

# STATE OF NEW YORK

2105

2025-2026 Regular Sessions

## IN SENATE

January 15, 2025

Introduced by Sen. COONEY -- read twice and ordered printed, and when printed to be committed to the Committee on Insurance

AN ACT to amend the insurance law and the public health law, in relation to the use of virtual credit cards by insurers and certain health care plans

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Section 3217-b of the insurance law is amended by adding a  
2 new subsection (p) to read as follows:

3 (p)(1) An insurer may pay a claim for reimbursement made by a provider  
4 using a credit card, virtual credit card, or electronic funds transfer  
5 payment method that imposes on the provider a fee or similar charge to  
6 process the payment if in advance of using such reimbursement method:

7 (A) The insurer notifies the provider of the potential fees or other  
8 charges associated with the use of the credit card, virtual credit card,  
9 or electronic funds transfer payment;

10 (B) The insurer offers the provider an alternative payment method that  
11 does not impose fees or similar charges on the provider; and

12 (C) The provider or a designee of the provider elects to accept  
13 payment of the claim using the credit card, virtual credit card, or  
14 electronic funds transfer payment method.

15 (2) A decision pursuant to paragraph one of this subsection shall  
16 remain in effect until the provider changes the designated payment type.

17 (3) If an insurer contracts with a vendor to process payments of  
18 providers' claims, the insurer shall require the vendor to comply with  
19 the provisions of paragraph one of this subsection.

20 (4) No policy or contract issued, renewed, modified, altered or  
21 amended after the effective date of this section shall contain  
22 provisions allowing for waiver of the notice requirements contained in  
23 this subsection.

EXPLANATION--Matter in italics (underscored) is new; matter in brackets  
[-] is old law to be omitted.

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1 (5) For any contract that is in effect on or before the effective date  
2 of this subsection or that is entered into, amended or renewed on or  
3 after the effective date of this subsection, a carrier that initiates a  
4 payment to a provider using, or changes the payment method to, a health  
5 care electronic funds transfers and remittance advice transaction shall  
6 not charge a fee solely to transmit the payment to the provider unless  
7 the provider consents to the fee.

8 (6) For purposes of this subsection, the following terms shall have  
9 the following meanings:

10 (A) "Provider" shall mean an individual or group of individuals  
11 licensed pursuant to title eight of the education law.

12 (B) "Virtual credit card" shall mean a single-use series of numbers  
13 linked to a fixed dollar amount and provided by an insurer to a provider  
14 for the purpose of paying a claim for health care services performed by  
15 the provider.

16 § 2. The insurance law is amended by adding a new section 4242 to read  
17 as follows:

18 § 4242. Use of virtual credit cards. (a) An insurer may pay a claim  
19 for reimbursement made by a provider using a credit card, virtual credit  
20 card, or electronic funds transfer payment method that imposes on the  
21 provider a fee or similar charge to process the payment if in advance of  
22 using such reimbursement method:

23 (1) The insurer notifies the provider of the potential fees or other  
24 charges associated with the use of the credit card, virtual credit card,  
25 or electronic funds transfer payment;

26 (2) The insurer offers the provider an alternative payment method that  
27 does not impose fees or similar charges on the provider; and

28 (3) The provider or a designee of the provider elects to accept  
29 payment of the claim using the credit card, virtual credit card, or  
30 electronic funds transfer payment method.

31 (b) A decision pursuant to subsection (a) of this section shall remain  
32 in effect until the provider changes the designated payment type.

33 (c) If an insurer contracts with a vendor to process payments of  
34 providers' claims, the insurer shall require the vendor to comply with  
35 the provisions of subsection (a) of this section.

36 (d) No policy or contract issued, renewed, modified, altered or  
37 amended after the effective date of this section shall contain  
38 provisions allowing for waiver of the notice requirements contained in  
39 this section.

40 (e) For any contract that is in effect on or before the effective date  
41 of this section or that is entered into, amended or renewed on or after  
42 the effective date of this section, a carrier that initiates a payment  
43 to a provider using, or changes the payment method to, a health care  
44 electronic funds transfers and remittance advice transaction shall not  
45 charge a fee solely to transmit the payment to the provider unless the  
46 provider consents to the fee.

47 (f) For purposes of this section, the following terms shall have the  
48 following meanings:

49 (1) "Provider" shall mean an individual or group of individuals  
50 licensed pursuant to title eight of the education law.

