MEMBERS OF THE BOARD

Lillian Wang, OD

Machiber Of The Board And Alejandro Arredondo, OD, President Madhu Chawla, OD, Vice President Donna Burke, Secretary Cyd Brandvein Frank Giardina, OD Glenn Kawaguchi, OD William H. Kysella, Jr. Rachel Michelin Mark Morodomi David Turetsky, OD





# AMENDED AGENDA—ADDED TELECONFERENCE LOCATION

BOARD MEETING AGENDA
June 12, 2015
9:00 AM – 12:00 PM
(or until conclusion of business)
Teleconference

2420 Del Paso Rd. First Floor, Sequoia Room Sacramento, CA 95834

7488 Shoreline Dr #B-1 Stockton, Ca. 95219 Juniper Serra Building 320 West Fourth Street, Suite 630 Los Angeles, CA 90013 Starbucks 44 Plaza Circle Orange, CA 92866

Community Health Centers
Optometry
150 Tejas Place
Nipomo, CA 93444

Oakland Marriott City Center 1001 Broadway, 2nd fl. Oakland, CA 94607 Moraga Country Club 1600 St Andrews Drive Moraga, CA 94556

#### ORDER OF ITEMS SUBJECT TO CHANGE

### **FULL BOARD OPEN SESSION**

- 1. Call to Order/Roll Call and Establishment of a Quorum.
- 2. Public Comment for Items Not on the Agenda

  Note: The Board may not discuss or take action on any matter raised during this public
  comment section, except to decide whether to place the matter on the agenda of a future
  meeting [Government Code Sections 11125, 11125.7(a)].
- 3. Discussion and Possible Action on Assembly Bill 684: Healing arts: licensees: disciplinary actions

# **FULL BOARD CLOSED SESSION**

- 4. Pursuant to Government Code Section 11126(e), the Board Will Meet in Closed Session to discuss pending litigation *Anthony Rudick, O.D.; Ridge Eye Care, Inc., v. State Board of Optometry*, Superior Court of the State of California for the County of Sacramento, Case KG13708526
- 5. Pursuant to Government Code Section 11126(c)(3), the Board Will Meet in Closed Session for Discussion and Possible Action on Disciplinary Matters

## **FULL BOARD OPEN SESSION**

6. Suggestions for Future Agenda Items

# 7. Adjournment

The mission of the California State Board of Optometry is to protect the health and safety of California consumers through licensing, education, and regulation of the practice of Optometry

Meetings of the California State Board of Optometry are open to the public except when specifically noticed otherwise in accordance with the open meeting act. Public comments will be taken on agenda items at the time the specific item is raised. Time limitations will be determined by the Chairperson. The Board may take action on any item listed on the agenda, unless listed as informational only. Agenda items may be taken out of order to accommodate speakers and to maintain a quorum.

<u>NOTICE</u>: The meeting is accessible to the physically disabled. A person who needs a disability-related accommodation or modification in order to participate in the meeting may make a request by contacting Lydia Bracco at (916) 575-7170 or sending a written request to that person at the California State Board of Optometry, 2450 Del Paso Road, Suite 105, Sacramento, CA 95834. Providing your request at least five (5) business days before the meeting will help ensure availability of the requested accommodation.



2450 Del Paso Road, Suite 105 Sacramento, CA 95834 (916) 575-7170, (916) 575-7292 Fax www.optometry.ca.gov

To: Board Members Date: June 12, 2015

From: Alejandro Arredondo O.D. Telephone: (916) 575-7170

**Board President** 

Subject: Agenda Item 1 – Call to Order and Roll Call/ Establishment of Quorum

Dr. Alejandro Arredondo, O.D., Board President, will call the meeting to order and call roll to establish a quorum of the Board.

Alejandro Arredondo, O.D., Board President, Professional Member

Madhu Chawla, O.D., Vice President, Professional Member

Donna Burke, Board Secretary, Public Member

Cyd Brandvein, Public Member

Frank Giardina, O.D., Professional Member

Glenn Kawaguchi, O.D., Professional Member

William H. Kysella, Jr., Public Member

Rachel Michelin, Public Member

Mark Morodomi, Public Member

David Turetsky, O.D., Professional Member

Lillian Wang, O.D., Professional Member



2450 Del Paso Road, Suite 105 Sacramento, CA 95834 (916) 575-7170, (916) 575-7292 Fax www.optometry.ca.gov

To: Board Members Date: June 12, 2015

From: Alejandro Arredondo O.D. Telephone: (916) 575-7170

**Board President** 

Subject: Agenda Item 2 - Public Comment

The Board may not discuss or take action on any matter raised during this public comment section, except to decide whether to place the matter on the agenda of a future meeting [Government Code Sections 11125, 11125.7(a)].



2450 Del Paso Road, Suite 105 Sacramento, CA 95834 (916) 575-7170, (916) 575-7292 Fax www.optometry.ca.gov

To: Board Members Date: June 12, 2015

From: Jessica Sieferman Telephone: (916) 575-7184

Acting Executive Officer

Subject: Agenda Item 3 - Discussion and Possible Action on Assembly Bill 684: Healing

arts: licensees: disciplinary actions

# **Background:**

Business and Professions Code (BPC) Section 655 prohibits a licensed optometrist and a registered dispensing optician (RDO) from having any membership, proprietary interest, coownership, landlord-tenant relationship, or any profit-sharing arrangement in any form, directly or indirectly, either by stock ownership, interlocking directors, trusteeship, mortgage, trust deed, or otherwise with any person who is engaged in the manufacture, sale, or distribution to physicians and surgeons, optometrists, or dispensing opticians of lenses, frames, optical supplies, optometric appliances or devices or kindred products. BPC Section 655 makes violations of this section a misdemeanor.

