

726--A

Cal. No. 62

2009-2010 Regular Sessions

I N A S S E M B L Y

(PREFILED)

January 7, 2009

Introduced by M. of A. GOTTFRIED, DINOWITZ, ENGLEBRIGHT, GALEF, JOHN, PAULIN, CUSICK, PHEFFER, KAVANAGH, ALESSI, FIELDS -- Multi-Sponsored by -- M. of A. AUBRY, BRENNAN, COLTON, COOK, CYMBROWITZ, GLICK, GUNTHER, HEASTIE, HOOPER, JACOBS, KELLNER, LIFTON, MAYERSOHN, McENENY, PERRY, J. RIVERA, P. RIVERA, ROBINSON, SCARBOROUGH, SWEENEY, TOWNS, WEISENBERG -- read once and referred to the Committee on Health -- reported from committee, advanced to a third reading, amended and ordered reprinted, retaining its place on the order of third reading

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:

1 Section 1. Subdivision 6 of section 4406-c of the public health law is
2 renumbered subdivision 10 and four new subdivisions 6, 7, 8 and 9 are
3 added to read as follows:
4 6. NO CONTRACT OR AGREEMENT BETWEEN A HEALTH CARE PLAN AND A HEALTH
5 CARE PROVIDER SHALL CONTAIN ANY CLAUSE WHICH ENTITLES SUCH HEALTH CARE
6 PLAN TO REIMBURSE THE HEALTH CARE PROVIDER AT THE LOWEST PRICE OR RATE
7 THAT SUCH HEALTH CARE PROVIDER HAS CHARGED ANOTHER PERSON OR ENTITY FOR
8 RENDERING THE SAME TREATMENT OR PERFORMING THE SAME PROCEDURE.
9 7. NO HEALTH CARE PLAN SHALL BY CONTRACT, WRITTEN POLICY OR WRITTEN
10 PROCEDURE PROHIBIT OR RESTRICT ANY HEALTH CARE PROVIDER FROM REFERRING A
11 PATIENT OR ENROLLEE TO A HEALTH CARE PROVIDER BASED SOLELY UPON SUCH
12 HEALTH CARE PROVIDER'S PARTICIPATION STATUS WITH THE MANAGED CARE PROD-
13 UCT SUBSCRIBED TO BY THE PATIENT OR ENROLLEE.
14 8. NO HEALTH CARE PLAN SHALL BY CONTRACT, WRITTEN POLICY OR WRITTEN
15 PROCEDURE REQUIRE THE DISCLOSURE OF AN ENROLLEE'S DIAGNOSIS ON A
16 PRESCRIPTION AS A CONDITION FOR DISPENSING OF A PHARMACEUTICAL DRUG OR
17 AGENT, UNLESS OTHERWISE REQUIRED BY LAW.

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

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1 9. NO HEALTH CARE PLAN SHALL BY CONTRACT, WRITTEN POLICY OR PROCEDURE
2 PROVIDE FOR OR ALLOW THE SUBSTITUTION OF A PHARMACEUTICAL DRUG OR AGENT
3 (OTHER THAN A GENERIC SUBSTITUTION) BY ANY PERSON OTHER THAN THE
4 PRESCRIBING HEALTH CARE PROFESSIONAL.

5 S 2. Subsections (h) and (i) of section 3217-b of the insurance law,
6 as relettered by chapter 237 of the laws of 2009, are relettered
7 subsections (l) and (m) and four new subsections (h), (i), (j) and (k)
8 are added to read as follows:

9 (H) NO CONTRACT OR AGREEMENT BETWEEN AN INSURER AND A HEALTH CARE
10 PROVIDER SHALL CONTAIN ANY CLAUSE WHICH ENTITLES SUCH INSURER TO REIM-
11 BURSE THE HEALTH CARE PROVIDER AT THE LOWEST PRICE OR RATE THAT SUCH
12 HEALTH CARE PROVIDER HAS CHARGED ANOTHER PERSON OR ENTITY FOR RENDERING
13 THE SAME TREATMENT OR PERFORMING THE SAME PROCEDURE.

