

**SENATE APPROPRIATIONS COMMITTEE
FISCAL NOTE**

BILL NO. Senate Bill 257

PRINTER NO. 1761

AMOUNT

No Fiscal Impact

FUND

Insurance Regulation and Oversight Fund

DATE INTRODUCED

January 27, 2017

PRIME SPONSOR

Senator Ward

DESCRIPTION AND PURPOSE OF BILL

Senate Bill 257 amends the Insurance Company Law of 1921 by adding Article XXVII entitled, "Quality Eye Care for Insured Pennsylvanians."

The bill requires a health insurance policy to allow an insured who receives vision care from an in-network vision care provider to select an out-of-network vision care supplier for related vision care on the recommendation or referral of the in-network vision care provider if the in-network provider gives the insured written notice of all the following prior to the recommendation or referral:

- The out-of-network vision care supplier is not an in-network vision care supplier;
- The insured has the option of selecting an in-network vision care supplier; and
- The insured may have different financial obligations based on whether the supplier is in-network or out-of-network.

The bill requires a health insurance policy to allow a vision care provider to opt out of the contractual obligation to provide discounts for non-covered services if the vision care provider issues a written disclosure to the insured that the vision care provider does not participate in the insured's discount program.

The bill authorizes the Insurance Department ("department") to investigate and enforce the provisions of this article only insofar as the actions or inactions being investigated relate to coverage under a health insurance policy. Upon evidence of a violation, the Insurance Commissioner may, at their discretion, pursue any of the following actions:

- Suspend, revoke or refuse to renew the license of the offending person;
- Enter a cease and desist order;
- Impose a civil penalty of not more than \$5,000 for each action in violation of this article; or
- Impose a civil penalty of not more than \$10,000 for each action in willful violation of this article.

The bill limits the amount of penalties under this article to not exceed \$500,000 in the aggregate during a calendar year.

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The bill stipulates that violations of this article by optometrists and ophthalmologists shall constitute unprofessional conduct.

The bill authorizes the department to promulgate regulations as may be necessary or appropriate to implement this article.

The bill applies as follows:

- For health insurance policies for which either rates or forms are required to be filed with the federal government or the department, this act shall apply to any policy for which a form or rate is first filed on or after the effective date of this section.
- For health insurance policies for which neither rates nor forms are required to be filed with the federal government or the department, this act shall apply to any policy issued or renewed on or after 180 days after the effective date of this section.

This act shall take effect in 60 days.

FISCAL IMPACT:

Senate Bill 257 will have no fiscal impact to the Commonwealth. The bill provides the authority to the Insurance Department to promulgate regulations, if needed, which can be accomplished within existing staffing levels and funding provided to the department. There will be no fiscal impact to Commonwealth programs.