As previously reported, <u>Assembly Bill (AB) 595</u> was introduced by Assembly Alejo after several meetings with the National Association of Optometrists and Opticians, the California Optometric Association, the Medical Board of California (MBC), the California State Board of Optometry (Board), and various other optical stakeholders. AB 595 removed the prohibitions set forth in BPC Sections 655 and 2556, and added provisions intended to protect an optometrist's clinical judgment by preventing an RDO's influence or interference in the optometrist's clinical decisions.

However, AB 595 was held in the Assembly Business and Professions (B&P) Committee and made into a two year bill in response to several concerns raised by stakeholders that could not be addressed before being heard. In order to give time for the legislature to work through the concerns, Assembly B&P Committee Chair, Assembly Member Bonilla, amended AB 684 to provide safe harbor language for optometrists and RDOs.

#### **Current Legislation:**

AB 684, until January 1, 2017, would prohibit an RDO or optometrist from being subject to discipline by the MBC, the Board, or other state agency with enforcement authority for engaging in any of the aforementioned business relationships. This bill would declare that it is to take effect immediately as an urgency statute.

# MBC Position - Neutral, if amended:

On May 7, 2015, the MBC took a "Neutral, if amended" position, citing that the language in the current moratorium is too broad and needs to be better defined. The MBC believed the moratorium made sense, but it should not apply to any RDOs registered after the bill is enacted.

# **Board Staff Recommendation:**

Board staff believes the intent of AB 684 is to prohibit the Board and the MBC from taking *any* action against registered dispensing opticians (RDOs) and optometrists for engaging in relationships currently prohibited by Business and Professions Code (BPC) Sections 655 and 2556. However, AB 684 only refers to "discipline." The Board and the MBC would still have authority to take administrative action (i.e., citations, fines, etc.). If my understanding of the intent is correct, I recommend replacing "discipline" with "any" action in both 655.1 and 2556.1.

In addition, there are concerns that many businesses with prohibited business models are waiting to come to California and will do so as soon as the threat of action is removed. In order to address this concern, Board staff recommends limiting AB 684 to only those companies/relationships currently in existence.

Further, Board staff recommends adding language addressing the statute of limitations the Board has to file an Accusation. Pursuant to <u>BPC Section 3137</u>, the Board has three years after discovery or seven years after the violation occurs, whichever occurs first, to file an Accusation. The statute of limitations should not apply to any time during the imposed moratorium.

# **Action Requested:**

Please review and discuss the attachments listed below and vote on a formal position on AB 684. Possible positions include:

- Neutral: If a bill poses no problems or concerns to the Board, or its provisions fall outside of the Board's jurisdiction, the Board may opt to remain neutral. Should the Board take this stance, it cannot testify against the bill.
- **Neutral if Amended:** The Board may take this position if there are minor problems with the bill but, providing they are amended, the intent of the legislation does not impede with Board processes.
- **Support:** This position may be taken if the Board supports the legislation and has no recommended changes.
- **Support if Amended:** This position may be taken if the Board has amendments and if accepted, the Board will support the legislation.
- **Oppose:** The Board may opt to oppose a bill if it negatively impacts consumers or is against the Board's own objectives.
- **Oppose Unless Amended:** The Board may take this position unless the objectionable language is removed. This is a more common and substantive stance than Neutral if Amended.

### **Attachments:**

- 1. AB 595
- 2. AB 684
- 3. MBC Position Letter and Suggested Amendments
- 4. Board Staff Suggested Amendments

# AMENDED IN ASSEMBLY APRIL 15, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

## ASSEMBLY BILL

No. 595

Introduced by Assembly Member Alejo
(Principal coauthor: Assembly Member Dodd)
(Coauthors: Assembly Members Dababneh and Cristina Garcia)
(Coauthor: Senator Bates)

February 24, 2015

An act to amend Section 2555 of Section 3077 of, to add Sections 3090.1 and 3109.1 to, to repeal Section 2556 of, and to repeal and add Sections 655 and 2555 of, the Business and Professions Code, relating to healing arts.

#### LEGISLATIVE COUNSEL'S DIGEST

AB 595, as amended, Alejo. Registered dispensing opticians: eertificates. optometrists: practices.

- (1) The Optometry Practice Act provides for the licensure and regulation of the practice of optometry by the State Board of Optometry, and makes a violation of the act a crime. Existing law requires individuals, corporations, and firms engaged in the business of filling prescriptions of physicians and surgeons and optometrists for prescription lenses and kindred products to register with the Division of Licensing of the Medical Board of California as a registered dispensing optician, and makes a violation of the provisions governing registered dispensing opticians a crime.
- (2) Existing law prohibits a licensed optometrist from having any membership, proprietary interest, coownership, landlord-tenant relationship, or any profit-sharing arrangement, in any form, whether directly or indirectly, with any person licensed as a registered

dispensing optician, and prohibits a registered dispensing optician from having any membership, proprietary interest, coownership, landlord-tenant relationship, or any profit-sharing arrangement in any form directly or indirectly with a licensed optometrist. Existing law also prohibits a licensed optometrist from having any membership, proprietary interest, coownership, landlord-tenant relationship, or any profit-sharing arrangement in any form, directly or indirectly, either by stock ownership, interlocking directors, trusteeship, mortgage, trust deed, or otherwise with any person who is engaged in the manufacture, sale, or distribution to physicians and surgeons, optometrists, or dispensing opticians of lenses, frames, optical supplies, optometric appliances or devices or kindred products. Under existing law, a violation of the above provisions by a licensed optometrist and any person, whether or not licensed, who participates with a licensed optometrist in violating those provisions constitutes a misdemeanor.

