

HB15-1297

Drafting Number:LLS 15-0369Date:March 30, 2015Prime Sponsor(s):Rep. Ginal; Joshi<br/>Sen. Aguilar; LundbergBill Status:House Health, Insurance, and<br/>EnvironmentFiscal Analyst:Bill Zepernick (303-866-4777)

# BILL TOPIC: OPTOMETRIST HEALTH INSURANCE CONTRACTS

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017	
State Revenue General Fund		Potential increase - fines. See State Revenue section.	
State Expenditures Cash Funds		Minimal workload increase. See State Expenditures section.	
FTE Position Change			
TABOR Set-Aside	Potential	Potential increase.	
Appropriation Required: None.			

\* This summary shows changes from current law under the bill for each fiscal year.

## **Summary of Legislation**

The bill prohibits insurance carriers who offer health plans that cover optometric services from engaging in certain activities, including:

- establishing or limiting the fee an optometrist may charge for eye care services or corrective lenses that are not covered by the health plan;
- requiring that an optometrist participate in any other plan or network as a condition of participating in one of the carrier's health plans or networks;
- requiring an optometrist to participate in credentialing standards that are different from those that apply to other health care professionals;
- requiring the use of specific sources of corrective lenses or optical laboratory services from which an optometrist may recommend when treating covered persons;
- limiting the payment or reimbursement for eye care services or corrective lenses to nominal or de minimi amounts.

The Division of Insurance in the Department of Regulatory Agencies (DORA) may promulgate rules necessary to implement these prohibitions. Violations of these provisions constitutes an unfair method of competition and unfair or deceptive practice in the business of insurance. Under current law, an insurance carrier found to have committed an unfair or deceptive practice by the Commissioner of Insurance may face a range of potential disciplinary actions, including a fine of up to \$30,000 per act and up to \$750,000 in aggregate per year for knowingly committing such violation; suspension or revocation of a company's license; and the mandated payment of contractual claims, if the violation resulted in failure to pay.

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#### State Revenue

The Division of Insurance in DORA may assess and receive fine revenue for violations of the practices prohibited by the bill, which is deposited to the General Fund. However, the fiscal note assumes a high level of compliance by insurance carriers and that any violations that occur will likely be addressed and resolved through cease and desist orders from the Division of Insurance. Therefore, the potential increase in fine revenue is assumed to be minimal.

# **TABOR Impact**

This bill may increase state revenue from fines, which will increase the amount required to be refunded under TABOR. TABOR refunds are paid from the General Fund.

## State Expenditures

The bill increases workload in DORA by a minimal amount. The Division of Insurance may be required to conduct rulemaking concerning the changes in the bill. In addition, the Division of Insurance may receive complaints concerning violations of the prohibitions in the bill, which will require staff to investigate the violations, hold hearings, and take disciplinary actions. The Board of Optometry in the Division of Professions and Occupations in DORA will also have workload to communicate the changes to optometrists and conduct outreach to regulated professionals. Overall, this increase in workload will be minimal and no changes in appropriations to DORA are required.

# **Effective Date**

The bill takes effect July 1, 2015, and applies to health plans issued or renewed after this date.

# **State and Local Government Contacts**

Regulatory Agencies	Personnel and Administration
Judicial Department	Law