BILL ANALYSIS

Senate Research Center
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S.B. 632
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 554, passed by the 82nd Legislature, Regular Session, 2011, defines a covered service as any dental care service for which a person enrolled in a health care plan would normally be reimbursed, but for contractual limitations, such as deductibles, copayments, coinsurance, or annual or lifetime maximums. If a product or service does not meet this definition, it is considered a non-covered service. Historically, when a provider participating in a health care plan treats a patient for a condition or with a procedure that is not covered by the plan, the provider is permitted by law to bill the patient the provider's usual and customary fee. However, some insurers by contract limit the amount a provider, such as a dentist or optometrist, can charge an insured patient for services or products not covered by the plan. S.B. 554 prohibited insurers from capping fees on non-covered dental services. S.B. 554 was based on model legislation adopted by the National Conference of Insurance Legislators.

S.B. 632 implements similar provisions that would prohibit insurers from setting maximum fees on non-covered vision or health care products or services within the scope of practice of an optometrist or therapeutic optometrist.

As proposed, S.B. 632 amends current law relating to contracts between dentists, optometrists, or therapeutic optometrists and health maintenance organizations or insurers.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 843.3115, Insurance Code, as follows:

> Sec. 843. 3115. New heading: CONTRACTS WITH DENTISTS, OPTOMETRISTS, OR THERAPEUTIC OPTOMETRISTS. (a) Defines "covered product or service," rather than "covered service" in this section.
>
> (b) Prohibits a contract between a health maintenance organization and a dentist, optometrist, or therapeutic optometrist from limiting the fee the dentist, optometrist, or therapeutic optometrist may charge for a product or service that is not a covered product or service.
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> (c) Prohibits a contract between a health maintenance organization and a dentist, optometrist, or therapeutic optometrist from requiring a discount on a product or service that is not a covered product or service.

SECTION 2. Amends the heading to Subchapter E, Chapter 1451, Insurance Code, to read as follows:

SUBCHAPTER E. DENTAL AND VISION CARE BENEFITS IN HEALTH INSURANCE POLICIES OR EMPLOYEE BENEFIT PLANS

SECTION 3. Amends Section 1451.201, Insurance Code, by adding Subdivision (4) to define "vision care product or service."

SECTION 4. Amends Section 1451.2065, Insurance Code, as follows:

Sec. 1451.2065. New heading: CONTRACTS WITH DENTISTS, OPTOMETRISTS, OR THERAPEUTIC OPTOMETRISTS. (a) Defines "covered product or service," rather than "covered service" in this section.

(b) Prohibits a contract between an insurer and a dentist, optometrist, or therapeutic optometrist from limiting the fee the dentist, optometrist, or therapeutic optometrist may charge for a product or service that is not a covered product or service.

(c) Prohibits a contract between an insurer and a dentist, optometrist, or therapeutic optometrist from requiring a discount on a product or service that is not a covered product or service.

SECTION 5. Makes the change in law made by this Act applicable only to a contract entered into or renewed on or after January 1, 2014.

SECTION 6. Effective date: September 1, 2013.