This bill would delete those provisions. The bill instead would prohibit a licensed registered dispensing optician or a manufacturer or distributor of optical goods that is renting or leasing office space to or from, sharing office space with, or receiving space from an optometrist from engaging in conduct that would influence or interfere with the clinical decisions, as defined, of that optometrist, as specified. The bill would prohibit an optometrist that is using or sharing office space with a registered dispensing optician from giving or receiving, among other things, a fee or thing of material value, to or from any person in return for referral of patients or to secure patients. The bill would make a violation of these provisions punishable as a misdemeanor.

(3) Existing law permits a certificate of a registered dispensing optician to be suspended, revoked, or subjected to probation for violation of regulations or laws, as specified, or for incompetence, gross negligence, or repeated similar negligent acts by the registrant or an employee, as provided.

This bill would delete those provisions. The bill similarly would permit a certificate of a registered dispensing optician to be suspended, revoked, or subjected to probation for violation of regulations or laws, as specified, or for incompetence, gross negligence, or repeated negligent acts by the registrant or an employee, as provided, and additionally would permit the certificate to be suspended, revoked, or subjected to probation for unprofessional conduct, which includes repeated interference with the optometrist's clinical judgment or compliance with prevailing clinical standards. The bill authorizes

**AB 595** 

assessment of administrative fines for violation of specified provisions of law and requires registered dispensing opticians to cooperate with investigations into a complaint or alleged violation of law.

(4) Under existing law, it is unlawful for a registered dispensing optician to advertise the furnishing of, or to furnish, the services of a refractionist, an optometrist, or a physician and surgeon; to directly or indirectly employ or maintain on or near the premises used for optical dispensing a refractionist, an optometrist, a physician and surgeon, or a practitioner of any other profession for the purpose of any examination or treatment of the eyes; or to duplicate or change lenses without a prescription or order from a person duly licensed to issue the same.

This bill would delete those prohibitions.

(5) The Optometry Practice Act prohibits a person from having an office for the practice of optometry unless he or she is licensed to practice optometry, and requires an optometrist that has more than one office to comply with certain provisions of the act, including, among others, that an optometrist obtain a branch office license for any additional office. The act prohibits more than one branch office license from being issued to an optometrist or any 2 or more optometrists, jointly. The act requires an optometrist that had a branch office prior to January 1, 1957, and who wants to continue that branch office on or after that date to notify the board, as specified.

The bill would delete the prohibition of an optometrist or 2 or more optometrists, jointly, from having more than one branch office, and would delete the requirement that an optometrist that had a branch office prior to January 1, 1957, and who wants to continue that branch office to notify the board. The bill would prohibit a person from having any proprietary interest in an office for the practice of optometry unless he or she is licensed to practice optometry. The bill would specify that a branch office is any additional office that is not the principal place of business of an optometrist, as specified.

(6) The Optometry Practice Act prohibits an optometrist from directly or indirectly accepting employment from any person not having a valid, unrevoked license as an optometrist, except that the act authorizes an optometrist to be employed by a physician and surgeon who practices in the specialty of ophthalmology or by a health care service plan.

This bill would require an optometrist to report to the State Board of Optometry any action or circumstance that the optometrist reasonably and in good faith believes is an attempt by a registered dispensing optician, or an employee or agent thereof, to interfere with the

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optometrist's independent clinical judgment or compliance with prevailing clinical standards. The bill would require the State Board of Optometry to report these complaints to the Division of Licensing of the Medical Board of California.

- (7) The bill also would require the State Board of Optometry to receive any complaint made to a state board or department related to care provided to a patient by a licensed optometrist.
- (8) A violation of the optometry laws and the law governing registered dispensing opticians is a crime. Therefore, by expanding the scope of an existing crime, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Existing law provides for the issuance of a certificate of dispensing optician upon registration. Existing law permits a certificate to be suspended, revoked, or subjected to probation for violations of regulations or laws, as specified, or for incompetence, gross negligence, or repeated similar negligent acts by the registrant or an employee, as provided.

This bill additionally would permit a certificate to be suspended, revoked, or subjected to probation for unprofessional conduct, as defined. This bill also would permit a certificate to be suspended, revoked, or subjected to probation for actions by the registrant's agent.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 655 of the Business and Professions Code 2 is repealed.
- 3 655. (a) No person licensed under Chapter 7 (commencing
- 4 with Section 3000) of this division may have any membership,
- 5 proprietary interest, coownership, landlord-tenant relationship, or
- 6 any profit-sharing arrangement in any form, directly or indirectly,
- 7 with any person licensed under Chapter 5.5 (commencing with
- 8 Section 2550) of this division.

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(b) No person licensed under Chapter 5.5 (commencing with Section 2550) of this division may have any membership, proprietary interest, coownership, landlord-tenant relationship, or any profit sharing arrangement in any form directly or indirectly with any person licensed under Chapter 7 (commencing with Section 3000) of this division.

(c) No person licensed under Chapter 7 (commencing with Section 3000) of this division may have any membership, proprietary interest, coownership, landlord-tenant relationship, or any profit-sharing arrangement in any form, directly or indirectly, either by stock ownership, interlocking directors, trusteeship, mortgage, trust deed, or otherwise with any person who is engaged in the manufacture, sale, or distribution to physicians and surgeons, optometrists, or dispensing opticians of lenses, frames, optical supplies, optometric appliances or devices or kindred products.

