

3047

2009-2010 Regular Sessions

I N S E N A T E

March 10, 2009

Introduced by Sens. SEWARD, MORAHAN, RANZENHOFER, VOLKER -- read twice
and ordered printed, and when printed to be committed to the Committee
on Insurance

AN ACT to amend the insurance law, in relation to coverage requirements
of certain health insurance plans

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEM-
BLY, DO ENACT AS FOLLOWS:

1 Section 1. Subsection (l) of section 3216 of the insurance law, as
2 added by chapter 504 of the laws of 1995, is amended to read as follows:
3 (l) On and after January first, nineteen hundred ninety-seven, no
4 insurer shall offer major medical, comprehensive or other comparable
5 individual contracts, other than for purposes of conversion, unless the
6 benefits of such contracts, including deductibles and coinsurance, are
7 identical to the out-of-plan benefits of the contracts described in
8 section four thousand three hundred twenty-two of this chapter. Such
9 contracts must include a prescription drug benefit complying with the
10 requirements of that section. THE REQUIREMENTS OF THIS SUBSECTION SHALL
11 NOT APPLY TO A POLICY INTENDED TO QUALIFY FOR USE IN A HEALTH SAVINGS
12 ACCOUNT PURSUANT TO SECTION 1201 OF THE FEDERAL MEDICARE PRESCRIPTION
13 DRUG, IMPROVEMENT AND MODERNIZATION ACT OF 2003.
14 S 2. Subsection (l) of section 4304 of the insurance law, as added by
15 chapter 504 of the laws of 1995, is amended to read as follows:
16 (l) On and after January first, nineteen hundred ninety-seven, no
17 insurer shall offer major medical, comprehensive or other comparable
18 individual contracts on a direct payment basis, other than for purposes
19 of conversion, unless the benefits of such contracts, including deduct-
20 ibles and coinsurance, are identical to the out-of-plan benefits of the
21 contracts described in section four thousand three hundred twenty-two of
22 this article. Such contracts must include a prescription drug benefit
23 complying with the requirements of such section. THE REQUIREMENTS OF
24 THIS SUBSECTION SHALL NOT APPLY TO A POLICY INTENDED TO QUALIFY FOR USE

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

LBD07369-01-9

1 IN A HEALTH SAVINGS ACCOUNT PURSUANT TO SECTION 1201 OF THE FEDERAL
2 MEDICARE PRESCRIPTION DRUG, IMPROVEMENT AND MODERNIZATION ACT OF 2003.

3 S 3. Subsection (a) of section 4322 of the insurance law, as amended
4 by chapter 342 of the laws of 2004, is amended to read as follows:

5 (a) On and after January first, nineteen hundred ninety-six, all
6 health maintenance organizations issued a certificate of authority under
7 article forty-four of the public health law or licensed under this arti-
8 cle shall offer to individuals, in addition to the standardized contract
9 required by section four thousand three hundred twenty-one of this arti-
10 cle, a standardized individual enrollee direct payment contract on an
11 open enrollment basis as prescribed by section four thousand three
12 hundred seventeen of this article and section four thousand four hundred
13 six of the public health law, and regulations promulgated thereunder,
14 with an out-of-plan benefit system, provided, however, that such
15 requirements shall not apply to a health maintenance organization exclu-
16 sively serving individuals enrolled pursuant to title eleven of article
17 five of the social services law, title eleven-D of article five of the
18 social services law, title one-A of article twenty-five of the public
19 health law or title eighteen of the federal Social Security Act, and,
20 further provided, that such health maintenance organization shall not
21 discontinue a contract for an individual receiving comprehensive-type
22 coverage in effect prior to January first, two thousand four who is
23 ineligible to purchase policies offered after such date pursuant to this
24 section [or section four thousand three hundred twenty-two of this arti-
25 cle] due to the provision of 42 U.S.C. 1395ss in effect prior to January
26 first, two thousand four. The out-of-plan benefit system shall either be
27 provided by the health maintenance organization pursuant to subdivision
28 two of section four thousand four hundred six of the public health law
29 or through an accompanying insurance contract providing out-of-plan
30 benefits offered by a company appropriately licensed pursuant to this
31 chapter. On and after January first, nineteen hundred ninety-six, the
32 contracts issued pursuant to this section and section four thousand
33 three hundred twenty-one of this article shall be the only contracts
34 offered by health maintenance organizations to individuals; PROVIDED,
35 HOWEVER, THIS LIMITATION SHALL NOT APPLY TO ONE OR MORE POLICIES
36 INTENDED TO QUALIFY FOR USE IN A HEALTH SAVINGS ACCOUNT PURSUANT TO
37 SECTION 1201 OF THE FEDERAL MEDICARE PRESCRIPTION DRUG, IMPROVEMENT, AND
38 MODERNIZATION ACT OF 2003. The enrollee contracts issued by a health
39 maintenance organization under this section and section four thousand
40 three hundred twenty-one of this article shall also be the only
41 contracts issued by the health maintenance organization for purposes of
42 conversion pursuant to sections four thousand three hundred four and
43 four thousand three hundred five of this article. However, nothing in
44 this section shall be deemed to require health maintenance organizations
45 to terminate individual direct payment contracts issued prior to January
46 first, nineteen hundred ninety-six or prohibit health maintenance organ-
47 izations from terminating individual direct payment contracts issued
48 prior to January first, nineteen hundred ninety-six.

49 S 4. This act shall take effect January 1, 2010.