

Department of Legislative Services
Maryland General Assembly
2013 Session

FISCAL AND POLICY NOTE
Revised

House Bill 1160

(Delegate Kach)

Health and Government Operations

Finance

Health Insurance - Vision Services - Provider Contracts

This bill prohibits an insurer, nonprofit health service plan, or health maintenance organization (HMO) (collectively known as carriers) from including in a vision provider contract a provision that requires a vision provider to (1) provide health care services that are not “covered services” at a fee set by the carrier; (2) provide discounts on materials that are not covered benefits; or (3) participate in a capitated vision provider panel as a condition of participation in a fee-for-service vision provider panel. A vision provider contract may include a provision that requires a vision provider, as a condition of participation in a non-HMO vision provider panel or an HMO vision provider panel, to participate in a managed care organization.

The bill takes effect April 1, 2014, and applies to all vision provider contracts issued, delivered, or renewed in the State on or after that date.

Fiscal Summary

State Effect: Potential minimal increase in special fund revenues for the Maryland Insurance Administration (MIA) in FY 2014 from the \$125 rate and form filing fee. Review and approval of form filings can be handled with existing budgeted resources. No effect on the State Employee and Retiree Health and Welfare Benefits Program.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: “Covered services” means health care services that are reimbursable under a policy or contract for vision services between an enrollee and a carrier, subject to any contractual limitations on benefits, including deductibles, copayments, or frequency limitations.

Current Law: Generally, in Maryland vision plans are regulated as health benefit plans.

Chapter 85 of 2011 (SB 705) prohibits carriers from including in a dental provider contract a provision that requires a dental provider to provide health care services that are not covered services at a fee set by the carrier.

Additional Information

Prior Introductions: None.

Cross File: SB 904 (Senator Klausmeier) - Finance.

Information Source(s): Department of Budget and Management, Department of Health and Mental Hygiene, Maryland Insurance Administration, Department of Legislative Services

Fiscal Note History: First Reader - March 11, 2013
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Analysis by: Jennifer B. Chasse

Direct Inquiries to:
(410) 946-5510
(301) 970-5510