Any violation of this section constitutes a misdemeanor as to such person licensed under Chapter 7 (commencing with Section 3000) of this division and as to any and all persons, whether or not so licensed under this division, who participate with such licensed person in a violation of any provision of this section.

SEC. 2. Section 655 is added to the Business and Professions Code, to read:

- 655. (a) A person registered under Chapter 5.5 (commencing with Section 2550), (registered dispensing optician), a person who is engaged in the manufacture, sale or distribution to physicians and surgeons, optometrists, or dispensing opticians of lenses, frames, optical supplies, optometric appliances or devices or kindred products that is renting or leasing office space, directly or through an intermediary, to or from or otherwise using or sharing office space with, or receiving space from, any person licensed under Chapter 7 (commencing with Section 3000), (optometrist), shall not engage in conduct that would influence or interfere with the clinical decisions of that optometrist including, but not limited to, the following:
- (1) Setting quotas for the number of exams or limiting the amount of time that an optometrist can spend with an individual patient.
- (2) Holding an optometrist responsible for the sale of, or requiring that person to sell, the eyewear of a registered dispensing optician.

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(3) Providing compensation to an optometrist for the sale of the eyewear of a registered dispensing optician.

- (b) The optometrist's clinical decisions means the judgment necessary to perform or control any acts as set forth in Section 3041.
- (c) An optometrist that is renting or leasing space to or from or otherwise using or sharing office space with any registered dispensing optician shall not give or receive a fee, salary, commission, or thing of material value, in any manner or under any pretext, to or from any person, firm, or corporation for either of the following:
  - (1) In return for the referral of optometric patients.
  - (2) In order to secure optometric patients.
- (d) In connection with the transactions described in (a), all of the following shall be met:
- (1) Registered dispensing opticians shall ensure signs and displays concerning the optometrist's office shall have the name of the doctor or doctors of optometry and the nature of the relationship between the registered dispensing optician and the optometrist.
- (2) The optometrist's office shall have a separate telephone listing and number from that of the registered dispensing optician, but may be accessible from a general number that the public associates with the premises.
  - (3) Registered dispensing opticians shall not:
- (A) Constrain the optometrist in scheduling patients, the fees charged for optometric services, the amount of time spent with a patient, or the number of patients to be seen in a particular time period. The optometrist may contract to provide or arrange for the provision of optometric services during agreed-upon hours and days.
- (B) Limit the optometrist's participation in managed care or insurance plans.
- (C) Have an interest in the optometrist's patient records, to which the optometrist shall have 24-hour access, including physical access or electronic access.
- (D) Advertise that it performs eye examinations or other optometric services that it is not permitted to lawfully perform under state law.

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(4) The parties shall execute a written agreement, with commercially reasonable terms, providing that rent payments are not affected by either party's referral of any person or sales of product by either party, and a term of at least one year, terminable only for cause as defined under the agreement or at the expiration of the agreement on at least 60 days' written notice.

- (5) Optometric office space inside an optical dispensary shall be definite and distinct from space occupied by other occupants of the premises and shall include at least one private room for the exclusive use of providing optometric services to patients by the optometrist.
- (6) Forms used by the optometric office shall be separate from those of the registered dispensing optician.
- (7) The optometrist shall be free to practice to the full scope of his or her license under law, and shall control the hiring, staffing, training, and office and employment policies of the individuals employed or engaged to assist the optometrist in the management and administrative aspects of his or her practice and in patient care. The optometrist may contract for the provision of technician and administrative services. Nothing herein shall limit the right of the optometrist and the registered dispensing optician to agree to restrict the optometrist from offering or selling spectacles, lenses, frames, contact lenses or other optical goods to the optometrist's patients or to the public in the occupied space during the term of the written agreement.
- (8) The optometrist shall be responsible for and shall maintain full and independent control of information disseminated to the public through any advertising or other commercial medium when that information relates to optometric services being provided by the optometrist, whether or not that advertising is paid for or sponsored by the optometrist. It is not a violation of this section to include in an advertisement that is not disseminated by the optometrist a statement advertising the availability of optometric services, including eye examinations, by an independent doctor of optometry located adjacent to or in proximity to a registered dispensing optician or a statement containing substantially similar language.
- (e) A violation of this section is punishable as a misdemeanor. SEC. 3. Section 2555 of the Business and Professions Code is repealed.

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1 2555. Certificates issued hereunder may in the discretion of 2 the division be suspended or revoked or subjected to terms and 3 conditions of probation for violating or attempting to violate this 4 chapter, Chapter 5.4 (commencing with Section 2540) or any regulation adopted under this chapter or, Chapter 5.4 (commencing 5 with Section 2540), or Section 651, 654, or 655, or for 6 7 incompetence, gross negligence, or repeated similar negligent acts 8 performed by the registrant or by an employee of the registrant. 9 The proceedings shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of 10 Title 2 of the Government Code, and the division shall have all 11 the powers granted therein. 12 13

SEC. 4. Section 2555 is added to the Business and Professions Code, to read:

2555. (a) Certificates issued hereunder may in the discretion of the division be suspended or revoked or subjected to terms and conditions of probation for violating or attempting to violate this chapter, Chapter 5.4 (commencing with Section 2540), any regulation adopted under this chapter or Chapter 5.4 (commencing with Section 2540), or Section 651, 654, or 655, or for incompetence, gross negligence, unprofessional conduct or repeated negligent acts performed by the registrant or by an employee of the registrant. Unprofessional conduct includes, but is not limited to, repeated interference with the independent clinical judgment of an optometrist or the optometrist's compliance with prevailing clinical standards for the practice of optometry and when the registered dispensing optician knows or has reason to know that the repeated interference is impairing the optometrist's ability to provide appropriate health care to his or her patients. Nothing herein shall limit the ability of the optometrist to file a complaint about the registered dispensing optician's interference directly with any state regulatory agency with authority to oversee the practice of optometry or of registered dispensing opticians. The proceedings shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the division shall have all the powers granted therein.

