Put Patients and Their Doctors Back in Control of Important Health Care Decisions

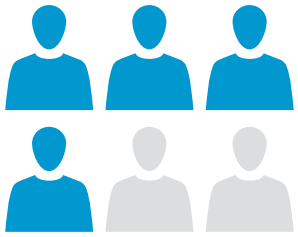
Co-Sponsor H.R. 1385/S. 1424, the Dental and Optometric Care (DOC) Access Act

Reps. Buddy Carter (R-GA) and Yvette Clarke (D-NY) and Sens. Joe Manchin (D-WV) and Kevin Cramer (R-ND) have introduced the Dental and Optometric Care (DOC) Access Act (H.R. 1385/S. 1424), which aims to **combat abusive practices in the federally regulated vision and dental coverage markets.**

200 million

Americans have supplemental preventive eye exam and materials (glasses/contacts) benefits through a vision plan.

Each year, millions of American families rely on local doctors of optometry for their comprehensive vision and eye health care needs. While many patients have coverage for medical eye care through a health plan, roughly 200 million Americans have supplemental preventive eye exam and materials (glasses/contact lenses) benefits through a vision benefit manager (VBM).



The two most dominant vision benefit managers provide coverage to roughly

2/3 of Americans

with this benefit.

Unfortunately for patients and doctors, VBMs enjoy special legal treatment (often not regulated like health insurers) and there is little competition in the market. Currently, a small number of national, vertically-integrated plans monopolize markets in a large majority of communities. In fact, the two most dominant VBMs provide coverage to roughly two-thirds of Americans.

Summary

Each year, **tens of millions of Americans rely on local doctors of optometry for their comprehensive vision and eye health care needs.** Many patients are covered for this essential care through a combination of health plan and supplemental vision plan.

Special legal treatment for and a lack of competition among vision benefit managers has led to costly mandates being forced on patients and their doctors—higher prices and less access to care for patients while **doctors face the tough choice of providing needed care to neighbors or keeping their practices viable.**

So far, 45 states have enacted laws similar to the DOC Access Act; however, a federal effort is now needed as roughly one-third of patients in any given state now have a vision and/or dental plan that is federally regulated and not complying with these state laws.

The AOA, the American Dental Association and a growing number of patient advocacy groups support the bipartisan Dental and Optometric Care Access Act (H.R. 1385/S. 1424) to **help put patients and their doctors back in control of important health care decisions.** U.S. House members and senators are asked to co-sponsor the DOC Access Act (H.R. 1385/S. 1424).

AMERICAN OPTOMETRIC ASSOCIATION

Among the range of abusive mandates

VBMs dictate what doctors must charge patients for services and materials not covered by the plan and force doctors and their patients to use specific laboratories (often owned by the plan) to produce finished prescription eyewear products.

Price-setting for non-covered services discourages competition among providers, leaving patients with little choice and adding to rising costs.

Dictating which labs doctors and patients must use often leads to extended waits for finished prescription eyeglasses (even in emergencies), inferior finished products and higher prices for patients.

Reports produced in 2016 and expanded in 2021 by a group of independent health economists (Avalon Health Economics) found that the kind of monopsony behavior exhibited by VBMs "is not the kind that's good for consumers—it's the kind designed to transfer operating margins from providers to plans without benefiting consumers." Further, Avalon says that "**such mandates have another effect—they lead to higher overall costs for these consumers** and, especially, for consumers without vision plans as doctors are forced to compensate for the transfer of operating margins from doctors to the plans."

1/3 of plans

sidestep state-level laws because they are federally regulated.

While 45 states have so far enacted legislation addressing these and other plan abuses—some states having both a dental and vision law, some with only a dental law, and some with only a vision law—roughly one-third of plans operating in any given state are able to sidestep those state-level laws because they are instead federally regulated. That is why a federal effort is now needed. The DOC Access Act will not mandate increased coverage or benefits or raise coverage costs for patients because this effort would not require vision or dental plans to add any additional services. The DOC Access Act does not supersede state law.

