

# SENATE BILL 904

C3

3lr1853  
CF HB 1160

---

By: **Senator Klausmeier**

Introduced and read first time: February 11, 2013

Assigned to: Rules

Re-referred to: Finance, February 21, 2013

---

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 20, 2013

---

## CHAPTER \_\_\_\_\_

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 or provide discounts on materials that are not covered benefits;  
7 ~~requiring a carrier to offer a certain vision point of service delivery system~~  
8 ~~option to certain persons under certain circumstances; prohibiting a carrier~~  
9 ~~from imposing a minimum participation level on a vision point of service~~  
10 ~~option under certain circumstances; authorizing an employer, association, or~~  
11 ~~other private group arrangement to require an employee or other individual to~~  
12 ~~pay a certain premium under certain circumstances; authorizing a carrier to~~  
13 ~~impose different cost sharing provisions for a vision point of service option~~  
14 ~~based on whether the vision service is provided through the carrier's provider~~  
15 ~~panel or outside the carrier's provider panel; prohibiting a carrier from~~  
16 including in a vision provider contract a provision that requires a vision  
17 provider, as a condition of participating in a fee-for-service vision provider  
18 panel, to participate in a capitated vision provider panel, with a certain  
19 exception; defining ~~certain terms~~ a certain term; providing for the application of  
20 this Act; providing for a delayed effective date; and generally relating to vision  
21 services and health insurance carriers.

22 BY repealing and reenacting, without amendments,  
23 Article – Insurance

---

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Section 15–112.2(a)  
 2 Annotated Code of Maryland  
 3 (2011 Replacement Volume and 2012 Supplement)

4 BY adding to  
 5 Article – Insurance  
 6 Section 15–112.2(h) ~~and 15–114.1~~  
 7 Annotated Code of Maryland  
 8 (2011 Replacement Volume and 2012 Supplement)

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

11 **Article – Insurance**

12 15–112.2.

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

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

17 (3) “Carrier” means:

18 (i) an insurer;

19 (ii) a nonprofit health service plan;

20 (iii) a health maintenance organization; or

21 (iv) a dental plan organization.

22 (4) “Enrollee” means a person entitled to health care benefits from a  
 23 carrier.

24 (5) “Fee–for–service dental provider panel” means a provider panel for  
 25 one or more dental plan organizations, insurers, or nonprofit health service plans  
 26 offering contracts only for dental services reimbursed on a full or discounted  
 27 fee–for–service basis.

28 (6) “HMO provider panel” means a provider panel for one or more  
 29 health maintenance organizations.

30 (7) “Managed care organization” has the meaning stated in § 15–101  
 31 of the Health – General Article.

1 (8) “Non–HMO provider panel” means a provider panel for one or  
2 more nonprofit health service plans or insurers.

3 (9) “Provider” has the meaning stated in § 19–701 of the Health –  
4 General Article.

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

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

8 (ii) under which the provider agrees to provide health care  
9 services to enrollees.

10 (11) “Provider panel” means the providers that contract either directly  
11 or through a subcontracting entity with a carrier to provide health care services to  
12 enrollees.

13 **(H) (1) IN THIS SUBSECTION, “COVERED SERVICES” MEANS HEALTH  
14 CARE SERVICES THAT ARE REIMBURSABLE UNDER A POLICY OR CONTRACT FOR  
15 VISION SERVICES BETWEEN AN ENROLLEE AND A CARRIER, SUBJECT TO ANY  
16 CONTRACTUAL LIMITATIONS ON BENEFITS, INCLUDING DEDUCTIBLES,  
17 COPAYMENTS, OR FREQUENCY LIMITATIONS.**

18 **(2) A CARRIER MAY NOT INCLUDE IN A VISION PROVIDER  
19 CONTRACT A PROVISION THAT REQUIRES A VISION PROVIDER;**

20 **(I) TO PROVIDE HEALTH CARE SERVICES THAT ARE NOT  
21 COVERED SERVICES AT A FEE SET BY THE CARRIER; OR**

22 **(II) TO PROVIDE DISCOUNTS ON MATERIALS THAT ARE NOT  
23 COVERED BENEFITS.**

24 **(3) (I) A CARRIER MAY NOT INCLUDE IN A VISION PROVIDER  
25 CONTRACT A PROVISION THAT REQUIRES A VISION PROVIDER, AS A CONDITION  
26 OF PARTICIPATION IN A FEE-FOR-SERVICE VISION PROVIDER PANEL, TO  
27 PARTICIPATE IN A CAPITATED VISION PROVIDER PANEL.**

28 **(II) NOTWITHSTANDING SUBPARAGRAPH (I) OF THIS  
29 PARAGRAPH, A VISION PROVIDER CONTRACT MAY CONTAIN A PROVISION THAT  
30 REQUIRES A VISION PROVIDER, AS A CONDITION OF PARTICIPATING IN A  
31 NON-HMO VISION PROVIDER PANEL OR AN HMO VISION PROVIDER PANEL TO  
32 PARTICIPATE IN A MANAGED CARE ORGANIZATION.**