(b) If the division determines during a proceeding conducted in accordance with subdivision (a) that a registered dispensing optician has violated Section 655, the division may assess an -9- AB 595

administrative fine of up to five thousand dollars (\$5,000) for the first violation and up to twenty-five thousand dollars (\$25,000) for any subsequent violation that occurs within three years after the division's finding of a first violation. If a registered dispensing optician's second violation of Section 655 occurs after three years of its first violation, then the division shall assess a fine of up to five thousand dollars (\$5,000). This section is not to be construed to limit the division's existing authority to enforce the provisions of subdivision (a) or any other law.

- (c) Registered dispensing opticians shall comply with all requests for information by the division within 30 days after the request. Failure to provide to the division, as directed, lawfully requested copies of documents relating to a complaint or alleged violation of the law shall constitute unprofessional conduct on the part of the registered dispensing optician, unless the registered dispensing optician is unable to provide the documents within the time period for good cause, including, but not limited to, inability to access the documents in the time allowed.
- (d) Failure to cooperate and participate in any division investigation pending against a registered dispensing optician relating to a complaint or alleged violation of the law shall also constitute unprofessional conduct by the registered dispensing optician. This subdivision shall not be construed to deprive a registered dispensing optician of any privilege guaranteed by the Constitution of the United States or any other constitutional or statutory privileges. The registered dispensing optician's assertion of any applicable constitutional, statutory, or other privilege, including, but not limited to, attorney-client privilege or attorney work product privilege, is not a violation of this section.
- (e) If the registered dispensing optician disputes a determination by the division regarding a complaint or violation of the law, the registered dispensing optician may appeal the division's decision to an independent administrative law judge pursuant to Chapter 5 (commencing with Section 1100) of Part 1 of Division 3 of Title 2 of the Government Code. Penalties, if any, shall be paid when all appeals have been exhausted and the division's decision has been upheld. In the event that the division's position has been upheld, after all appeals have been exhausted the registered dispensing optician shall be responsible for payment of all costs associated with the prosecution of the matter.

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(f) A registered dispensing optician shall not discharge, 2 terminate, suspend, threaten, harass, or retaliate or discriminate 3 against an optometrist because that optometrist files a complaint 4 as set forth in Section 3109.1 or any other complaint against a registered dispensing optician, or for lawful acts done by an optometrist in disclosing information relating to any complaint 6 against a registered dispensing optician. When an optometrist files 8 a complaint against a registered dispensing optician, the optometrist shall have all of the protections provided in Section 1102.5 of the Labor Code. 10

- SEC. 5. Section 2556 of the Business and Professions Code is repealed.
- 2556. It is unlawful to do any of the following: to advertise the furnishing of, or to furnish, the services of a refractionist, an optometrist, or a physician and surgeon; to directly or indirectly employ or maintain on or near the premises used for optical dispensing, a refractionist, an optometrist, a physician and surgeon, or a practitioner of any other profession for the purpose of any examination or treatment of the eyes; or to duplicate or change lenses without a prescription or order from a person duly licensed to issue the same.
- SEC. 6. Section 3077 of the Business and Professions Code is amended to read:
- 3077. As (a) As used in this section, "office" means any office or other place for the practice of optometry.
- (a) No
- (b) A person, singly or in combination with others, may have not have any proprietary interest in an office unless he or she is licensed to practice optometry under this chapter.
- 30 <del>(b)</del>
- (c) An optometrist, or two or more optometrists jointly, may 32 have one office without obtaining a branch office license from the 33 board.
  - (c) On and after October 1, 1959, no
- 35 (d) An optometrist, and no or two or more optometrists jointly, may *not* have more than one office unless he or she or they comply 36 37 with the provisions of this chapter as to an additional office. The 38 additional office, for the purposes of this chapter, additional offices. 39 An additional office that is not the optometrist's principal place

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of practice, as described by Section 3070, constitutes a branch office. office for purposes of this chapter.

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- (d) Any optometrist who has, or any two or more optometrists, jointly, who have, a branch office prior to January 1, 1957, and who desire to continue the branch office on or after that date shall notify the board in writing of that desire in a manner prescribed by the board.
- (e) On and after January 1, 1957, any optometrist, or any two or more optometrists, jointly, who desire Any optometrist who desires to open a branch office that is not his or her principal place of business shall notify the board in writing in a manner prescribed by the board.
- (f) On and after January 1, 1957, no A branch office may *not* be opened or operated without a branch office license. Branch office licenses shall be valid for the calendar year in or for which they are issued and shall be renewable on January 1 of each year thereafter. Branch office licenses shall be issued or renewed only upon the payment of the fee therefor prescribed by this chapter.

On or after October 1, 1959, no more than one branch office license shall be issued to any optometrist or to any two or more optometrists, jointly.

- (g) Any failure to comply with the provisions of this chapter relating to branch offices or branch office licenses as to any branch office shall work the suspension of the optometrist license of each optometrist who, individually or with others, has a branch office. An optometrist license so suspended shall not be restored except upon compliance with those provisions and the payment of the fee prescribed by this chapter for restoration of a license after suspension for failure to comply with the provisions of this chapter relating to branch offices.
- (h) The holder or holders of a branch office license shall pay the—annual biennial renewal fee therefor in the amount required by this chapter between the first day of January and the first day of February of each—year. renewal period. The failure to pay the fee in advance on or before February 1 of each year during the time it is in force shall ipso facto work the suspension of the branch office license. The license shall not be restored except upon written application and the payment of the penalty prescribed by this chapter, and, in addition, all delinquent branch office fees.

