

BILL ANALYSIS

Senate Research Center

S.B. 684
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Health insurers create preferred provider panels that optometrists, therapeutic optometrists, and ophthalmologists join in order to provide eye care to the health insurance plan's participants. These preferred providers contractually agree to accept certain negotiated reimbursement amounts to care for the plan's participants.

The provisions of S.B. 684 will have the effect of allowing existing eye care practices to hire additional doctors when needed with the certainty that they will be able to join the same preferred provider panels that the practice already accepts. Once a preferred provider, the joining doctor will be able to provide care for the patients of the practice that have a particular health insurance company.

The purpose of the bill is to ensure that well-established, existing practices are able to continue to operate by attracting new doctors to the practice as necessary. Local demand for eye care services dictates whether a practice has the need to hire an additional doctor and can afford to hire that doctor. When that local demand is present, a doctor can be hired to care for the patients of the practice with the confidence that they will be allowed onto the insurance plan's preferred provider panel. With this mechanism available, patients of an eye care practice will be able to see any of the doctors of the practice who are preferred providers and will thereby have improved access to available doctors.

In areas of the state where attracting providers is difficult, these provisions can help attract a joining doctor to a particular practice location that he or she may otherwise not consider without the assurance of being able to join the practice's accepted insurance plans.

Without these provisions, trouble with business hiring decisions will remain for eye care practices that have the need to hire an additional doctor but can't because of the lack of a certain insurance contracting environment. Also, practices who cannot successfully attract a new doctor to the business due to the insurance contracting uncertainty risk going out of business. This situation would negatively affect access to eye care for local communities.

S.B. 684 amends the Insurance Code to prohibit an insurer from denying designation as a preferred provider to an optometrist, therapeutic optometrist, or ophthalmologist if they are joining the practice of a provider who is already a contracted preferred provider. The therapeutic optometrist or ophthalmologist must also apply to become a preferred provider, meet the terms and conditions of eligibility to become a preferred provider, and abide by the terms of the contract with the insurer.

As proposed, S.B. 684 amends current law relating to the designation of certain optometrists, therapeutic optometrists, and ophthalmologists as preferred providers.

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 1301.051(e), Insurance Code, as follows:

(e) Prohibits an insurer from withholding a designation to a podiatrist described by Section 1301.0521 (Designation of Certain Podiatrists as Preferred Providers) or an optometrist, therapeutic optometrist, or ophthalmologist described by Section 1301.0522. Makes nonsubstantive changes.

SECTION 2. Amends Subchapter B, Chapter 1301, Insurance Code, by adding Section 1301.0522, as follows:

Sec. 1301.0522. DESIGNATION OF CERTAIN OPTOMETRISTS, THERAPEUTIC OPTOMETRISTS, AND OPHTHALMOLOGISTS AS PREFERRED PROVIDERS. (a) Prohibits an insurer, notwithstanding Section 1301.051 (Designation as Preferred Provider), from withholding the designation of preferred provider to an optometrist or therapeutic optometrist licensed by the Texas Optometry Board or an ophthalmologist licensed by the Texas Medical Board who joins the professional practice of a contracted preferred provider, applies to the insurer for designation as a preferred provider, and complies with the terms and conditions of eligibility to be a preferred provider.

(b) Requires an optometrist, therapeutic optometrist, or ophthalmologist designated as a preferred provider under this section to comply with the terms of the preferred provider contract used by the insurer or the insurer's network provider.

SECTION 3. Makes application of Section 1301.0522, Insurance Code, as added by this Act, prospective.

SECTION 4. Effective date: September 1, 2015.