
SENATE BILL 5474

State of Washington 64th Legislature 2015 Regular Session

By Senators Rivers, Conway, Angel, and Frockt

Read first time 01/22/15. Referred to Committee on Health Care.

1 AN ACT Relating to enhancing the relationship between a health
2 insurer and a contracting health care provider; adding a new section
3 to chapter 48.20 RCW; adding a new section to chapter 48.21 RCW;
4 adding a new section to chapter 48.39 RCW; adding a new section to
5 chapter 48.44 RCW; and adding a new section to chapter 48.46 RCW.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 NEW SECTION. **Sec. 1.** A new section is added to chapter 48.20
8 RCW to read as follows:

9 (1) The definitions in this subsection apply throughout this
10 section, unless the context clearly requires otherwise.

11 (a) "Covered vision materials or services" means vision materials
12 or vision services that:

13 (i) Are reimbursable under a health benefit plan; or

14 (ii) Would be reimbursable under the health benefit plan but for
15 the application of plan or contract limitations, such as benefit
16 maximums, deductibles, coinsurance, waiting periods, or frequency
17 limitations.

18 (b) "Vision care provider" means:

19 (i) An optometrist licensed under chapter 18.53 RCW; or

1 (ii) A physician licensed under chapter 18.71 RCW or osteopathic
2 physician and surgeon licensed under chapter 18.57 RCW, who has
3 completed a residency in ophthalmology.

4 (c) "Vision materials" means ophthalmic devices, including, but
5 not limited to, devices containing lenses, artificial intraocular
6 lenses, ophthalmic frames and other lens mounting apparatuses,
7 prisms, lens treatments and coating, contact lenses, or prosthetic
8 devices to correct, relieve, or treat defects or abnormal conditions
9 of the human eye or its adnexa.

10 (d) "Vision services" means professional work performed by a
11 vision care provider within the scope of his or her practice.

12 (2) An insurer, or any contract or participating provider
13 agreement between the insurer and a vision care provider, may not:

14 (a) Require a vision care provider to provide vision materials or
15 vision services at a fee limited or set by the insurer, unless the
16 vision materials or vision services are covered vision materials or
17 services;

18 (b) Require a vision care provider to participate with, or be
19 credentialed by, another insurer, health carrier, or health benefit
20 plan as a condition to join one of the insurer's provider panels; or

21 (c) Restrict or limit, directly or indirectly, the vision care
22 provider's choice of sources and suppliers of vision services or
23 vision materials, including, but not limited to, optical labs.

24 (3) Reimbursement amounts paid by an insurer for covered vision
25 materials or services must be at least the usual and customary rate
26 for those materials or services. An insurer may not provide nominal
27 reimbursement for vision materials or vision services in order to
28 claim that the vision materials and vision services are covered
29 vision materials or services.

30 (4) An insurer may not change the terms of any contract or
31 participating provider agreement with a vision care provider,
32 including, but not limited to, discounts or reimbursement rates,
33 unless the vision care provider agrees to the change in writing.

34 (5) The commissioner shall respond to all complaints alleging
35 violations of this section using the same standards, timelines, and
36 procedures, regardless of the identity of the person or entity making
37 the complaint.

38 (6) The legislature finds that the practices covered by this
39 section are matters vitally affecting the public interest for the
40 purpose of applying the consumer protection act, chapter 19.86 RCW. A

1 violation of this chapter is not reasonable in relation to the
2 development and preservation of business and is an unfair or
3 deceptive act in trade or commerce and an unfair method of
4 competition for the purpose of applying the consumer protection act,
5 chapter 19.86 RCW.

6 (7) This section applies to contracts entered into or renewed on
7 or after the effective date of this section.

8 NEW SECTION. **Sec. 2.** A new section is added to chapter 48.21
9 RCW to read as follows:

10 (1) The definitions in this subsection apply throughout this
11 section, unless the context clearly requires otherwise.

12 (a) "Covered vision materials or services" means vision materials
13 or vision services that:

14 (i) Are reimbursable under a health benefit plan; or

15 (ii) Would be reimbursable under the health benefit plan but for
16 the application of plan or contract limitations, such as benefit
17 maximums, deductibles, coinsurance, waiting periods, or frequency
18 limitations.

19 (b) "Vision care provider" means:

20 (i) An optometrist licensed under chapter 18.53 RCW; or

21 (ii) A physician licensed under chapter 18.71 RCW or osteopathic
22 physician and surgeon licensed under chapter 18.57 RCW, who has
23 completed a residency in ophthalmology.