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(i) Nothing in this chapter shall limit or authorize the board to limit the number of branch offices that are in operation on October 1, 1959, and that conform to this chapter, nor prevent an optometrist from acquiring any branch office or offices of his or her parent. The sale after October 1, 1959, of any branch office shall terminate the privilege of operating the branch office, and no new branch office license shall be issued in place of the license issued for the branch office, unless the branch office is the only one operated by the optometrist or by two or more optometrists jointly.

Nothing in this chapter shall prevent an optometrist from owning, maintaining, or operating more than one branch office if he or she is in personal attendance at each of his or her offices 50 percent of the time during which the office is open for the practice of optometry.

<del>(j)</del>

- (i) The board shall have the power to adopt, amend, and repeal rules and regulations to carry out the provisions of this section.
- (k) Notwithstanding any other provision of this section, neither an optometrist nor an individual practice association shall be deemed to have an additional office solely by reason of the optometrist's participation in an individual practice association or the individual practice association's creation or operation. As used in this subdivision, the term "individual practice association" means an entity that meets all of the following requirements:
- (1) Complies with the definition of an optometric corporation in Section 3160.
- (2) Operates primarily for the purpose of securing contracts with health care service plans or other third-party payers that make available eye/vision services to enrollees or subscribers through a panel of optometrists.
- (3) Contracts with optometrists to serve on the panel of optometrists, but does not obtain an ownership interest in, or otherwise exercise control over, the respective optometric practices of those optometrists on the panel.

Nothing in this subdivision shall be construed to exempt an optometrist who is a member of an individual practice association and who practices optometry in more than one physical location, from the requirement of obtaining a branch office license for each of those locations, as required by this section. However, an

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optometrist shall not be required to obtain a branch office license solely as a result of his or her participation in an individual practice association in which the members of the individual practice association practice optometry in a number of different locations, and each optometrist is listed as a member of that individual practice association.

- SEC. 7. Section 3090.1 is added to the Business and Professions Code, to read:
- 3090.1. The State Board of Optometry shall receive any complaint made to a state board or department related to care provided to a patient by a licensed optometrist under Chapter 7 (commencing with Section 3000).
- SEC. 8. Section 3109.1 is added to the Business and Professions Code, to read:
- 3109.1. (a) An optometrist shall report to the board any action or circumstance that the optometrist reasonably and in good faith believes constitutes a continued and unresolved attempt to interfere with his or her independent clinical judgment or compliance with prevailing clinical standards for the practice of optometry by a registered dispensing optician or any employee or agent of the registered dispensing optician that violates Section 655.
- (b) The board shall report the complaint to the Division of Licensing of the Medical Board of California, and the division shall investigate the complaint pursuant to Section 2555.
- (c) A registered dispensing optician shall not discharge, terminate, suspend, threaten, harass, or in any other manner retaliate or discriminate against an optometrist that files a good faith complaint pursuant to this section or any other law, or for lawful acts done by an optometrist in disclosing information relating to any complaint against a registered dispensing optician. When an optometrist files a good faith complaint against a registered dispensing optician, the optometrist shall have all of the protections provided in Section 1102.5 of the Labor Code.
- SEC. 9. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within

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the meaning of Section 6 of Article XIIIB of the CaliforniaConstitution.

SECTION 1. Section 2555 of the Business and Professions Code is amended to read:

2555. Certificates issued hereunder may in the discretion of the division be suspended or revoked or subjected to terms and conditions of probation for violating or attempting to violate this chapter, Chapter 5.4 (commencing with Section 2540) or any regulation adopted under this chapter or, Chapter 5.4 (commencing with Section 2540), or Section 651, 654, or 655, or for incompetence, gross negligence, unprofessional conduct, or repeated negligent acts performed by the registrant or by an employee or agent of the registrant. Unprofessional conduct includes, but is not limited to, repeated interference with the independent clinical judgment of an optometrist or with compliance by an optometrist with prevailing clinical standards for the practice of optometry. The proceedings shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the division shall have all the powers granted therein.

AMENDED IN ASSEMBLY MAY 11, 2015 AMENDED IN ASSEMBLY APRIL 30, 2015 AMENDED IN ASSEMBLY APRIL 23, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

# ASSEMBLY BILL

No. 684

# Introduced by Assembly Member Members Alejo and Bonilla (Coauthor: Assembly Member Alejo)

February 25, 2015

An act to add and repeal Sections 655.1 and 2556.1 of the Business and Professions Code, relating to healing arts, and declaring the urgency thereof, to take effect immediately.

#### LEGISLATIVE COUNSEL'S DIGEST

AB 684, as amended, Bonilla Alejo. Healing arts: licensees: disciplinary actions.

Existing law prohibits a licensed optometrist and a registered dispensing optician from having any membership, proprietary interest, coownership, landlord-tenant relationship, or any profit-sharing arrangement in any form, directly or indirectly, with each other. Existing law prohibits a licensed optometrist from having any membership, proprietary interest, coownership, landlord-tenant relationship, or any profit-sharing arrangement in any form, directly or indirectly, either by stock ownership, interlocking directors, trusteeship, mortgage, trust deed, or otherwise with any person who is engaged in the manufacture, sale, or distribution to physicians and surgeons, optometrists, or dispensing opticians of lenses, frames, optical supplies, optometric appliances or devices or kindred products. Existing law makes a violation of these provisions by a licensed optometrist and any other

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persons, whether or not a healing arts licensee, who participates with a licensed optometrist subject to a crime.

