

# STATE OF NEW YORK

8817

## IN SENATE

January 8, 2026

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

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; and to amend a chapter of the laws of 2025 amending the insurance law and the public health law relating to the use of virtual credit cards by insurers and certain health care plans, as proposed in legislative bills numbers S. 2105-A and A. 3986-A, in relation to the effectiveness thereof

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

1 Section 1. Subsection (p) of section 3217-b of the insurance law, as  
2 added by a chapter of the laws of 2025 amending the insurance law and  
3 the public health law relating to the use of virtual credit cards by  
4 insurers and certain health care plans, as proposed in legislative bills  
5 numbers S. 2105-A and A. 3986-A, is amended to read as follows:

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

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

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

16 (C) The provider or a designee of the provider elects to accept  
17 payment of the claim using the credit card, virtual credit card, or  
18 electronic funds transfer payment method. Such payment type election  
19 shall be made by the provider within thirty days of receipt of the  
20 notice from the insurer. If the provider fails to make any payment type  
21 election within thirty days, the insurer shall pay the provider using  
22 the alternative payment method offered in the notice unless the insurer  
23 is unable to pay the provider using that alternative method due to the

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

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1 insurer lacking information necessary to make the alternative payment.  
2 In that instance, the insurer may use another fee-free method of payment  
3 in order to meet the timeframes established in section three thousand  
4 two hundred twenty-four-a of this article.

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

8 (3) If an insurer contracts with a vendor to process payments of  
9 providers' claims, the insurer shall require the vendor to comply with  
10 the provisions of paragraph one of this subsection. This paragraph shall  
11 not apply to a vendor used by the provider in order to receive payments  
12 from an insurer.

13 (4) No [~~policy or~~] contract between an insurer and provider issued,  
14 renewed, modified, altered or amended after the effective date of this  
15 [~~section~~] subsection shall contain provisions allowing for waiver of the  
16 notice requirements contained in this subsection.

17 (5) For any contract that is in effect on or before the effective date  
18 of this subsection or that is entered into, amended or renewed on or  
19 after the effective date of this subsection, an insurer that initiates a  
20 payment to a provider using, or changes the payment method to, a health  
21 care electronic funds transfers and remittance advice transaction shall  
22 not charge a fee solely to transmit the payment to the provider unless  
23 the provider [~~consents to the fee~~] elects to accept payment in accord-  
24 ance with subparagraph (C) of paragraph one of this subsection.

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

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

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

35 § 2. Subsection (p) of section 4325 of the insurance law, as added by  
36 a chapter of the laws of 2025 amending the insurance law and the public  
37 health law relating to the use of virtual credit cards by insurers and  
38 certain health care plans, as proposed in legislative bills numbers S.  
39 2105-A and A. 3986-A, is amended to read as follows:

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

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

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

50 (C) 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. Such payment type election  
53 shall be made by the provider within thirty days of receipt of the  
54 notice from the insurer. If the provider fails to make any payment type  
55 election within thirty days, the insurer shall pay the provider using  
56 the alternative payment method offered in the notice unless the insurer

1 is unable to pay the provider using that alternative method due to the  
2 insurer lacking information necessary to make the alternative payment.  
3 In that instance, the insurer may use another fee-free method of payment  
4 in order to meet the timeframes established in section three thousand  
5 two hundred twenty-four-a of this chapter.

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

9 (3) If a corporation contracts with a vendor to process payments of  
10 providers' claims, the insurer shall require the vendor to comply with  
11 the provisions of paragraph one of this subsection. This paragraph shall  
12 not apply to a vendor used by the provider in order to receive payments  
13 from an insurer.

14 (4) No [~~policy or~~] contract between a corporation organized under this  
15 article and provider issued, renewed, modified, altered or amended after  
16 the effective date of this [~~section~~] subsection shall contain provisions  
17 allowing for waiver of the notice requirements contained in this  
18 subsection.

19 (5) For any contract that is in effect on or before the effective date  
20 of this subsection or that is entered into, amended or renewed on or  
21 after the effective date of this subsection, a corporation that initi-  
22 ates a payment to a provider using, or changes the payment method to, a  
23 health care electronic funds transfers and remittance advice transaction  
24 shall not charge a fee solely to transmit the payment to the provider  
25 unless the provider elects to accept payment in accordance with subpara-  
26 graph [~~(B)~~] (C) of paragraph one of this subsection.

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

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

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

37 § 3. Subdivision 14 of section 4406-c of the public health law, as  
38 added by a chapter of the laws of 2025 amending the insurance law and  
39 the public health law relating to the use of virtual credit cards by  
40 insurers and certain health care plans, as proposed in legislative bills  
41 numbers S. 2105-A and A. 3986-A, is amended to read as follows:

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

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

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

52 (iii) The provider or a designee of the provider elects to accept  
53 payment of the claim using the credit card, virtual credit card, or  
54 electronic funds transfer payment method. Such payment type election  
55 shall be made by the provider within thirty days of receipt of the  
56 notice from the insurer. If the provider fails to make any payment type

1 election within thirty days, the insurer shall pay the provider using  
2 the alternative payment method offered in the notice unless the insurer  
3 is unable to pay the provider using that alternative method due to the  
4 insurer lacking information necessary to make the alternative payment.  
5 In that instance, the insurer may use another fee-free method of payment  
6 in order to meet the timeframes established in section three thousand  
7 two hundred twenty-four-a of the insurance law.

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

11 (c) If a health care plan contracts with a vendor to process payments  
12 of providers' claims, the health care plan shall require the vendor to  
13 comply with the provisions of paragraph (a) of this subdivision. This  
14 paragraph shall not apply to a vendor used by the provider in order to  
15 receive payments from an insurer.

16 (d) No [~~policy or~~] contract between a health care plan and provider  
17 issued, renewed, modified, altered or amended after the effective date  
18 of this [~~section~~] subdivision shall contain provisions allowing for  
19 waiver of the notice requirements contained in this subdivision.

20 (e) For any contract that is in effect on or before the effective date  
21 of this subdivision or that is entered into, amended or renewed on or  
22 after the effective date of this subdivision, a health care plan that  
23 initiates a payment to a provider using, or changes the payment method  
24 to, a health care electronic funds transfers and remittance advice tran-  
25 saction shall not charge a fee solely to transmit the payment to the  
26 provider unless the provider elects to accept payment in accordance with  
27 subparagraph [~~(ii)~~] (iii) of paragraph (a) of this subdivision.

28 (f) For purposes of this [~~section~~] subdivision, the following defi-  
29 nitions shall apply:

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

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

38 § 4. Section 4 of a chapter of the laws of 2025 amending the insurance  
39 law and the public health law relating to the use of virtual credit  
40 cards by insurers and certain health care plans, as proposed in legisla-  
41 tive bills numbers S. 2105-A and A. 3986-A, is amended to read as  
42 follows:

43 § 4. This act shall take effect on the one hundred eightieth day after  
44 it shall have become a law and shall apply to [~~policies and~~] contracts  
45 issued, renewed, modified, altered or amended on and after such date.

46 § 5. This act shall take effect immediately; provided, however,  
47 sections one, two, and three of this act shall take effect on the same  
48 date and in the same manner as a chapter of the laws of 2025 amending  
49 the insurance law and the public health law relating to the use of  
50 virtual credit cards by insurers and certain health care plans, as  
51 proposed in legislative bills numbers S. 2105-A and A. 3986-A, takes  
52 effect.