

STATE OF NEW YORK

7919--A

2025-2026 Regular Sessions

IN SENATE

May 14, 2025

Introduced by Sens. SKOUFIS, HARCKHAM -- read twice and ordered printed, and when printed to be committed to the Committee on Insurance -- recommitted to the Committee on Insurance in accordance with Senate Rule 6, sec. 8 -- 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 third-party network contracts

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

1 Section 1. The insurance law is amended by adding a new section 3217-k
2 to read as follows:

3 § 3217-k. Leased dental networks. (a) The following provisions shall
4 apply to dental provider networks:

5 (1) An insurer of dental care and services may grant a third party
6 access to dental care services and discounted rates of a provider under
7 a provider network contract if:

8 (A) the insurer allows the provider to choose not to allow the third
9 party to access the provider's services and discounted rates at the time
10 the original contract is entered into or renewed and whenever there is a
11 material modification to the third-party network contract;

12 (B) the insurer allows the provider to contract directly with the
13 third party instead of allowing the third party to access the provider's
14 services and discounted rates; and

15 (C) the third-party network contract obligates the third party to
16 comply with all applicable terms, limitations and conditions of the
17 provider network contract.

18 (2) An insurer of dental care and services may not cancel or otherwise
19 terminate a network provider contract with a provider on the grounds
20 that the provider refuses to allow access by a third party to the
21 provider's services and discounted rates.

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

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1 (3) An insurer of dental care and services that contracts with a third
2 party to provide access to the services and discounted rates of a
3 provider under a provider network contract shall:

4 (A) at the time a provider network contract is entered into, renewed
5 or extended, give to the provider, in writing or electronically, a list
6 of all third parties known by the insurer to which the insurer has
7 extended a third-party network contract to provide access to the
8 services and discounted rates of the provider under the provider network
9 contract;

10 (B) maintain a website through which the provider may obtain a list,
11 updated at least every ninety days, of all third parties that have
12 access to the provider's care services and discounted rates under the
13 provider network contract;

14 (C) require a third party to identify on each remittance or explana-
15 tion of payment sent to a provider the source of any contractual
16 discount in rates taken by the third party under the provider network
17 contract;

18 (D) notify the provider no less than thirty days prior to the effec-
19 tive date of a new third-party network contract;

20 (E) notify each third party described under subparagraphs (A) and (B)
21 of this paragraph of the termination of the provider network contract no
22 later than thirty days following the effective date of such termination;
23 and

24 (F) make available to a provider within thirty days of the provider's
25 request a copy of the provider network contract currently in force that
26 was relied upon by the insurer in the adjudication of the provider's
27 claim.

28 (b) The notice required under subparagraphs (D) and (E) of paragraph
29 three of subsection (a) of this section shall be provided by any reason-
30 able means, including but not limited to written notice, electronic
31 communication or an update to an electronic database.

32 (c) Subject to any applicable continuity of care requirements, agree-
33 ments or contractual provisions, a third party's right to access a
34 provider's services and discounted rates under a provider network
35 contract shall terminate on the date the provider network contract is
36 terminated. This section shall not apply if access to the network
37 contract is granted to a dental insurer or an entity operating in
38 accordance with the same brand licensee program as the contracting enti-
39 ty or to an entity that is an affiliate of the contracting entity. For
40 purposes of this section, an "affiliate" of a contracting entity is a
41 person that directly or indirectly controls, is controlled by, or is
42 under common control with such contracting entity.

43 (d) 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 section.

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

49 (1) "Provider" shall mean a dentist or group of dentists licensed
50 pursuant to article one hundred thirty-three of the education law.

51 (2) "Material modification" shall mean changes to the terms or condi-
52 tions of a contract that reduces reimbursement rates paid to providers,
53 fee schedules for providers, or increases benefits or covered procedures
54 subject to the network provider but shall not include adding a new third
55 party to an existing third-party network contract without any material
56 modification to the third-party network contract.

1 (3) "Provider network contract" shall mean a contract entered into
2 between a provider and insurer of dental care and services for the
3 provision of services to enrollees in plans offered by the insurer.

4 (4) "Third party" shall mean an entity, including but not limited to a
5 payer, dental benefits administrator or a dental network leasing compa-
6 ny, that enters into a third-party network contract with an insurer of
7 dental care and services.