Under existing law, the Medical Board of California is responsible for the registration and regulation of dispensing opticians. Existing law makes the State Board of Optometry responsible for the licensure of optometrists.

This bill, until January 1, 2017, would prohibit a registered dispensing optician or optometrist from being subject to discipline by the Medical Board of California, the State Board of Optometry, or other state agency with enforcement authority for engaging in any of the aforementioned business relationships.

Existing law makes it unlawful to, among other things, advertise the furnishing of, or to furnish, the services of a refractionist, an optometrist, or a physician and surgeon, or to directly or indirectly employ or maintain on or near the premises used for optical dispensing, a refractionist, an optometrist, a physician and surgeon, or a practitioner of any other profession for the purpose of any examination or treatment of the eyes.

This bill, until January 1, 2017, would prohibit a registered dispensing optician from being subject to discipline for engaging in that aforementioned conduct.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: <sup>2</sup>/<sub>3</sub>. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:* 

- 1 SECTION 1. Section 655.1 is added to the Business and 2 Professions Code, to read:
- 3 655.1. (a) Notwithstanding any other law and on and after
- 4 January 1, 2016, law, no dispensing optician registered pursuant
- 5 to Chapter 5.5 (commencing with Section 2550) or optometrist
- 6 licensed pursuant to Chapter 7 (commencing with Section 3000)
- 7 shall be subject to discipline by the Medical Board of California,
- 8 the State Board of Optometry, or other state agency with
- 9 enforcement authority for engaging in any business relationship prohibited by Section 655.
- 11 (b) Nothing in this section shall be construed to imply or suggest 12 that a registered dispensing optician or optometrist engaging in

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1 any business relationship is in violation of or in compliance with 2 the law.

- (c) This section shall remain in effect only until January 1, 2017, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2017, deletes or extends that date.
- SEC. 2. Section 2556.1 is added to the Business and Professions Code, to read:
- 2556.1. (a) Notwithstanding any other law and on and after January 1, 2016, law, a person registered under this chapter shall not be subject to discipline for engaging in conduct prohibited by Section 2556, except—that, that a registrant shall be subject to discipline for duplicating or changing lenses without a prescription or order from a person duly licensed to issue the same.
- (b) Nothing in this section shall be construed to imply or suggest that a person registered under this chapter is in violation of or in compliance with the law.
- (c) This section shall remain in effect only until January 1, 2017, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2017, deletes or extends that date.
- SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to protect various businesses, opticians, and optometrists who engage in a business relationship that is prohibited by Section 655 or 2556 of the Business and Professions Code from discipline by the Medical Board of California, the State Board of Optometry, or other state agency with enforcement authority while the Legislature, with the assistance of appropriate regulatory agencies, develops a model that will allow California businesses to provide services to patients and also protect the interests of practitioners, it is necessary that this act take effect immediately.

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# MEDICAL BOARD OF CALIFORNIA Executive Office



May 15, 2015

The Honorable Susan Bonilla California State Assembly State Capitol, Room 4140 Sacramento, CA 95814

Re.: AB 684 (Campos) - Neutral if Amended Position

Dear Assembly Member Bonilla:

The Medical Board of California (Board) considered your AB 684 at its meeting on May 7, 2015. The Board took a neutral if amended position on this bill. This bill would place a moratorium on discipline for registered dispensing opticians (RDOs) by the Medical Board of California (Board) or the California Board of Optometry (CBO) for engaging in any business relationship prohibited by Business and Professions Code Section 655. This bill would take effect immediately, as it contains an urgency clause.

This bill will allow time, until January 1, 2017, for the business model arrangement issues to be worked out in AB 595 (Alejo), which the Board believes makes sense. The Board is looking forward to continuing to be an active stakeholder on this issue and participating in stakeholder meetings and providing technical input on AB 595 and any proposed language. However, the Board does believe the moratorium should only be applicable to RDOs currently registered with the Board, and that it should not pertain to any new RDOs that are registered after this bill is enacted. If changes are made to address this concern, the Board will be neutral, as it believes the moratorium will allow the issue of optical business models in California to be thoughtfully addressed and ensure that RDOs and optometrists aren't penalized while AB 595 is being worked through in the Legislature. Please contact my Chief of Legislation, Jennifer Simoes, or me at (916) 263-2389 if you need additional information regarding our position on this bill.

Sincerely,

Kimberly Kirchmeyer Executive Director

cc: Assembly Member Gomez, Chair, Assembly Appropriations Committee

# AB 684 (Bonilla) Medical Board of California Suggested Amendments

#### **SECTION 1.**

Section 655.1 is added to the Business and Professions Code, to read:

#### 655.1.

- (a) Notwithstanding any other law, no dispensing optician registered <u>before the effective date of this section</u> pursuant to Chapter 5.5 (commencing with Section 2550) or optometrist licensed pursuant to Chapter 7 (commencing with Section 3000) shall be subject to discipline by the Medical Board of California, the State Board of Optometry, or other state agency with enforcement authority for engaging in any business relationship prohibited by Section 655. (b) Nothing in this section shall be construed to imply or suggest that a registered dispensing optician or optometrist engaging in any business relationship is in violation of or in compliance with the law.
- (c) This section shall remain in effect only until January 1, 2017, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2017, deletes or extends that date.