14 (I) NO INSURER SHALL BY CONTRACT, WRITTEN POLICY OR WRITTEN PROCEDURE
15 PROHIBIT OR RESTRICT ANY HEALTH CARE PROVIDER FROM REFERRING AN INSURED
16 TO A PHYSICIAN BASED SOLELY UPON SUCH PHYSICIAN'S PARTICIPATION STATUS
17 WITH THE INSURANCE PRODUCT SUBSCRIBED TO BY THE INSURED.

18 (J) NO INSURER SHALL BY CONTRACT, WRITTEN POLICY OR WRITTEN PROCEDURE
19 REQUIRE THE DISCLOSURE OF AN INSURED'S DIAGNOSIS ON A PRESCRIPTION AS A
20 CONDITION FOR AUTHORIZING THE COVERAGE FOR OR PAYMENT OR DISPENSING OF A
21 PHARMACEUTICAL DRUG OR AGENT, UNLESS OTHERWISE REQUIRED BY LAW.

22 (K) NO INSURER WHICH MAINTAINS A DRUG FORMULARY, OR WHICH CONTRACTS
23 WITH ANOTHER ENTITY TO MAINTAIN A DRUG FORMULARY, SHALL BY CONTRACT,
24 WRITTEN POLICY OR PROCEDURE PROVIDE FOR OR ALLOW THE SUBSTITUTION OF A
25 PHARMACEUTICAL DRUG OR AGENT (OTHER THAN A GENERIC SUBSTITUTION) BY ANY
26 PERSON OTHER THAN THE PRESCRIBING HEALTH CARE PROFESSIONAL.

27 S 3. Subsections (h) and (i) of section 4325 of the insurance law, as
28 relettered by chapter 237 of the laws of 2009, are relettered
29 subsections (l) and (m) and four new subsections (h), (i), (j) and (k)
30 are added to read as follows:

31 (H) NO CONTRACT OR AGREEMENT BETWEEN AN INSURER AND A HEALTH CARE
32 PROVIDER SHALL CONTAIN ANY CLAUSE WHICH ENTITLES SUCH INSURER TO REIM-
33 BURSE THE HEALTH CARE PROVIDER AT THE LOWEST PRICE OR RATE THAT SUCH
34 HEALTH CARE PROVIDER HAS CHARGED ANOTHER PERSON OR ENTITY FOR RENDERING
35 THE SAME TREATMENT OR PERFORMING THE SAME PROCEDURE.

36 (I) NO INSURER SHALL BY CONTRACT, WRITTEN POLICY OR WRITTEN PROCEDURE
37 PROHIBIT OR RESTRICT ANY HEALTH CARE PROVIDER FROM REFERRING AN INSURED
38 TO A PHYSICIAN BASED SOLELY UPON SUCH PHYSICIAN'S PARTICIPATION STATUS
39 WITH THE INSURANCE PRODUCT SUBSCRIBED TO BY THE INSURED.

40 (J) NO INSURER SHALL BY CONTRACT, WRITTEN POLICY OR WRITTEN PROCEDURE
41 REQUIRE THE DISCLOSURE OF AN INSURED'S DIAGNOSIS ON A PRESCRIPTION AS A
42 CONDITION FOR AUTHORIZING THE COVERAGE FOR OR PAYMENT OR DISPENSING OF A
43 PHARMACEUTICAL DRUG OR AGENT, UNLESS OTHERWISE REQUIRED BY LAW.

44 (K) NO INSURER WHICH MAINTAINS A DRUG FORMULARY, OR WHICH CONTRACTS
45 WITH ANOTHER ENTITY TO MAINTAIN A DRUG FORMULARY, SHALL BY CONTRACT,
46 WRITTEN POLICY OR PROCEDURE PROVIDE FOR OR ALLOW THE SUBSTITUTION OF A
47 PHARMACEUTICAL DRUG OR AGENT (OTHER THAN A GENERIC SUBSTITUTION) BY ANY
48 PERSON OTHER THAN THE PRESCRIBING HEALTH CARE PROFESSIONAL.

49 S 4. This act shall take effect on the one hundred eightieth day after
50 it shall have become a law, provided that the relettering of subsection
51 (m) of section 3217-b and the relettering of subsection (m) of section
52 4325 of the insurance law made by sections two and three of this act,
53 respectively, shall not affect the repeal of such subsections and shall
54 be deemed repealed therewith.