8 (5) "Third-party network contract" shall mean a contract entered into
9 between an insurer and a third party insurer of dental care and services
10 to gain access to services and discounted rates of a provider under the
11 original provider network contract with the provider.

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

14 § 4242. Network leasing. (a) An insurer of dental care and services
15 may grant a third party access to dental care services and discounted
16 rates of a provider under a provider network contract if:

17 (1) the insurer allows the provider to choose not to allow the third
18 party to access the provider's services and discounted rates at the time
19 the original contract is entered into or renewed and whenever there is a
20 material modification to the third-party network contract;

21 (2) the insurer allows the provider to contract directly with the
22 third party instead of allowing the third party to access the provider's
23 services and discounted rates; and

24 (3) the third-party network contract obligates the third party to
25 comply with all applicable terms, limitations and conditions of the
26 provider network contract.

27 (b) An insurer of dental care and services may not cancel or otherwise
28 terminate a network provider contract with a provider on the grounds
29 that the provider refuses to allow access by a third party to the
30 provider's services and discounted rates.

31 (c) An insurer of dental care and services that contracts with a third
32 party to provide access to the services and discounted rates of a
33 provider under a provider network contract shall:

34 (1) at the time a provider network contract is entered into, renewed
35 or extended, give to the provider, in writing or electronically, a list
36 of all third parties known by the insurer to which the insurer has
37 extended a third-party network contract to provide access to the
38 services and discounted rates of the provider under the provider network
39 contract;

40 (2) maintain a website through which the provider may obtain a list,
41 updated at least every ninety days, of all third parties that have
42 access to the provider's care services and discounted rates under the
43 provider network contract;

44 (3) require a third party to identify on each remittance or explana-
45 tion of payment sent to a provider the source of any contractual
46 discount in rates taken by the third party under the provider network
47 contract;

48 (4) notify the provider no less than thirty days prior to the effec-
49 tive date of a new third-party network contract;

50 (5) notify each third party described under paragraphs one and two of
51 this subsection of the termination of the provider network contract no
52 later than thirty days following the effective date of such termination;
53 and

54 (6) make available to a provider within thirty days of the provider's
55 request a copy of the provider network contract currently in force that

1 was relied upon by the insurer in the adjudication of the provider's
2 claim.

3 (d) The notice required under paragraphs four and five of subsection
4 (c) of this section shall be provided by any reasonable means, including
5 but not limited to written notice, electronic communication or an update
6 to an electronic database.

7 (e) Subject to any applicable continuity of care requirements, agree-
8 ments or contractual provisions, a third party's right to access a
9 provider's services and discounted rates under a provider network
10 contract shall terminate on the date the provider network contract is
11 terminated. This section shall not apply if access to the network
12 contract is granted to a dental insurer or an entity operating in
13 accordance with the same brand licensee program as the contracting enti-
14 ty or to an entity that is an affiliate of the contracting entity. For
15 purposes of this section, an "affiliate" of a contracting entity is a
16 person that directly or indirectly controls, is controlled by, or is
17 under common control with such contracting entity.

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

22 (g) For purposes of this section, the following terms shall have the
23 following meanings:

24 (1) "Provider" shall mean a dentist or group of dentists licensed
25 pursuant to article one hundred thirty-three of the education law.

26 (2) "Material modification" shall mean changes to the terms or condi-
27 tions of a contract that reduces reimbursement rates paid to providers,
28 fee schedules for providers, or increases benefits or covered procedures
29 subject to the network provider but shall not include adding a new third
30 party to an existing third-party network contract without any material
31 modification to the third-party network contract.

32 (3) "Provider network contract" shall mean a contract entered into
33 between a provider and insurer of dental care and services for the
34 provision of services to enrollees in plans offered by the insurer.

35 (4) "Third party" shall mean an entity, including but not limited to a
36 payer, dental benefits administrator or a dental network leasing compa-
37 ny, that enters into a third-party network contract with an insurer of
38 dental care and services.

39 (5) "Third-party network contract" shall mean a contract entered into
40 between an insurer and a third party insurer of dental care and services
41 to gain access to services and discounted rates of a provider under the
42 original provider network contract with the provider.