Put patients and doctors back in control of important health care decisions. **U.S. House members and senators are urged to co-sponsor the DOC Access Act (H.R. 1385/S. 1424).**

To co-sponsor the DOC Access Act (H.R. 1385/S. 1424), please contact **Jack Ganter in Rep. Buddy Carter's office at 5-5831 or Nisha Thanawala in Rep. Yvette Clarke's office at 5-6231 or Audrey Smith in Sen. Joe Manchin's office at 4-3954 or Ryan Kenyon in Sen. Kevin Cramer's office at 4-2043.**

The DOC Access Act is supported by: *AOA, American Dental Association, Academy of General Dentistry, American Association of Oral and Maxillofacial Surgeons, American Association of Endodontists, America's Pediatric Dentists, American Academy of Peridontology, American Academy of Pediatric Dentistry, The Hispanic Leadership Fund, Americans for Limited Government, Southern Christian Leadership Conference Global Policy Initiative, People Over Profits, Patients Rising and Patients Rising Now*

For more information please contact AOA Washington office staffers:
Matt Willette | *mwillette@aoa.org* | *703-837-1001 or* **Ruth Hazdovac** | *rhazdovac@aoa.org* | *703-837-1011*

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Co-Sponsors of the DOC Access Act (H.R. 3461/S.1793) in the 117th Congress

Alabama	Carl (R), Rogers (D), Sewell (D)
Arizona	Kirkpatrick (D), Lesko (R)
Arkansas	Sen. Boozman (R), Crawford (R), Womack (R)
California	Brownley (D), Correa (D), Lee (D), Lowenthal (D), Swalwell (D), Valadao (R)
Colorado	Perlmutter (D)
Connecticut	Courtney (D)
Delaware	Blunt Rochester (D)
Florida	Dunn (R),Cherfilus-McCormick (D), Posey (R), Rutherford (R), Soto (D), Wilson (D)
Georgia	Bishop (D), Carter (R), Ferguson (R), Johnson (D), Williams (D)
Idaho	Simpson (R)
Illinois	Davis (R), Foster (D), Rush (D)
Iowa	Axne (D)
Kansas	Estes (R), LaTurner (R)
Kentucky	Rogers (R)
Michigan	Lawrence (D)
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North Dakota	Armstrong (R), Sen. Cramer (R)
North Carolina	Murphy (R), Rouzer (R)
Oklahoma	Mullin (R)
Oregon	DeFazio (D), Schrader (D)
Pennsylvania	Boyle (D), Fitzpatrick (R), Reschenthaler (R), Thompson (R), Wild (D)
Rhode Island	Langevin (D)
Texas	Arrington (R), Cuellar (D), Fallon (R), Gonzalez (D), Gooden (R), Sessions (R), Van Duyne (R)
Vermont	Welch (D)
Virginia	Luria (D)
Kansas	Estes (R), LaTurner (R)
West Virginia	McKinley (R), Sen. Capito (R), Sen. Manchin (D)
Wisconsin	Pocan (D)

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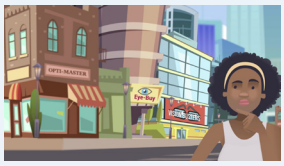
Put Patients and Doctors Back in Control

Patients Rising Now, a national nonprofit organization advocacy group that advocates for the rights of patients, released a helpful explainer video detailing how vertical integration in the vision insurance market results in higher costs and fewer options for patients and threatens independent providers. This video explains how insurers exert maximum influence over every step of the patient encounter, highlighting the need for the DOC Access Act to protect both patients and providers, stop price fixing, and create a level playing field with major insurers.



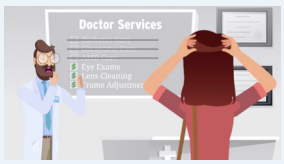
What's better for patients? More choices or fewer? Higher costs or lower? Making decisions with their doctor or getting the insurance company involved?

