S T A T E O F N E W Y O R K

8400

2011-2012 Regular Sessions

I N A S S E M B L Y

June 15, 2011

Introduced by M. of A. ZEBROWSKI -- read once and referred to the Committee on Insurance

AN ACT to amend the insurance law, in relation to imposing a penalty for failing to comply with notification requirements concerning certain managed health care products

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

Section 1. Paragraph 1 of subsection (a) of section 4803 of the insurance law, as amended by chapter 237 of the laws of 2009, is amended to read as follows:

(1) (A) An insurer which offers a managed care product shall, upon request, make available and disclose to health care professionals written application procedures and minimum qualification requirements which a health care professional must meet in order to be considered by the insurer for participation in the in-network benefits portion of the insurer's network for the managed care product. The insurer shall consult with appropriately qualified health care professionals in developing its qualification requirements for participation in the in-network benefits portion of the insurer's network for the managed care product. An insurer shall complete review of the health care professional's application to participate in the in-network portion of the insurer's network and, within ninety days of receiving a health care professional's completed application to participate in the insurer's network, will notify the health care professional as to: [(A)] (I) whether he or she is credentialed; or [(B)] (II) whether additional time is necessary to make a determination in spite of the insurer's best efforts or because of a failure of a third party to provide necessary documentation, or non-routine or unusual circumstances require additional time for review. In such instances where additional time is necessary because of a lack of necessary documentation, an insurer shall make every effort to obtain such information as soon as possible.

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

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(B) IF AN INSURER FAILS TO COMPLY WITH THE NOTIFICATION REQUIREMENTS IN THIS SECTION WITHIN NINETY DAYS OF RECEIVING A HEALTH CARE PROFESSIONAL'S COMPLETED APPLICATION THEN SUCH INSURER WILL BE LIABLE FOR A CIVIL PENALTY OF FIVE HUNDRED DOLLARS PER DAY PAYABLE TO THE HEALTH CARE PROFESSIONAL UNTIL SUCH NOTIFICATION REQUIREMENTS PRESCRIBED IN THIS SECTION ARE MET.

S 2. This act shall take effect immediately.