43 § 3. The insurance law is amended by adding a new section 4325-a to
44 read as follows:

45 § 4325-a. Leased networks. (a) A corporation organized under this
46 title:

47 (1) grant a third party access to dental care services and discounted
48 rates of a provider under a provider network contract if:

49 (A) the corporation allows the provider to choose not to allow the
50 third party to access the provider's services and discounted rates at
51 the time the original contract is entered into or renewed and whenever
52 there is a material modification to the third-party network contract;

53 (B) the corporation allows the provider to contract directly with the
54 third party instead of allowing the third party to access the provider's
55 services and discounted rates; and

1 (C) the third-party network contract obligates the third party to
2 comply with all applicable terms, limitations and conditions of the
3 provider network contract;

4 (2) may not cancel or otherwise terminate a network provider contract
5 with a provider on the grounds that the provider refuses to allow access
6 by a third party to the provider's services and discounted rates;

7 (3) where the corporation contracts with a third party to provide
8 access to the services and discounted rates of a provider under a
9 provider network contract, shall:

10 (A) at the time a provider network contract is entered into, renewed
11 or extended, give to the provider, in writing or electronically, a list
12 of all third parties known by the corporation to which the insurer has
13 extended a third-party network contract provide access to the services
14 and discounted rates of the provider under the provider network
15 contract;

16 (B) maintain a website through which the provider may obtain a list,
17 updated at least every ninety days, of all third parties that have
18 access to the provider's care services and discounted rates under the
19 provider network contract;

20 (C) require a third party to identify on each remittance or explana-
21 tion of payment sent to a provider the source of any contractual
22 discount in rates taken by the third party under the provider network
23 contract;

24 (D) notify the provider no less than thirty days prior to the effec-
25 tive date of a new third-party network contract;

26 (E) notify each third party described under subparagraphs (A) and (B)
27 of this paragraph of the termination of the provider network contract no
28 later than thirty days following the effective date of such termination;
29 and

30 (F) make available to a provider within thirty days of the provider's
31 request a copy of the provider network contract currently in force that
32 was relied upon by the corporation in the adjudication of the provider's
33 claim;

34 (4) provide the notice required under subparagraphs (D) and (E) of
35 paragraph three of this subsection by any reasonable means, including
36 but not limited to written notice, electronic communication or an update
37 to an electronic database;

38 (5) subject to any applicable continuity of care requirements, agree-
39 ments or contractual provisions, shall ensure a third party's right to
40 access a provider's services and discounted rates under a provider
41 network contract will terminate on the date the provider network
42 contract is terminated. This section shall not apply if access to the
43 network contract is granted to a dental corporation or an entity operat-
44 ing in accordance with the same brand licensee program as the contract-
45 ing entity or to an entity that is an affiliate of the contracting enti-
46 ty. For purposes of this section, an "affiliate" of a contracting entity
47 is a person that directly or indirectly controls, is controlled by, or
48 is under common control with such contracting entity; and

49 (6) shall not issue, renew, modify, alter or amend any policy or
50 contract after the effective date of this section to contain provisions
51 allowing for waiver of the notice requirements contained in this
52 section.

53 (b) For purposes of this section, the following terms shall have the
54 following meanings:

55 (1) "Provider" shall mean a dentist or group of dentists licensed
56 pursuant to article one hundred thirty-three of the education law.

(2) "Material modification" shall mean changes to the terms or conditions of a contract that reduces reimbursement rates paid to providers, fee schedules for providers, or increases benefits or covered procedures subject to the network provider agreement but shall not include adding a new third party to an existing third-party network contract without any material modification to the third-party network contract.

(3) "Provider network contract" shall mean a contract entered into between a provider and insurer of dental care and services for the provision of services to enrollees in plans offered by the insurer.

(4) "Third party" shall mean an entity, including but not limited to a payer, dental benefits administrator or a dental network leasing company, that enters into a third-party network contract with an insurer of dental care and services.

(5) "Third-party network contract" shall mean a contract entered into between an insurer and a third party insurer of dental care and services to gain access to services and discounted rates of a provider under the original provider network contract with the provider.

