

TEXAS GOVERNOR ADOPTS NEW MANAGED VISION LAW REQUIRING CHOICE IN OPTICAL LABS

June 24, 2015 - Texas Governor Greg Abbott has decided to add Texas to the growing list of states that have adopted 'access to eye care' legislation that limits an insurer's ability to dictate the sources of materials and services used by eye care providers (ECPs). Governor Abbott signed the bill into law on June 20, 2015 and will become effective on September 1, 2015.

Under the new law, a managed vision care plan may not "restrict or limit an [ECP's] choice of sources or suppliers of services or materials, including optical laboratories." As with other 'access to eye care' laws, the impact of this language would be to prohibit a managed vision care company from requiring that an ECP utilize certain optical laboratories as a condition to inclusion on the insurer's panel.

Legislatures in seven other states: Alabama, Arkansas, Connecticut, Kentucky, Maine, Oregon, and Virginia, have enacted similar 'access' acts in recent months. **Details of these bills can be found here.**

Earlier this year, the Florida legislature also considered similar legislation. While the Senate version was approved in committee, the legislative session ended and the current special session is focused on the budget. It is anticipated the legislation will resurface next session.

In a highly-publicized 2013 case, *Spectera, Inc., v. Wilson, et. al.*, the Georgia Supreme Court interpreted that state's Patient Access to Eye Care Act as prohibiting a managed vision care plan from dictating the sources of materials and laboratory services to an ECP. Under the Georgia law, an insurer may not interfere with a patient's obtaining services "directly" from an ECP.

The Texas bill is even more direct in its language, clearly stating that ECPs will have freedom in selecting material and service providers. The Texas law makes explicit that managed vision care plans do have the ability to set different reimbursement rates for in-network vs. out-of-network supplies and laboratory services (something the Georgia law and *Spectera* decision do not address). We anticipate that managed vision care companies will respond to these state initiatives by modifying the reimbursement schedules to ECPs to allow use of non-sponsored (out of network) laboratory services at a lower reimbursement rate.

The Vision Council will provide further updates following Governor Abbott's decision and will be offering additional programs on managed vision care in the near future.