200 million Americans have supplemental preventive eye exam and materials (glasses/contacts) benefits through a vision plan.

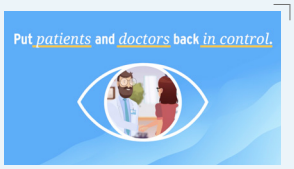
When patients see an optometrist for a comprehensive exam, they might not know they're facing fewer choices and higher costs that drive up profits for their insurer.

Patients with these insurance plans can choose their independent doctor, but not much else, thanks to a gap in federal law.

Big insurers control almost every part of eye care – they own the vision benefit manager, the frame and lens manufacturers, and the labs that finish eyeglasses. They set the prices, too – even on items their plans don't cover.



These insurers rig the system to force doctors and patients into using the products and services that the insurers own. That raises prices for everyone, whether they have insurance or not. And it forces doctors to decide whether to shut their doors or get bought out by big conglomerates.



Congress can fix the rigged system, stop vision benefit manager abuses, and put patients and doctors back in control.

Scan to watch video

Put patients and doctors back in control of important health care decisions. U.S. House and Senate members are urged to co-sponsor the **DOC Access Act**

ISSUE BRIEF
December 16, 2021

AVALON HEALTH ECONOMICS

Analysis of Dental and Vision Plan Non-Covered Services and Materials Mandates: An Update

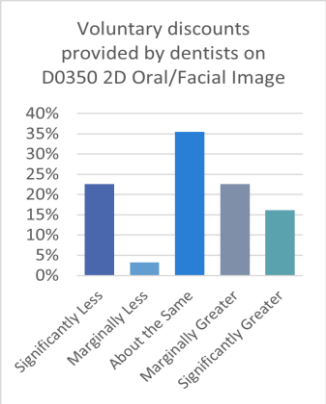
Background. In the last decade, most states have enacted limitations on dental and vision plans' ability to set fees on non-covered services and require materials be provided by specific laboratories or manufacturers. However, federally regulated plans take the position that they are exempt from these state laws, despite the enactment of many state-level prohibitions. As a solution, the DOC Access Act would align federally regulated plan law with existing state non-covered services laws to provide greater consistency.

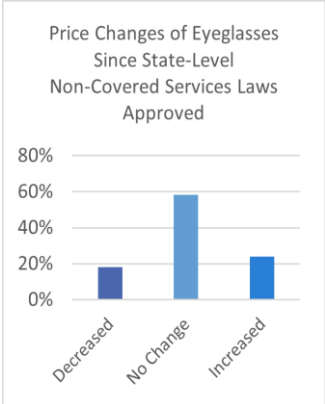
Economics. The practice of plans setting prices on non-covered services is an example of monopsony, which is an economic term for the demand-side version of a monopoly: a single or concentrated buyer. In the case of non-covered services, the plans are essentially using their market power to dictate pricing structures on items and services for which they bear no financial responsibility. This practice is mostly inconsequential from a consumer perspective, but only if there are no negative externalities. If practices are *not* overcharging patients and are faced with providing discounts for non-covered services from patients with certain insurance plans, they may need to increase charges for these or other services to make up for the losses. This results in cost-shifting to enrollees of other insurance plans or to those who are uninsured and may even lead to overall higher expenses for the enrollees of the plan receiving the discount.

Past Research. In 2016, we conducted a survey-based study of optometry and dentistry in North Carolina and Texas to determine the impact on fees charged in states with laws prohibiting insurers from setting fees for non-covered services. The study found that allowing insurers to set the fees doctors can charge for non-covered services led to *higher* costs for dental and vision patients in the U.S.

Current Research. In this study, we update the 2016 study relying on the same survey design to maintain comparability. We also expand the number of targeted states to 10. The survey questions aimed to assess how dental and optometry providers changed their behavior based on state-level non-covered services laws. There were 496 responses to the dental survey and 102 responses to the optometry survey that were included in the analysis.