24 (c) "Vision materials" means ophthalmic devices, including, but
25 not limited to, devices containing lenses, artificial intraocular
26 lenses, ophthalmic frames and other lens mounting apparatuses,
27 prisms, lens treatments and coating, contact lenses, or prosthetic
28 devices to correct, relieve, or treat defects or abnormal conditions
29 of the human eye or its adnexa.

30 (d) "Vision services" means professional work performed by a
31 vision care provider within the scope of his or her practice.

32 (2) An insurer, or any contract or participating provider
33 agreement between the insurer and a vision care provider, may not:

34 (a) Require a vision care provider to provide vision materials or
35 vision services at a fee limited or set by the insurer, unless the
36 vision materials or vision services are covered vision materials or
37 services;

1 (b) Require a vision care provider to participate with, or be
2 credentialed by, another insurer, health carrier, or health benefit
3 plan as a condition to join one of the insurer's provider panels; or

4 (c) Restrict or limit, directly or indirectly, the vision care
5 provider's choice of sources and suppliers of vision services or
6 vision materials, including, but not limited to, optical labs.

7 (3) Reimbursement amounts paid by an insurer for covered vision
8 materials or services must be at least the usual and customary rate
9 for those materials or services. An insurer may not provide nominal
10 reimbursement for vision materials or vision services in order to
11 claim that the vision materials and vision services are covered
12 vision materials or services.

13 (4) An insurer may not change the terms of any contract or
14 participating provider agreement with a vision care provider,
15 including, but not limited to, discounts or reimbursement rates,
16 unless the vision care provider agrees to the change in writing.

17 (5) The commissioner shall respond to all complaints alleging
18 violations of this section using the same standards, timelines, and
19 procedures, regardless of the identity of the person or entity making
20 the complaint.

21 (6) The legislature finds that the practices covered by this
22 section are matters vitally affecting the public interest for the
23 purpose of applying the consumer protection act, chapter 19.86 RCW. A
24 violation of this chapter is not reasonable in relation to the
25 development and preservation of business and is an unfair or
26 deceptive act in trade or commerce and an unfair method of
27 competition for the purpose of applying the consumer protection act,
28 chapter 19.86 RCW.

29 (7) This section applies to contracts entered into or renewed on
30 or after the effective date of this section.

31 NEW SECTION. **Sec. 3.** A new section is added to chapter 48.39
32 RCW to read as follows:

33 (1) The legislature finds that current industry practice is for
34 participating provider agreements to run for an initial term followed
35 by one or more finite renewal periods. The legislature intends to
36 codify this current industry practice.

37 (2) A participating provider agreement between a payor and a
38 health care provider may not be of indefinite length, but must expire
39 after an initial term followed by one or more finite renewal periods.

1 NEW SECTION. **Sec. 4.** A new section is added to chapter 48.44
2 RCW to read as follows:

3 (1) The definitions in this subsection apply throughout this
4 section, unless the context clearly requires otherwise.

5 (a) "Covered vision materials or services" means vision materials
6 or vision services that:

7 (i) Are reimbursable under a health benefit plan; or

8 (ii) Would be reimbursable under the health benefit plan but for
9 the application of plan or contract limitations, such as benefit
10 maximums, deductibles, coinsurance, waiting periods, or frequency
11 limitations.

12 (b) "Vision care provider" means:

13 (i) An optometrist licensed under chapter 18.53 RCW; or

14 (ii) A physician licensed under chapter 18.71 RCW or osteopathic
15 physician and surgeon licensed under chapter 18.57 RCW, who has
16 completed a residency in ophthalmology.

17 (c) "Vision materials" means ophthalmic devices, including, but
18 not limited to, devices containing lenses, artificial intraocular
19 lenses, ophthalmic frames and other lens mounting apparatuses,
20 prisms, lens treatments and coating, contact lenses, or prosthetic
21 devices to correct, relieve, or treat defects or abnormal conditions
22 of the human eye or its adnexa.

23 (d) "Vision services" means professional work performed by a
24 vision care provider within the scope of his or her practice.

25 (2) A health care services contractor, or any contract or
26 participating provider agreement between the health care services
27 contractor and a vision care provider, may not:

28 (a) Require a vision care provider to provide vision materials or
29 vision services at a fee limited or set by the health care services
30 contractor, unless the vision materials or vision services are
31 covered vision materials or services;

32 (b) Require a vision care provider to participate with, or be
33 credentialed by, another health care services contractor, health
34 carrier, or health benefit plan as a condition to join one of the
35 health care services contractor's provider panels; or

36 (c) Restrict or limit, directly or indirectly, the vision care
37 provider's choice of sources and suppliers of vision services or
38 vision materials, including, but not limited to, optical labs.

