Connecticut HB 5250, An Act Concerning Contracts Between Optometrists And Health Insurers

Statement of America's Health Insurance Plans

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Connecticut Insurance and Real Estate Committee Public Hearing
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Chairmen Crisco and Megna and members of the Insurance and Real Estate Committee, America's Health Insurance Plans (AHIP) appreciates this opportunity to present testimony on House Bill 5250, "An Act Concerning Contracts Between Optometrists And Health Insurers." AHIP is the national association representing approximately 1,300 health insurance plans that provide coverage to more than 200 million Americans. Our members offer a broad range of insurance products, including vision services plans that help consumers cover the costs of vision care.

HB 5250 would eliminate the ability of vision services insurers to negotiate arrangements with vision care providers to extend discounts to their patients that are members of the vision plan's network for services and materials not covered by patients' vision benefit plan.

AHIP is concerned that HB 5250 will harm Connecticut consumers by removing a valuable financial benefit to them – an agreed-upon price for non-covered products such as corrective lenses. To keep coverage affordable and attractive to employers as an optional coverage for their employees, vision insurance plans typically provide benefits on a scheduled basis within the network, with an emphasis on coverage for routine examinations, corrective lenses, and protective eyewear. This means that some non-preventive services are only partially covered or not covered at all. For this reason, unlike major medical coverage, when a vision plan enters into a contract with a provider, it is common for the plan to negotiate discounts, not only for covered services, but also for non-covered services. These discounts are made available to consumers as part of their vision plan. Prohibiting such arrangements hurts consumers, who will need to pay the provider's full billed charges, without the benefit of the discount negotiated on their behalf by their vision plan.

These fees are made available to consumers as part of their vision plan and are a long-standing practice, enabling consumers to access high quality vision materials and services at a negotiated rate. Because corrective lenses and their components can often be very expensive with high mark-ups to vendors, prohibiting such arrangements hurts consumers, who will now be required to pay the provider's full billed charges without the benefit of the fee negotiated on their behalf by their vision plan.

When a prohibition on discounted non-covered services is applied to existing contracts with vision providers, it causes disruption and confusion for consumers. For example, consumers who previously took advantage of the discounted rates will now find themselves paying higher charges for the same services.

The availability of discounted non-covered services provides an incentive to consumers to obtain these services from participating providers. If negotiating for these discounts is prohibited, not only will consumers lose a valuable financial benefit offered as part of their vision plan, they may also choose to seek these services from non-participating providers. This, in turn, would cause participating providers to lose potential business, putting upward pressure on fees for services that are covered, or partially covered, under the consumer's vision plan. Providers should not be prohibited from participating in contracts that have agreed-upon discounts for non-covered services if those providers wish to continue in such contracts to benefit their patients and perhaps to attract new patients.

For these reasons, we strongly urge you to vote in opposition to HB 5250.