HB 3530-B Prohibiting Vision Plan Abuses

HB 3530-B prohibits three specific practices that have enormous consequences for Oregonians as patients, as employees and as local business owners.

1. **Forced discounts on non-covered services:** Currently, providers are required to give discounts on items such as sunglasses or contact lenses, even though the provider is not reimbursed for these discounts by the insurance company. Required discounts force local businesses to absorb the losses. Changing this practice should not impact the cost of vision care plans since the discounts currently have no cost to the insurance companies.

2. **Forced participation in one vision plan in order to participate in another plan:** HB 3530-B will ensure that insurers cannot contract for one premium plan and then require participation in other plans that are significantly less economically feasible. Instead, it allows providers to select the plans that make the most sense for their practice and their patients.

3. **Forced use of specific optical labs and materials:** National vision plan companies are increasingly requiring that providers send lens jobs out-of-house, and often out of the State of Oregon, to their own optical labs - impacting the providers ability to provide the level of service and quality that patients have come to expect. *A recent review by one Oregon provider showed that in 2004 about 30% of spectacle jobs covered by one of the major insurance carriers were processed out-of-house. In 2014, that number was almost 70%.*

If these unfair practices are allowed to continue, the cost will fall on the state economy by squeezing Oregon small businesses, losing local employment opportunities and creating access problems for the patients who Oregon Optometric Physicians serve in communities all across the state.

**HB 3530-B does what Oregon eye care providers cannot do on their own due to antitrust laws:** it simply asks the State Legislature to **level the playing field** against national companies by maximizing the ability for local professionals to provide patient’s choices in materials, high-quality goods and timely services. *Today, when 80% of all patients are covered by vision insurance plans and one major carrier represents almost 45% of a provider’s total business - the only choice is to renew the contract.* This is especially concerning for rural areas where patients may only have access to one or two providers for their eye health and vision needs.

**Oregonians need your support of HB 3530-B:**
- **Protects** the patient’s right to choose their preferred materials and receive glasses fabricated within a reasonable amount of time and with high quality workmanship.
- **Secures** ongoing access to reasonably priced and necessary eye health care for Oregonians.
- **Supports** primary eye care providers, especially in rural settings, so that Oregonians can easily and efficiently maintain their eye health and reduce the chance of disability due to vision loss.
- **Ensures** that Oregon eye care providers are working in a fair small business environment.
- **Places** the welfare of Oregon’s economy and jobs before the pocketbooks of large national vision insurance companies.
What is the cost of HB 3530-B?

Determining cost is a complicated issue. Threats of increased costs by these national plans add to the confusion:

- National vision insurance companies dictate everything from what frame and lens a patient can choose to how much profit a provider can make on a frame. There is no free market or ability to improve revenues by a small business controlling their own costs. *In reality, the vision plans control the costs because they control everything.*

- Many of the larger vision insurers are not just insurance companies, they also own the companies that make eyeglass frames and lenses, as well as the optical labs that fabricate glasses. They also make all the money on premium payments from employers and individuals. Their revenues are counted in billions of dollars.

Oregon Case Study:

Oregon small businesses are bearing all the expense with no opportunity to improve their revenues. As an example, an increasing trend is the idea of a “dispensing fee” that is paid to the eye care provider. Basically, a provider is paid $20 to “dispense the glasses”. The vision plan provides their company-owned frames and lenses and makes the glasses in their wholly-owned, Non-Oregon optical lab. There is no option for the eye care provider to provide higher quality materials and faster service using their selected optical lab and lens company - they just get $20. Oregon eye care providers are basically becoming dispensing sites for vision insurance companies to solely sell the insurance companies' products and use their optical labs. In the mean time, Oregon small businesses are saddling all of the costs of maintaining an office and providing service to the patient - Oregon providers pay all the overhead of rent, utilities, payroll, and insurance - and are denied the opportunity to participate in a free market and run a successful business.

**Until Oregonians stand up and put a stop to this monopolistic environment, national vision insurance companies will continue to funnel everything back to themselves, doing so at the expense of Oregon small business eye care providers, employers, and patients.**