TO: The Honorable Thomas Mac Middleton, Chairman
   Members, Senate Finance Committee
   The Honorable Kathy Klausmeier

FROM: Joseph A. Schwartz, III
      Pamela Metz Kasemeyer
      J. Steven Wise

DATE: March 13, 2013

RE: SUPPORT – Senate Bill 904 – Health Insurance – Vision Services – Provider Contracts and Delivery Systems

The Maryland State Medical Society (MedChi), which represents over 7,500 Maryland physicians and their patients, supports Senate Bill 904.

Senate Bill 904 will accomplish two purposes. First, it requires that doctors who participate with vision service plans may not be limited in the amounts that they charge for non “covered services” although, obviously, they have agreed to certain fees amounts for “covered services.” As to this issue, Senate Bill 904 provides the same protection that was given a few years ago to dentists with respect to contracts with dental plan organizations.

The second issue addressed by Senate Bill 904 is to allow what is known as a “point of service” option with respect to closed panel vision plans. Hence, an employer who offered a “closed panel” vision plan would have to offer the employee the option of paying an additional premium to have a “point of service” option which would allow the employee to go to a doctor outside of the closed panel network (page 4, lines 12-24). In this regard, Senate Bill 904 mimics the provisions of the Patient Access Act which was passed by the Maryland General Assembly in 1995 to address the limitations contained in “closed panel” HMOs. The provisions of the Patient Access Act can be found in the Health General Article §19-710.2.

While greatly contested in 1995, the Point of Service requirement did not result in any significant dislocation as more and more HMOs change their business arrangements to allow for out-of-network benefits.

Senate Bill 904 extends to vision providers (ophthalmologists and optometrists) protections that the General Assembly has given to dentists and all other health care providers. MedChi urges a favorable report on Senate Bill 904.

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