

**MOA Member Talking Points**  
**HB 1328 - Rep. Hank Zuber sponsoring**  
**SB 2703 – Sen. Walter Michel sponsoring**

*This document and talk points are intended to be used by MOA members to help them craft discussions with legislators and staff. This is not to be distributed or shared with anyone outside of the MOA.*

- A Vision Care Plan (VCP), sometimes known as a Vision Benefit Manager (VBM). The two most dominant VCPs control 85% of the vision insurance market.
- Vision plans are not insurance. Vision Plans are discount plans that provide discounts for basic eye exams and glasses or contact lenses.
- VCPs interfere with the doctor-patient relationship. VCPs use anti-competitive practices through vertical integration that ultimately leads to reduced quality of care and causes financial strain on providers and enrollees of vision plans.

**How vision plans treat patients and doctors unfairly:**

- Vision Plans require or incentivize doctors to use products from companies owned by the vision plan. This is a problem, as doctors need to be allowed to make recommendations according to what is best for their patients, not what is best for the vision plan profits.
- Vision plans attempt to fix prices for services they refuse to cover. This causes prices to go up for all patients and does not allow for consistent pricing from patient to patient.
- In states where vision plans are regulated, studies show that eye care costs are reduced. In those states, vision plan premiums have not increased.
- Vision Plans contract with doctors with the ability to change the terms of the contract without providing notice of the changes or allowing for acceptance by the doctor.
- Vision plans do not provide clear numbers of available providers and covered patients to businesses they enroll or to doctors they participate with.
- Vision plans have not increased reimbursements since their inception. However, costs for both doctors and patients have increased dramatically over the same period.
- Vision plan contracts are contracts of adhesion. A contract of adhesion refers to a contract drafted by one party in a position of power, leaving the weaker party to “take it or leave it.”

What this bill does:

**This bill allows patients to select the provider and materials they prefer.** This bill stops plans from steering enrollees directly to their integrated entities – it would stop plans from solely promoting the providers employed by the plan or to purchase glasses, contact lenses, or other materials from the entities that they own.

**This bill fosters the doctor-patient relationship by eliminating contract provisions that:**

- Force providers to discount services and materials not covered by the VCP
- Force providers to offer the VCP owned materials in their office
- Force providers to participate or be credentialed by a VCP as a condition to participate in a health care plan
- Force providers to provide covered materials or services at a financial loss (due to chargebacks or discounts)
- Change reimbursement or methods of reimbursement after an enrollee is seen for services

**This bill regulates VCPs to provide fair reimbursement, terms, and conditions.**

The bill mandates that reimbursement to provider be similar to the current Medicare schedule and reimbursement must be equal to other providers, such as MD, DO, OD.

**This bill enhances patient choice.**

Some VCP contracts require enrollees to select from limited options such as frames from a company the VCP owns; lenses from a laboratory the VCP owns and limits the provider to use specific sources or suppliers of covered or noncovered materials which limits competition and choice for the enrollee and interferes with doctor-patient relationships.

VCPs sometimes limit patient with an “exclusive offer.” This “exclusive offer” is only available to patients visiting the VCP-owned retail optical outlets, leveraging financial incentives to steer patients from other participating in-network doctor locations.

**Why are we doing this?**

To stop vision plan abuse and harmful impact on practices and patients. VCPs are desperately trying to stop the growing momentum for nationwide legislative, regulatory and government oversight solutions to address their abuses and harmful impact on practices and patients.

## What will opposition say?

- "Premiums will go up on purchasers/employers."

- *Truth: VSP Global's 2023 annual revenue was \$3.8B and Essilor Luxottica's (parent company of EyeMed) was \$27.485B. There have been no significant increases in reimbursement (not even cost of living) in decades.*

- "Premiums and out of pocket costs will go up on patients."

- *Truth: Vision plans are pre-paid defined benefit plans, meaning that financial loss against unforeseen or unexpected claims is not possible for the plan.*

- "Our investments to vertically/horizontally integrate will be lost" - stay in your lane as insurers/plans.

- *The U.S. House Committee on Oversight and Accountability probe FTC regulations over vision plan concerns and demands for oversight of industry consolidation and vertical integration.*

## Personal Stories:

Use real-life examples that you have experienced or heard from your colleagues. Use the examples as you are talking about "What this bill does" above.

## Specific points of the bill:

Contracts. This bill builds parameters on what is not allowed in a contract with a vision care provider, including:

- The VCP may not set or limit the amount the provider may charge for materials not reimbursed in the contract.
- The VCP may not require vision care providers to use specific sources of suppliers of covered or noncovered services
- The VCP shall not reimburse vision care providers a nominal fee for covered and noncovered services and materials, regardless of supplier or optical lab. This bill sets that reimbursement shall be similar to the current year's Medicare reimbursement schedule.
- The VCP cannot insert a provision into the contract that forces a vision care provider to provide services or materials to an enrollee at a financial loss due to chargebacks or discounts.

## In addition to contracts:

- The VCP shall not mandate or condition reimbursement or price terms for materials or services that are NOT covered by the insurance plan.
- The VCP shall not steer or limit patient choice of vision care provider for services/materials not covered by the plan.
- The VCP shall not falsely represent benefits or the number of or participating providers in a plan, or discount plans in accordance with the state deceptive trade practice statute.
- The VCP shall not promote or market advertising that a covered service or materials is "free" or has "no charge" or is "complimentary."
- The VCP shall not offer incentives to enrollees to obtain covered or non-covered services or products at a particular participating provider or at a retail establishment or online store.