

STATE OF NEW YORK

2105--A

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 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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 specifically identified
6 fee or similar dedicated charge to process the payment if in advance of
7 using such reimbursement method:

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

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

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

16 (2) A decision pursuant to paragraph one of this subsection shall
17 remain in effect until the provider notifies the insurer, in writing, of
18 a change in the designated payment type.

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

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

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

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

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

14 (A) "Provider" shall mean a health care professional or a group of
15 health care professionals licensed pursuant to title eight of the educa-
16 tion law that has a participating provider contract with an insurer to
17 provide health care services to an insured.

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

22 § 2. Section 4325 of the insurance law is amended by adding a new
23 subsection (p) to read as follows:

24 (p) (1) A corporation organized under this article may pay a claim for
25 reimbursement made by a provider using a credit card, virtual credit
26 card, or electronic funds transfer payment method that imposes on the
27 provider a specifically identified fee or similar charge dedicated to
28 process the payment if in advance of using such reimbursement method:

29 (A) The corporation notifies the provider of the potential fees or
30 other charges associated with the use of the credit card, virtual credit
31 card, or electronic funds transfer payment;

32 (B) The corporation offers the provider an alternative payment method
33 that does not impose fees or similar charges on the provider; and

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

37 (2) A decision pursuant to paragraph one of this subsection shall
38 remain in effect until the provider notifies the corporation, in writ-
39 ing, of a change to the designated payment type.

40 (3) If a corporation contracts with a vendor to process payments of
41 providers' claims, the insurer shall require the vendor to comply with
42 the provisions of paragraph one of this subsection.

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

47 (5) For any contract that is in effect on or before the effective date
48 of this subsection or that is entered into, amended or renewed on or
49 after the effective date of this subsection, a corporation that initi-
50 ates a payment to a provider using, or changes the payment method to, a
51 health care electronic funds transfers and remittance advice transaction
52 shall not charge a fee solely to transmit the payment to the provider
53 unless the provider elects to accept payment in accordance with subpara-
54 graph (B) of paragraph one of this subsection.

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

1 (A) "Provider" shall mean a health care professional or a group of
2 health care professionals licensed pursuant to title eight of the educa-
3 tion law that has a participating provider contract with a corporation
4 to provide health care services to an insured.

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

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

11 14. (a) A health care plan may pay a claim for reimbursement made by a
12 provider using a credit card, virtual credit card, or electronic funds
13 transfer payment method that imposes on the provider a specifically
14 identified fee or similar dedicated charge to process the payment if in
15 advance of using such reimbursement method:

16 (i) The health care plan notifies the provider of the potential fees
17 or other charges associated with the use of the credit card, virtual
18 credit card, or electronic funds transfer payment;

19 (ii) The health care plan offers the provider an alternative payment
20 method that does not impose fees or similar charges on the provider; and

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

24 (b) A decision pursuant to paragraph (a) of this subdivision shall
25 remain in effect until the provider notifies the health care plan, in
26 writing, of a change to the designated payment type.

27 (c) If a health care plan contracts with a vendor to process payments
28 of providers' claims, the health care plan shall require the vendor to
29 comply with the provisions of paragraph (a) of this subdivision.

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

34 (e) For any contract that is in effect on or before the effective date
35 of this subdivision or that is entered into, amended or renewed on or
36 after the effective date of this subdivision, a health care plan that
37 initiates a payment to a provider using, or changes the payment method
38 to, a health care electronic funds transfers and remittance advice tran-
39 saction shall not charge a fee solely to transmit the payment to the
40 provider unless the provider elects to accept payment in accordance with
41 subparagraph (ii) of paragraph (a) of this subdivision.

42 (f) For purposes of this section, the following definitions shall
43 apply:

44 (i) "Provider" shall mean a health care professional or a group of
45 health care professionals licensed pursuant to title eight of the educa-
46 tion law that has a participating provider contract with a health care
47 plan to provide health care services to an enrollee.

48 (ii) "Virtual credit card" shall mean a single-use series of numbers
49 linked to a fixed dollar amount and provided by a health care plan to a
50 provider for the purpose of paying a claim for health care services
51 performed by the provider.

52 § 4. This act shall take effect on the one hundred eightieth day after
53 it shall have become a law and shall apply to policies and contracts
54 issued, renewed, modified, altered or amended on and after such date.