Results. Consistent with the 2016 research, our findings clearly suggest that dentists and doctors of optometry are not charging unreasonable prices for non-covered services after state-level laws passed prohibiting insurers from setting fees on non-covered services. In fact, many dentists and doctors of optometry reported having increased their prices in response to plan-required discounts when regulations preventing this practice were not in place.





Conclusions. Allowing federally regulated dental and vision plans to set fees for non-covered services and require materials be provided by specific laboratories results in cost-shifting and worse outcomes for patients. The DOC Access Act would end these practices that are harming patients and allow dentists and doctors of optometry more freedom to make the best decisions for their patients.

The full report is available for viewing and download on the Avalon Health Economics website. *–John E. Schneider, PhD, Kenna D. Garrison, MA*, *Cara M. Scheibling, MBA, Karen Beltran*

Dear Colleague:

We write today to ask for your support for our bipartisan legislation, H.R. 1385, the Dental and Optometric Care (DOC) Access Act. This bill seeks to lower health care costs for dental and vision care patients, increase plan benefit transparency, and put patients and their doctors back at the center of important health care decision making.

Patients, employers, and doctors are growing increasingly frustrated by rising costs, a lack of benefit transparency, and a narrowing of choice in the dental and vision coverage markets. Both coverage markets have become increasingly consolidated, with a handful of major national players dominating many of the markets in which they operate. This is leading to higher prices and a lack of choice for patients and employers. It is also leaving independent doctors with little ability to negotiate contract terms that are not harmful for their patients and practices, threatening their ability to remain viable and continue serving local communities. Adding to these problems, growing vertical integration among major plans is also taking its toll. Many of the large national carriers also own facilities, employ providers, own laboratories, produce and control treatments, and are constantly looking for new pieces of the market to capture.

Within dental benefits, a small number of national plans dominate most markets in which they operate. Patients are confused about their benefits and are frustrated by the lack of plan transparency. The plan domination of most markets often means that plan executives are able to dictate prices for items and services that the plans do not cover. These “non-covered services and materials” policies interfere with the patient-doctor relationship, skew the pricing charged to subscribers and non-subscribers alike, and encourage further plan consolidation, resulting in higher premiums overall.

In the vision coverage market, two-thirds of Americans with vision insurance are enrolled in one of two major national plans. These plans are owned by larger conglomerates which also manufacture eyeglass frames and lenses. They also own retail locations which employ providers, and they own labs which turn frames and blank lenses into finished prescription eyewear. These plans use their insurance product and their market dominance to force into contracts provisions that are harmful to patients and their doctors. These terms often force doctors to push patients toward certain materials, they force doctors and patients to use labs owned by the parent company, and they insert themselves into the doctor-patient relationship. Costs are spiraling and plan control of market behavior is almost absolute.

Even though 45 states have taken action by passing laws very similar to the DOC Access Act and data shows that those laws are clearly working, many dental and vision plans are federally regulated, so insurers claim they are exempt from having to follow those state laws. This insurer loophole means some enrollees and doctors face undue confusion in how their plans work. The DOC Access Act is narrowly drawn to apply only to dental and vision plans regulated on the federal level and is supported by more than a dozen patient and provider advocacy organizations, including the American Dental Association, the American Optometric Association, Patients Rising Now, People Over Profits, The Hispanic Leadership Fund, Americans for Limited Government, and the Southern Christian Leadership Fund Global Policy Initiative.

Please join us in supporting this important bipartisan legislation and help take steps to lower health care costs for dental and vision care patients, increase plan benefit transparency, and put patients and their doctors back at the center of important health care decision making. To join as a co-sponsor of the DOC Access Act (H.R. 1385) please contact Jack.Ganter@mail.house.gov in Rep. Carter’s office or Nisha.Thanawala@mail.house.gov in Rep. Clarke’s office to sign on or with any questions.

Sincerely,

Rep. Buddy Carter

Member of Congress

Yvette Clarke

Member of Congress