33 ~~15-114.1.~~

1           ~~(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE~~  
2 ~~MEANINGS INDICATED.~~

3           ~~(2) "CARRIER" MEANS:~~

4                   ~~(I) AN INSURER;~~

5                   ~~(II) A NONPROFIT HEALTH SERVICE PLAN;~~

6                   ~~(III) A HEALTH MAINTENANCE ORGANIZATION;~~

7                   ~~(IV) A VISION PLAN ORGANIZATION; OR~~

8                   ~~(V) ANY OTHER PERSON THAT PROVIDES VISION BENEFIT~~  
9 ~~PLANS SUBJECT TO REGULATION BY THE STATE.~~

10           ~~(3) "VISION POINT OF SERVICE OPTION" MEANS A DELIVERY~~  
11 ~~SYSTEM THAT ALLOWS AN INSURED, ENROLLEE, OR OTHER COVERED PERSON~~  
12 ~~UNDER A VISION BENEFIT PLAN TO RECEIVE VISION SERVICES OUTSIDE A~~  
13 ~~PROVIDER PANEL.~~

14           ~~(4) "PROVIDER PANEL" MEANS THE PROVIDERS THAT CONTRACT~~  
15 ~~WITH A CARRIER TO PROVIDE VISION SERVICES TO THE CARRIER'S INSURED,~~  
16 ~~ENROLLEES, OR OTHER COVERED PERSONS UNDER THE CARRIER'S VISION~~  
17 ~~BENEFIT PLAN.~~

18           ~~(B) (1) IF AN EMPLOYER, ASSOCIATION, OR OTHER PRIVATE GROUP~~  
19 ~~ARRANGEMENT OFFERS VISION PLAN COVERAGE TO EMPLOYEES OR OTHER~~  
20 ~~INDIVIDUALS ONLY THROUGH A CARRIER'S PROVIDER PANEL, THE CARRIER OF~~  
21 ~~THE EMPLOYER, ASSOCIATION, OR OTHER PRIVATE GROUP ARRANGEMENT~~  
22 ~~SHALL OFFER, OR CONTRACT WITH ANOTHER CARRIER TO OFFER, A VISION~~  
23 ~~POINT OF SERVICE OPTION TO THE EMPLOYER, ASSOCIATION, OR OTHER~~  
24 ~~PRIVATE GROUP ARRANGEMENT AS AN ADDITIONAL BENEFIT FOR AN~~  
25 ~~EMPLOYEE OR OTHER INDIVIDUAL, TO ACCEPT OR REJECT AT THE EMPLOYEE'S~~  
26 ~~OR OTHER INDIVIDUAL'S OPTION.~~

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

29                   ~~(I) SHALL OFFER THE EMPLOYER A VISION~~  
30 ~~POINT OF SERVICE OPTION FOR THE INDIVIDUAL EMPLOYEE TO ACCEPT OR~~  
31 ~~REJECT; AND~~

1 ~~(H) MAY NOT IMPOSE A MINIMUM PARTICIPATION LEVEL ON~~  
2 ~~THE VISION POINT OF SERVICE OPTION.~~

3 ~~(C) (1) AN EMPLOYER, ASSOCIATION, OR OTHER PRIVATE GROUP~~  
4 ~~ARRANGEMENT MAY REQUIRE AN EMPLOYEE OR OTHER INDIVIDUAL WHO~~  
5 ~~ACCEPTS THE ADDITIONAL COVERAGE UNDER A VISION POINT OF SERVICE~~  
6 ~~OPTION UNDER SUBSECTION (B) OF THIS SECTION TO PAY A PREMIUM OVER THE~~  
7 ~~AMOUNT OF THE PREMIUM FOR THE VISION BENEFIT COVERAGE OFFERED BY~~  
8 ~~THE CARRIER ONLY THROUGH ITS PROVIDER PANEL.~~

9 ~~(2) A CARRIER MAY IMPOSE DIFFERENT COST SHARING~~  
10 ~~PROVISIONS FOR THE VISION POINT OF SERVICE OPTION BASED ON WHETHER~~  
11 ~~THE VISION SERVICE IS PROVIDED THROUGH THE CARRIER'S PROVIDER PANEL~~  
12 ~~OR OUTSIDE THE CARRIER'S PROVIDER PANEL.~~

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all  
14 vision provider contracts issued, delivered, or renewed in the State on or after ~~October~~  
15 ~~1, 2013~~ April 1, 2014.

16 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
17 ~~October 1, 2013~~ April 1, 2014.

Approved:

\_\_\_\_\_  
Governor.

\_\_\_\_\_  
President of the Senate.

\_\_\_\_\_  
Speaker of the House of Delegates.