39 (3) Reimbursement amounts paid by a health care services
40 contractor for covered vision materials or services must be at least

1 the usual and customary rate for those materials or services. A
2 health care services contractor may not provide nominal reimbursement
3 for vision materials or vision services in order to claim that the
4 vision materials and vision services are covered vision materials or
5 services.

6 (4) A health care services contractor may not change the terms of
7 any contract or participating provider agreement with a vision care
8 provider, including, but not limited to, discounts or reimbursement
9 rates, unless the vision care provider agrees to the change in
10 writing.

11 (5) The commissioner shall respond to all complaints alleging
12 violations of this section using the same standards, timelines, and
13 procedures, regardless of the identity of the person or entity making
14 the complaint.

15 (6) The legislature finds that the practices covered by this
16 section are matters vitally affecting the public interest for the
17 purpose of applying the consumer protection act, chapter 19.86 RCW. A
18 violation of this chapter is not reasonable in relation to the
19 development and preservation of business and is an unfair or
20 deceptive act in trade or commerce and an unfair method of
21 competition for the purpose of applying the consumer protection act,
22 chapter 19.86 RCW.

23 (7) This section applies to contracts entered into or renewed on
24 or after the effective date of this section.

25 NEW SECTION. **Sec. 5.** A new section is added to chapter 48.46
26 RCW to read as follows:

27 (1) The definitions in this subsection apply throughout this
28 section, unless the context clearly requires otherwise.

29 (a) "Covered vision materials or services" means vision materials
30 or vision services that:

- 31 (i) Are reimbursable under a health benefit plan; or
- 32 (ii) Would be reimbursable under the health benefit plan but for
33 the application of plan or contract limitations, such as benefit
34 maximums, deductibles, coinsurance, waiting periods, or frequency
35 limitations.

36 (b) "Vision care provider" means:

- 37 (i) An optometrist licensed under chapter 18.53 RCW; or

1 (ii) A physician licensed under chapter 18.71 RCW or osteopathic
2 physician and surgeon licensed under chapter 18.57 RCW, who has
3 completed a residency in ophthalmology.

4 (c) "Vision materials" means ophthalmic devices, including, but
5 not limited to, devices containing lenses, artificial intraocular
6 lenses, ophthalmic frames and other lens mounting apparatuses,
7 prisms, lens treatments and coating, contact lenses, or prosthetic
8 devices to correct, relieve, or treat defects or abnormal conditions
9 of the human eye or its adnexa.

10 (d) "Vision services" means professional work performed by a
11 vision care provider within the scope of his or her practice.

12 (2) A health maintenance organization, or any contract or
13 participating provider agreement between the health maintenance
14 organization and a vision care provider, may not:

15 (a) Require a vision care provider to provide vision materials or
16 vision services at a fee limited or set by the health maintenance
17 organization, unless the vision materials or vision services are
18 covered vision materials or services;

19 (b) Require a vision care provider to participate with, or be
20 credentialed by, another health maintenance organization, health
21 carrier, or health benefit plan as a condition to join one of the
22 health maintenance organization's provider panels; or

23 (c) Restrict or limit, directly or indirectly, the vision care
24 provider's choice of sources and suppliers of vision services or
25 vision materials, including, but not limited to, optical labs.

26 (3) Reimbursement amounts paid by a health maintenance
27 organization for covered vision materials or services must be at
28 least the usual and customary rate for those materials or services. A
29 health maintenance organization may not provide nominal reimbursement
30 for vision materials or vision services in order to claim that the
31 vision materials and vision services are covered vision materials or
32 services.

33 (4) A health maintenance organization may not change the terms of
34 any contract or participating provider agreement with a vision care
35 provider, including, but not limited to, discounts or reimbursement
36 rates, unless the vision care provider agrees to the change in
37 writing.

38 (5) The commissioner shall respond to all complaints alleging
39 violations of this section using the same standards, timelines, and

1 procedures, regardless of the identity of the person or entity making
2 the complaint.

3 (6) The legislature finds that the practices covered by this
4 section are matters vitally affecting the public interest for the
5 purpose of applying the consumer protection act, chapter 19.86 RCW. A
6 violation of this chapter is not reasonable in relation to the
7 development and preservation of business and is an unfair or
8 deceptive act in trade or commerce and an unfair method of
9 competition for the purpose of applying the consumer protection act,
10 chapter 19.86 RCW.

11 (7) This section does not apply to vision materials or vision
12 services provided directly by a health maintenance organization.

13 (8) This section applies to contracts entered into or renewed on
14 or after the effective date of this section.

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