§ 4. The public health law is amended by adding a new section 4406-j to read as follows:

§ 4406-j. Leased networks. 1. A health care plan:

(a) may grant a third party access to dental care services and discounted rates of a provider under a provider network contract if:

(i) the plan allows the provider to choose not to allow the third party to access the provider's services and discounted rates at the time the original contract is entered into or renewed and whenever there is a material modification to the third-party network contract;

(ii) the health care plan allows the provider to contract directly with the third party instead of allowing the third party to access the provider's services and discounted rates; and

(iii) the third-party network contract obligates the third party to comply with all applicable terms, limitations and conditions of the provider network contract;

(b) may not cancel or otherwise terminate a network provider contract with a provider on the grounds that the provider refuses to allow access by a third party to the provider's services and discounted rates;

(c) where the health care plan contracts with a third party to provide access to the services and discounted rates of a provider under a provider network contract, shall:

(i) at the time a provider network contract is entered into, renewed or extended, give to the provider, in writing or electronically, a list of all third parties known by the health care plan to which the insurer has extended a third-party network contract to provide access to the services and discounted rates of the provider under the provider network contract;

(ii) maintain a website through which the provider may obtain a list, updated at least every ninety days, of all third parties that have access to the provider's care services and discounted rates under the provider network contract;

(iii) require a third party to identify on each remittance or explanation of payment sent to a provider the source of any contractual discount in rates taken by the third party under the provider network contract;

(iv) notify the provider no less than thirty days prior to the effective date of a new third-party network contract;

(v) notify each third party described under subparagraphs (i) and (ii) of this paragraph of the termination of the provider network contract no

1 later than thirty days following the effective date of such termination;
2 and

3 (vi) make available to a provider within thirty days of the provider's
4 request a copy of the provider network contract currently in force that
5 was relied upon by the health care plan in the adjudication of the
6 provider's claim;

7 (d) shall provide the notice required under subparagraphs (iv) and (v)
8 of paragraph (c) of this subdivision by any reasonable means, including
9 but not limited to written notice, electronic communication or an update
10 to an electronic database;

11 (e) subject to any applicable continuity of care requirements, agree-
12 ments or contractual provisions, shall ensure that a third party's right
13 to access a provider's services and discounted rates under a provider
14 network contract will terminate on the date the provider network
15 contract is terminated. This section shall not apply if access to the
16 network contract is granted to a dental corporation or an entity operat-
17 ing in accordance with the same brand licensee program as the contract-
18 ing entity or to an entity that is an affiliate of the contracting enti-
19 ty. For purposes of this section, an "affiliate" of a contracting entity
20 is a person that directly or indirectly controls, is controlled by, or
21 is under common control with such contracting entity; and

22 (f) shall not issue, renew, modify, alter or amend any policy or
23 contract after the effective date of this section to contain provisions
24 allowing for waiver of the notice requirements contained in this
25 section.

26 2. For purposes of this section, the following terms shall have the
27 following meanings:

28 (a) "Provider" shall mean a dentist or group of dentists licensed
29 pursuant to article one hundred thirty-three of the education law.

30 (b) "Material modification" shall mean changes to the terms or condi-
31 tions of a contract that reduces reimbursement rates paid to providers,
32 fee schedules for providers, or increases benefits or covered procedures
33 subject to the network provider but shall not include adding a new third
34 party to an existing third-party network contract without any material
35 modification to the third-party network contract.

36 (c) "Provider network contract" shall mean a contract entered into
37 between a provider and insurer of dental care and services for the
38 provision of services to enrollees in plans offered by the insurer.

39 (d) "Third party" shall mean an entity, including but not limited to a
40 payer, dental benefits administrator or a dental network leasing compa-
41 ny, that enters into a third-party network contract with an insurer of
42 dental care and services.

43 (e) "Third-party network contract" shall mean a contract entered into
44 between an insurer and a third party insurer of dental care and services
45 to gain access to services and discounted rates of a provider under the
46 original provider network contract with the provider.

47 (f) "Health care plan" shall mean a health maintenance organization
48 licensed pursuant to article forty-three of the insurance law or certi-
49 fied pursuant to this article or an independent practice association
50 certified or recognized pursuant to this article or a medical group.

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