

SESSION OF 2014

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 285**

As Amended by Senate Committee on Financial  
Institutions and Insurance

**Brief\***

SB 285 would create the Vision Care Services Act, an act that prohibits certain limitations in contracts between insurers and vision care providers.

More specifically, the bill would apply to contracts between an insurer, health insurer, or another entity writing vision care insurance or a vision care discount plan and a vision care provider. Contracts issued or renewed on or after July 1, 2014, could not contain any provision that would require a vision care provider to:

- Provide services or materials to an insured under vision care insurance or a health benefit plan, or to a subscriber of a vision care discount plan at a fee limited or set by the plan unless the services or materials are reimbursed as covered services under the contract; or
- Participate in a vision care insurance or vision care discount plan as a condition to participate in any other health benefit plan or vision care plan, regardless of whether such plan is a plan of insurance or a vision care discount program which is not an insurance plan.

The bill would further provide that no vision care provider could charge more for services or materials that are not covered services under either vision care insurance or a

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

vision care discount plan than such provider's usual and customary rate for those services and materials. Additionally, vision care insurance policies and discount plan contracts would be prohibited from changing the terms, discounts or rates without the agreement of both parties.

### ***Discount Card***

The bill also clearly states provisions created by the bill would not prohibit the use of a discount card by a patient or client of a vision provider if participation is completely voluntary and not conditioned upon the provider's participation in any other discount card or insurance program and if the discount card program does not make or include coverage or payment to the provider.

### ***Definitions***

Among the definitions that would be established by the Act, the term "discount card" would be assigned its meaning from the Kansas Discount Card Act. The term would mean a card or other purchase mechanism which is not insurance and purports to offer discounts or access to discounts in health-related purchases from health care providers. "Vision care insurance" would mean an integrated health benefit plan or vision care insurance policy or contract which provides vision benefits pertaining to the provision of covered services or materials.

### **Background**

The bill was introduced at the request of the Kansas Optometric Association whose representative indicated the bill seeks to prevent a health insurance's vision plan from controlling prices and requiring discounts on non-covered services and products provided by optometrists and ophthalmologists. The conferee also cited a concern about the effect of some of the vision plans insurance companies'

requirements on the doctor-patient relationship. Two optometrists appeared in support of the bill and additional written testimony from optometrists was provided. Additionally, written testimony in support of the bill was provided by the representatives of the Kansas Medical Society and the Kansas Society of Eye Physicians and Surgeons. The Kansas Optometric Association requested amendments to the bill regarding participation in certain discount card programs and general use of those cards.

Written testimony in opposition to the bill was submitted by a representative of Aetna. The testimony indicated network discounts allow consumers to lower their out-of-pocket costs and to have some predictability of costs. The discounts also give network providers an opportunity to sell their materials, rather than have their patients purchase materials and supplies elsewhere.

The Senate Committee on Financial Institutions and Insurance amendments provide for allowable uses of discount cards by patients and clients of vision card providers. The Committee amendments also insert a definition of "discount card" and make technical changes to the bill.

The fiscal note prepared by the Division of the Budget on the bill, as introduced, indicates the Kansas Department of Health and Environment states the bill would not have a fiscal effect on the State Employee Health Plan. Additionally, the Kansas Insurance Department states the bill would not have a fiscal effect on the Department.