO THE EMPLOYER, ASSOCIATION, OR OTHER
9 PRIVATE GROUP ARRANGEMENT AS AN ADDITIONAL BENEFIT FOR AN
10 EMPLOYEE OR OTHER INDIVIDUAL, TO ACCEPT OR REJECT AT THE EMPLOYEE'S
11 OR OTHER INDIVIDUAL'S OPTION.

12 (2) IF A CARRIER'S VISION PROVIDER PANEL IS THE SOLE
13 DELIVERY SYSTEM OFFERED TO EMPLOYEES BY AN EMPLOYER, THE CARRIER:

14 (I) SHALL OFFER THE EMPLOYER A VISION
15 POINT-OF-SERVICE OPTION FOR THE INDIVIDUAL EMPLOYEE TO ACCEPT OR
16 REJECT; AND

17 (II) MAY NOT IMPOSE A MINIMUM PARTICIPATION LEVEL ON
18 THE VISION POINT-OF-SERVICE OPTION.

19 (C) (1) AN EMPLOYER, ASSOCIATION, OR OTHER PRIVATE GROUP
20 ARRANGEMENT MAY REQUIRE AN EMPLOYEE OR OTHER INDIVIDUAL WHO
21 ACCEPTS THE ADDITIONAL COVERAGE UNDER A VISION POINT-OF-SERVICE
22 OPTION UNDER SUBSECTION (B) OF THIS SECTION TO PAY A PREMIUM OVER THE
23 AMOUNT OF THE PREMIUM FOR THE VISION BENEFIT COVERAGE OFFERED BY
24 THE CARRIER ONLY THROUGH ITS PROVIDER PANEL.

25 (2) A CARRIER MAY IMPOSE DIFFERENT COST-SHARING
26 PROVISIONS FOR THE VISION POINT-OF-SERVICE OPTION BASED ON WHETHER
27 THE VISION SERVICE IS PROVIDED THROUGH THE CARRIER'S PROVIDER PANEL
28 OR OUTSIDE THE CARRIER'S PROVIDER PANEL.

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all
30 vision provider contracts issued, delivered, or renewed in the State on or after October
31 1, 2013.

32 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
33 October 1, 2013.