51 (2) "Virtual credit card" shall mean a single-use series of numbers  
52 linked to a fixed dollar amount and provided by an insurer to a provider  
53 for the purpose of paying a claim for health care services performed by  
54 the provider.

55 § 3. Section 4325 of the insurance law is amended by adding a new  
56 subsection (p) to read as follows:

1 (p) (1) A corporation organized under this article may pay a claim for  
2 reimbursement made by a provider using a credit card, virtual credit  
3 card, or electronic funds transfer payment method that imposes on the  
4 provider a fee or similar charge to process the payment if in advance of  
5 using such reimbursement method:

6 (A) The insurer notifies the provider of the potential fees or other  
7 charges associated with the use of the credit card, virtual credit card,  
8 or electronic funds transfer payment;

9 (B) The insurer offers the provider an alternative payment method that  
10 does not impose fees or similar charges on the provider; and

11 (C) The provider or a designee of the provider elects to accept  
12 payment of the claim using the credit card, virtual credit card, or  
13 electronic funds transfer payment method.

14 (2) A decision pursuant to paragraph one of this subsection shall  
15 remain in effect until the provider changes the designated payment type.

16 (3) If an insurer contracts with a vendor to process payments of  
17 providers' claims, the insurer shall require the vendor to comply with  
18 the provisions of paragraph one of this subsection.

19 (4) No policy or contract issued, renewed, modified, altered or  
20 amended after the effective date of this section shall contain  
21 provisions allowing for waiver of the notice requirements contained in  
22 this subsection.

23 (5) For any contract that is in effect on or before the effective date  
24 of this subsection or that is entered into, amended or renewed on or  
25 after the effective date of this subsection, a carrier that initiates a  
26 payment to a provider using, or changes the payment method to, a health  
27 care electronic funds transfers and remittance advice transaction shall  
28 not charge a fee solely to transmit the payment to the provider unless  
29 the provider consents to the fee.

30 (6) For purposes of this subsection, the following terms shall have  
31 the following meanings:

32 (A) "Provider" shall mean an individual or group of individuals  
33 licensed pursuant to title eight of the education law.

34 (B) "Virtual credit card" shall mean a single-use series of numbers  
35 linked to a fixed dollar amount and provided by a corporation organized  
36 under this article to a provider for the purpose of paying a claim for  
37 health care services performed by the provider.

38 § 4. Section 4406-c of the public health law is amended by adding a  
39 new subdivision 14 to read as follows:

40 14. (a) A health plan may pay a claim for reimbursement made by a  
41 provider using a credit card, virtual credit card, or electronic funds  
42 transfer payment method that imposes on the provider a fee or similar  
43 charge to process the payment if in advance of using such reimbursement  
44 method:

45 (i) The insurer notifies the provider of the potential fees or other  
46 charges associated with the use of the credit card, virtual credit card,  
47 or electronic funds transfer payment;

48 (ii) The insurer offers the provider an alternative payment method  
49 that does not impose fees or similar charges on the provider; and

50 (iii) The provider or a designee of the provider elects to accept  
51 payment of the claim using the credit card, virtual credit card, or  
52 electronic funds transfer payment method.

53 (b) A decision pursuant to paragraph (a) of this subdivision shall  
54 remain in effect until the provider changes the designated payment type.

1 (c) If an insurer contracts with a vendor to process payments of  
2 providers' claims, the insurer shall require the vendor to comply with  
3 the provisions of paragraph (a) of this subdivision.

4 (d) No policy or contract issued, renewed, modified, altered or  
5 amended after the effective date of this section shall contain  
6 provisions allowing for waiver of the notice requirements contained in  
7 this subdivision.

8 (e) For any contract that is in effect on or before the effective date  
9 of this subdivision or that is entered into, amended or renewed on or  
10 after the effective date of this subdivision, a carrier that initiates a  
11 payment to a provider using, or changes the payment method to, a health  
12 care electronic funds transfers and remittance advice transaction shall  
13 not charge a fee solely to transmit the payment to the provider unless  
14 the provider consents to the fee.

15 (f) For purposes of this section, the following definitions shall  
16 apply:

17 (i) "Provider" shall mean an individual or group of individuals  
18 licensed pursuant to title eight of the education law.

19 (ii) "Virtual credit card" shall mean a single-use series of numbers  
20 linked to a fixed dollar amount and provided by an insurer to a provider  
21 for the purpose of paying a claim for health care services performed by  
22 the provider.

23 § 5. This act shall take effect immediately and shall apply to poli-  
24 cies and contracts issued, renewed, modified, altered or amended on and  
25 after such date.