STATE OF NEW YORK

5527

2025-2026 Regular Sessions

IN SENATE

February 24, 2025

Introduced by Sens. SANDERS, MAY -- read twice and ordered printed, and when printed to be committed to the Committee on Health

AN ACT to amend the public health law and the insurance law, in relation to certain contracts or agreements by health maintenance organizations

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

Section 1. Subdivision 7 of section 4406-c of the public health law, as added by chapter 705 of the laws of 1996 and as renumbered by chapter 487 of the laws of 2010, is renumbered subdivision 17 and three new subdivisions 14, 15 and 16 are added to read as follows:

14. No contract or agreement between a health care plan and a health care provider shall contain any clause which entitles such health care plan to reimburse the health care provider at the lowest price or rate that such health care provider has charged another person or entity for rendering the same treatment or performing the same procedure.

15. No health care plan shall by contract, written policy or written procedure prohibit any health care provider from referring a patient or enrollee to a health care provider based solely upon such health care provider's participation status with the managed care product subscribed to by the patient or enrollee.

16. No health care plan shall by contract, written policy or procedure provide for or allow the substitution of a pharmaceutical drug or agent (other than a generic substitution) by any person other than the prescribing health care professional or by a pharmacist under section sixty-eight hundred one-a of the education law.

§ 2. Subsection (h) of section 3217-b of the insurance law, as added by chapter 705 of the laws of 1996 and as relettered by chapter 237 of the laws of 2009, is relettered subsection (r) and three new subsections (h), (p) and (q) are added to read as follows:

(h) No contract or agreement between an insurer and a health care provider shall contain any clause which entitles such insurer to reim-

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

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burse the health care provider at the lowest price or rate that such health care provider has charged another person or entity for rendering the same treatment or performing the same procedure.

(p) No insurer shall by contract, written policy or written procedure prohibit any health care provider from referring an insured to a physician based solely upon such physician's participation status with the insurance product subscribed to by the insured.

(q) No insurer which maintains a drug formulary, or which contracts with another entity to maintain a drug formulary, shall by contract, written policy or procedure provide for or allow the substitution of a pharmaceutical drug or agent (other than a generic substitution) by any person other than the prescribing health care professional or by a pharmacist under section sixty-eight hundred one-a of the education law.

§ 3. Subsection (i) of section 4325 of the insurance law, as added by chapter 705 of the laws of 1996 and as relettered by chapter 487 of the laws of 2010, is relettered subsection (r) and three new subsections (i), (p) and (q) are added to read as follows:

(i) No contract or agreement between an insurer and a health care provider shall contain any clause which entitles such insurer to reimburse the health care provider at the lowest price or rate that such health care provider has charged another person or entity for rendering the same treatment or performing the same procedure.

(p) No insurer shall by contract, written policy or written procedure prohibit any health care provider from referring an insured to a physician based solely upon such physician's participation status with the insurance product subscribed to by the insured.

(q) No insurer which maintains a drug formulary, or which contracts with another entity to maintain a drug formulary, shall by contract, written policy or procedure provide for or allow the substitution of a pharmaceutical drug or agent (other than a generic substitution) by any person other than the prescribing health care professional or by a pharmacist under section sixty-eight hundred one-a of the education law.

§ 4. This act shall take effect on the one hundred eightieth day after it shall have become a law.