

Ohio House Insurance Committee  
HB156  
Opponent Testimony of the Union Benefits Trust  
October 30, 2017

Good morning Chairman Brinkman and other esteemed members of the House Insurance Committee. Thank you for the opportunity to share our testimony. My name is Nikki Scaggs and I am a Benefits Analyst 2 for the Union Benefits Trust. The Union Benefits Trust offers dental, vision and life insurance benefits, Working Solutions and the legal service plan to approximately 35,000 Union-represented State employees.

We write in opposition of HB 156, proposed legislation that eliminates the discounts for non-covered vision services.

At a time when many in our state are finally starting to feel the uptick in the economy, it seems unthinkable for vision providers to eliminate discounts enjoyed by citizens including the state of Ohio employees we represent. On average, eye care provider eyewear markup, is anywhere from 260% to 400%. It seems the measly 20% or so discount off things like frames that exceed plan allowance, contact lenses in addition to spectacles, oversize lenses, photochromic lenses, coating and laminating of the lenses is less than a drop in the bucket for vision providers.

Vision care providers and vision plans negotiate discounts for covered vision services as well as for materials in ways that other plans do not. Eliminating negotiated materials discounts and prohibiting specialty vision plans and laboratory networks only raises consumer costs and limits consumer choice. Cost savings on services are available from preferred providers because the plans provide an increase in volume of patients and customers, which is a mutual benefit agreement. In addition to these cost savings, vision providers frequently identify medical conditions early, which help lower healthcare costs.

So it begs the question: does the vision provider community demanding this elimination realize that folks will more than likely stop purchasing these extras? How would that really benefit the providers' bottom line if they lose all the income from those services rather than just a mere percentage? It seems to us, the idea of eliminating these discounts may not have been appropriately vetted and we would question the motive.

And, as or more important, these vision providers made a conscious decision to contract with insurance carriers knowing the provisions of the contract and the promised return on the investment of being a network provider. It seems unconscionable that they and those who represent them now wish to usurp those provisions through legislative action. Vision providers

have every right to choose not to renew those contracts in the future, but until such time, they must be made to keep the promises they made.

We respectfully ask that you oppose this bill.