

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 795
Finance

(Senator Lam)

Health Insurance - Vision Benefits - Regulation of Insurers and Vision Benefit Managers

This bill establishes regulatory requirements for vision benefit managers (VBM). An insurer and a VBM must disclose certain information and maintain certain means of communication for participating eye care providers. The bill establishes requirements and prohibitions for contracts between insurers or VBMs and providers, procedures for inclusion and credentialing of providers, and requirements for amending provider agreements and reimbursement. The bill establishes numerous prohibitions for an insurer and VBM. Any contractual language in violation of the bill must be void and unenforceable. A provider adversely affected by a violation of the bill may bring an action for injunctive relief. The Insurance Commissioner must adopt regulations to (1) provide a mechanism for aggrieved individuals to submit complaints for review, investigation, and discipline and (2) ensure that insurers and VBMs comply with the bill. **The bill takes effect January 1, 2027, and applies to all policies, contracts, and health benefit plans issued, delivered, or renewed on or after that date.**

Fiscal Summary

State Effect: Minimal increase in special fund revenues for the Maryland Insurance Administration (MIA) in FY 2027 from the \$125 rate and form filing fee; any additional workload can be handled with existing budgeted resources. No direct impact on the State Employee and Retiree Health and Welfare Benefits Program. The bill is not anticipated to materially impact the workload of the Judiciary.

Local Effect: The bill is not anticipated to materially impact local government finances or operations.

Small Business Effect: Meaningful.

Analysis

Bill Summary:

Disclosure of Information

An insurer or VBM that issues, sells, or delivers in the State a vision benefit plan or vision benefit discount plan or provides coverage for vision-related services under a health benefit plan must provide a disclosure. The disclosure must contain specified information, be written in plain language, be prominently displayed on a publicly accessible section of the insurer's or VBM's website and be contained in a separate document provided to current or prospective enrollees, purchasers, or participating eye care providers, and State agencies with regulatory authority over the insurer or VBM.

Contact Information and Communications

Each insurer or VBM must maintain specified means of communication for participating eye care providers. These means of communication must be prominently displayed on the insurer or VBM's website and in any provider agreement or related document along with instructions for the submission of questions, disputes, and communications. An insurer or VBM must have the ability to have a live telephone discussion, acknowledge receipt of an email, and respond to substantive questions within specified timeframes.

On request of a State agency with regulatory authority over the insurer or VBM, the insurer or VBM must submit all requested information relating to the health benefit plan, vision benefit plan, or vision benefit discount plan.

Provider Agreements and Contracts

An agreement or contract between an insurer or VBM and a participating eye care provider must, among other things (1) include certain fee schedules; (2) provide a specified amount of time for submission of a clean claim; and (3) include a copy of the most recent plan provider manual and any policies. The bill specifies requirements for and restrictions on carriers and VBMs regarding reimbursement of participating eye care providers.

The bill establishes requirements for an agreement between an insurer or VBM and a participating eye care provider, including credentialing and plan participation, reimbursement parity, terms and conditions of participation, carrier and VBM procedures regarding changes to a provider agreement, and procedures for terminating a provider.

The Commissioner may impose penalties against an insurer or VBM for a violation of provisions governing changes to a provider agreement or manual and rules for terminating a provider.

Prohibitions on an Insurer or Vision Benefit Manager

An insurer or VBM may not:

- control/attempt to control the professional judgment, manner of practice, or practice of a participating eye care provider;
- employ a provider to provide a covered service or covered material;
- restrict, limit, or influence a provider's choice of electronic health record, medical record, or practice management software, third-party claim filing or billing service, or electronic data interchange clearinghouse company;
- restrict, limit, or influence a provider's sources or suppliers of services or materials;
- restrict or limit a provider's access to an enrollee's complete plan coverage information;
- apply a chargeback to an enrollee or provider for a covered product or service for which the insurer or VBM does not incur the cost to produce, deliver, or provide;
- solicit patients or referrals for supplies on behalf of the insurer or VBM or its affiliates by identifying participating providers in an inaccurate or misleading manner;
- falsely represent the number of participating providers in a region;
- falsely represent benefits;
- state in any marketing or advertising that a covered service or material is "free," "no charge," or "complimentary" to induce the purchase services;
- offer enrollees incentives to obtain services or materials from a particular provider or establishment owned by or affiliated with the insurer or VBM;
- require a provider to disclose or report an enrollee's confidential or protected health information, medical history, or diagnosis, except as specified;
- use extrapolation to complete an audit of a participating eye care provider; or
- require a provider to opt into or opt out of the provisions of the bill.

Review of Specified Communications by the Maryland Insurance Administration

A communication from an insurer or VBM that distinguishes between providers or claims professional superiority or the performance of a service in a superior manner must be subject to verification by MIA if the communication references specified information. This provision may not be construed to limit or prohibit advertisements that do not otherwise violate specified law.

Injunctive Relief for Providers

An eye care provider adversely affected by a violation of the bill may bring an action for injunctive relief and to recover monetary damages, including direct, indirect, compensatory, and punitive damages plus attorney's fees and costs. Damages awarded may not exceed \$10,000 per violation.

Current Law: Under § 15-112.2 of the Insurance Article, a carrier may not include in a vision provider contract a provision that requires a vision provider to provide health care services that are not covered services at a fee set by the carrier or to provide discounts on materials that are not covered benefits. A carrier may not include in a vision provider contract a provision that requires a vision provider, as a condition of participation in a fee-for-service vision provider panel, to participate in a capitated vision provider panel. A vision provider contract may contain a provision that requires a vision provider, as a condition of participating in a vision provider panel to participate in a managed care organization. (These provisions are repealed under the bill.)

Small Business Effect: Small business eye care providers benefit from additional protections under the bill. To the extent any VBMs are small businesses, they must comply with the bill's requirements at a substantial cost.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 1603 (Delegate S. Johnson) - Rules and Executive Nominations.

Information Source(s): Department of Budget and Management; Maryland Insurance Administration; Department of Legislative Services

Fiscal Note History: First Reader - March 4, 2026
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