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State of Minnesota

HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 2838

03/06/2014 Authored by Morgan, Schoen and Fritz

The bill was read for the first time and referred to the Committee on Commerce and Consumer Protection Finance and Policy

1.1 A bill for an act
1.2 relating to commerce; prohibiting noncovered discounts for vision care provided
1.3 by health and vision plans; adding optometrists to a definition of health care
1.4 provider; amending Minnesota Statutes 2012, section 62Q.74, subdivision 1;
1.5 proposing coding for new law in Minnesota Statutes, chapter 62Q.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. Minnesota Statutes 2012, section 62Q.74, subdivision 1, is amended to read:

1.8 Subdivision 1. **Definitions.** (a) For purposes of this section, "category of coverage"
1.9 means one of the following types of health-related coverage:

- 1.10 (1) health;
1.11 (2) no-fault automobile medical benefits; or
1.12 (3) workers' compensation medical benefits.

1.13 (b) "Health care provider" or "provider" means a physician, chiropractor,
1.14 optometrist, ophthalmologist, dentist, podiatrist, hospital, ambulatory surgical center,
1.15 freestanding emergency room, or other provider, as defined in section 62J.03.

1.16 Sec. 2. [62Q.741] PROHIBITION OF NONCOVERED DISCOUNTS; VISION
1.17 CARE PROVIDED BY HEALTH AND VISION PLANS.

1.18 Subdivision 1. **Definitions.** For purposes of this section:

1.19 (a) "Contractual discount" means a percentage reduction from a provider's usual
1.20 and customary rate for covered services and materials required under a participating
1.21 provider agreement.

1.22 (b) "Covered services" means services and materials for which reimbursement
1.23 from the vision plan is provided for by an enrollee's plan or contract, or for which a

2.1 reimbursement would be available but for the application of the enrollee's contractual  
2.2 limitations of deductibles, co-payments, and coinsurance.

2.3 (c) "Health care provider" or "provider" has the meaning given in section 62Q.74,  
2.4 subdivision 1, paragraph (b).

2.5 (d) "Materials" includes but is not limited to lenses, devices containing lenses,  
2.6 prisms, lens treatments and coatings, contact lenses, orthoptics, vision training, and  
2.7 prosthetic devices to correct, relieve, or treat defects or abnormal conditions of the human  
2.8 eye or its adnexa.

2.9 **Subd. 2. Noncovered vision care under health or vision plans prohibited.**

2.10 No contract or other agreement between an insurer or another entity that writes vision  
2.11 insurance and an optometrist or ophthalmologist, for the provision of vision services on a  
2.12 preferred or in-network basis to plan members or insurance subscribers in connection with  
2.13 coverage under a stand-alone vision plan, a medical plan, or a health insurance policy,  
2.14 may require that an optometrist or ophthalmologist provide services or materials at a fee  
2.15 limited or set by the plan or insurer unless the services or materials are reimbursed as  
2.16 covered services under the contract or other agreement.

2.17 **Subd. 3. Provider charges, contractual discounts, and nominal reimbursements.**

2.18 (a) A provider shall not charge more for services and materials that are noncovered  
2.19 services and materials under a vision plan than the provider's usual and customary rate  
2.20 for those services and materials.

2.21 (b) The amount of a contractual discount shall not result in a fee less than the health  
2.22 or vision plan would pay for covered services and materials, but for the application of an  
2.23 enrollee's contractual limitations of deductibles, co-payments, and coinsurance.

2.24 (c) Reimbursement paid by the vision plan for covered services and materials shall  
2.25 be reasonable and shall not provide nominal or de minimis reimbursement in order to  
2.26 claim that services and materials are covered services.

2.27 **Sec. 3. EFFECTIVE DATE.**

2.28 Sections 1 and 2 are effective August 1, 2014, and apply to health or vision plans  
2.29 offered, sold, issued, or renewed on or after that date.