#### **SEC. 2.**

Section 2556.1 is added to the Business and Professions Code, to read:

#### 2556.1.

- (a) Notwithstanding any other law, a person registered under this chapter <u>before the effective</u> <u>date of this section</u> shall not be subject to discipline for engaging in conduct prohibited by Section 2556, except that a registrant shall be subject to discipline for duplicating or changing lenses without a prescription or order from a person duly licensed to issue the same.
- (b) Nothing in this section shall be construed to imply or suggest that a person registered under this chapter is in violation of or in compliance with the law.
- (c) This section shall remain in effect only until January 1, 2017, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2017, deletes or extends that date.

## **SEC. 3.**

This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to protect various businesses, opticians, and optometrists who engage in a business relationship that is prohibited by Section 655 or 2556 of the Business and Professions Code from discipline by the Medical Board of California, the State Board of Optometry, or other state agency with enforcement authority while the Legislature, with the assistance of appropriate regulatory agencies, develops a model that will allow California businesses to provide services to patients and also protect the interests of practitioners, it is necessary that this act take effect immediately.

# AB 684 (Bonilla) California State Board of Optometry Staff Suggested Amendments

#### **SECTION 1.**

Section 655.1 is added to the Business and Professions Code, to read:

#### 655.1.

- (a) Notwithstanding any other law, no dispensing optician registered pursuant to Chapter 5.5 (commencing with Section 2550) or optometrist licensed pursuant to Chapter 7 (commencing with Section 3000) shall be subject to discipline any action by the Medical Board of California, the State Board of Optometry, or other state agency with enforcement authority for engaging in any business relationship prohibited by Section 655.
- (b) Nothing in this section shall be construed to imply or suggest that a registered dispensing optician or optometrist engaging in any business relationship is in violation of or in compliance with the law.
- (c) This section shall remain in effect only until January 1, 2017, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2017, deletes or extends that date. (d) This section shall not apply to any business relationships prohibited by Section 655 formed after the effective date of this section.
- (e) During the effective period of this section, the statute of limitations, pursuant to Section 3137, does not apply to the timeframe the State Board of Optometry has to file an Accusation for Section 655 violations.

#### SEC. 2.

Section 2556.1 is added to the Business and Professions Code, to read:

#### 2556.1.

- (a) Notwithstanding any other law, a person registered under this chapter shall not be subject to discipline any action for engaging in conduct prohibited by Section 2556, except that a registrant shall be subject to discipline for duplicating or changing lenses without a prescription or order from a person duly licensed to issue the same.
- (b) Nothing in this section shall be construed to imply or suggest that a person registered under this chapter is in violation of or in compliance with the law.
- (c) This section shall remain in effect only until January 1, 2017, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2017, deletes or extends that date. (d) This section shall not apply to any business relationships prohibited by Section 2556 formed after the effective date of this section.

#### **SEC. 3.**

This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to protect various businesses, opticians, and optometrists who engage in a business relationship that is prohibited by Section 655 or 2556 of the Business and Professions Code from discipline by the Medical Board of California, the State Board of Optometry, or other state agency with enforcement authority while the Legislature, with the assistance of appropriate

regulatory agencies, develops a model that will allow California businesses to provide services to patients and also protect the interests of practitioners, it is necessary that this act take effect immediately.





2450 Del Paso Road, Suite 105 Sacramento, CA 95834 (916) 575-7170, (916) 575-7292 Fax www.optometry.ca.gov

To: Board Members Date: June 12, 2015

From: Jessica Sieferman Telephone: (916) 575-7170

**Acting Executive Officer** 

Subject: Agenda Item 4 and 5 – Full Board Closed Session

# Agenda Item 4:

Pursuant to Government Code Section 11126(e), the Board Will Meet in Closed Session to discuss pending litigation – Anthony Rudick, O.D.; Ridge Eye Care, Inc., v. State Board of Optometry, Superior Court of the State of California for the County of Sacramento, Case KG13708526

# **Agenda Item 5:**

Pursuant to Government Code Section 11126(c)(3), the Board Will Meet in Closed Session for Discussion and Possible Action on Disciplinary Matters



2450 Del Paso Road, Suite 105 Sacramento, CA 95834 (916) 575-7170, (916) 575-7292 Fax www.optometry.ca.gov

To: Board Members Date: June 12, 2015

From: Jessica Sieferman Telephone: (916) 575-7184

**Acting Executive Officer** 

Subject: Agenda Item 6 – Suggestions for Future Agenda Items

The Board may discuss and decide whether to place a matter on the agenda of a future meeting. Future agenda items currently include, but are not limited to, the following:

- Solicitation and Possible Appointment of Committees
- Approval of Board Meeting Minutes
- Approval of the Board Member Handbook
- Approval of Recommendations Pertaining to Posting Requirements of a Consumer Notice that Explains the Designations After an Optometrist's License Number
- Update on Online Refractions Pursuant to the Laws Governing Optometry in the State of California
- Update on Budget Change Proposal for Association of Regulatory Boards of Optometry's 2016 Annual Meeting
- Update on Rulemaking Pertaining to California Code of Regulations Section 1536
- CLOSED SESSION Pursuant to Government Code Section 11126(a)(1), the Board Will Meet in Closed Session to Interview Candidates for and Discuss Appointment of an Executive Officer



2450 Del Paso Road, Suite 105 Sacramento, CA 95834 (916) 575-7170, (916) 575-7292 Fax www.optometry.ca.gov

To: Board Members Date: June 12, 2015

From: Alejandro Arredondo, OD Telephone: (916) 575-7170

**Board President** 

Subject: Agenda Item 7 – Adjournment

Adjournment