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

1167

2011-2012 Regular Sessions

I N S E N A T E

January 5, 2011

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

AN ACT to amend the insurance law and the public health law, in relation to notification of termination of group health insurance

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

Section 1. Subsection (a) of section 3221 of the insurance law is amended by adding a new paragraph 17 to read as follows:

(17) (A) THAT THE INSURER SHALL REQUIRE THE POLICYHOLDER TO PROVIDE IT WITH THE NAMES AND RESIDENTIAL ADDRESSES OF ALL INDIVIDUALS WHO BECAUSE OF THEIR EMPLOYEE OR MEMBERSHIP STATUS ARE CERTIFICATE HOLDERS UNDER SUCH POLICY, AND TO UPDATE SUCH INFORMATION AT LEAST ANNUALLY; AND IN THE EVENT THE INSURER TERMINATES SUCH POLICY, SHALL GIVE EACH CERTIFICATE HOLDER AT LEAST THIRTY DAYS PRIOR WRITTEN NOTICE OF TERMINATION OF COVERAGE, BY MAILING SUCH NOTICE TO THE LAST PROVIDED RESIDENTIAL ADDRESS FOR SUCH CERTIFICATE HOLDER; PROVIDED, HOWEVER, THAT SUCH NOTICE SHALL NOT BE REQUIRED WHERE THE POLICYHOLDER HAS: (1) PROVIDED SUCH CERTIFICATE HOLDER AT LEAST THIRTY DAYS PRIOR WRITTEN NOTICE OF THE TERMINATION OF COVERAGE, BY MAILING SUCH NOTICE TO THE CERTIFICATE HOLDER'S LAST KNOWN RESIDENTIAL ADDRESS, OR, IF THE CERTIFICATE HOLDER IS REPRESENTED BY A LABOR ORGANIZATION, PROVIDED THE REPRESENTATIVE OF SUCH LABOR ORGANIZATION WITH SUCH WRITTEN NOTICE, OR (2) HAS CONTRACTED WITH ANOTHER INSURER TO PROVIDE SIMILAR COVERAGE FOR THE SAME CERTIFICATE HOLDERS, AND HAS PROVIDED CERTIFICATE HOLDERS WITH THE NAME OF THE SUBSTITUTED INSURER. NO TERMINATION OF A GROUP POLICY OR CONTRACT OF HEALTH, OR ACCIDENT AND HEALTH INSURANCE SHALL BECOME EFFECTIVE UNTIL THIRTY DAYS AFTER THE MAILING OF SUCH NOTICE OF TERMINATION CONTRACT, IF REQUIRED.

(B) THE INSURER SHALL INCLUDE WITH SUCH NOTICE A COMPLETE STATEMENT OF THE RIGHTS OF THE CERTIFICATE HOLDER UNDER THE TERMINATION OF THE POLICY AS TO COVERAGE FOR ILLNESS, ACCIDENT AND TREATMENT OCCURRING PRIOR TO

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

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AND SUBSEQUENT TO THE TERMINATION DATE, AND SUCH OTHER RIGHTS OF CERTIFICATE HOLDERS AS MAY EXIST UNDER THE CONTRACT OR POLICY OR PURSUANT TO PARAGRAPH ONE OF SUBSECTION (E) OF THIS SECTION.

(C) UPON WRITTEN REQUEST, THE HOLDER OF THE POLICY BEING TERMINATED SHALL REIMBURSE THE INSURER FOR ALL REASONABLE AND NECESSARY COSTS ASSOCIATED WITH PROVIDING SUCH NOTICE TO CERTIFICATE HOLDERS.

S 2. Section 4305 of the insurance law is amended by adding a new subsection (m) to read as follows:

(M) (1) A GROUP CONTRACT ISSUED PURSUANT TO THIS SECTION SHALL CONTAIN A PROVISION THAT THE INSURER SHALL REQUIRE THE GROUP CONTRACT HOLDER TO PROVIDE IT WITH THE NAMES AND RESIDENTIAL ADDRESSES OF ALL INDIVIDUALS WHO BECAUSE OF THEIR EMPLOYEE OR MEMBERSHIP STATUS ARE CERTIFICATE HOLDERS UNDER SUCH POLICY, AND TO UPDATE SUCH INFORMATION AT LEAST ANNUALLY; AND IN THE EVENT THE INSURER TERMINATES SUCH POLICY, SHALL GIVE EACH CERTIFICATE HOLDER AT LEAST THIRTY DAYS PRIOR WRITTEN NOTICE OF TERMINATION OF COVERAGE, BY MAILING SUCH NOTICE TO THE LAST PROVIDED RESIDENTIAL ADDRESS FOR SUCH CERTIFICATE HOLDER; PROVIDED, HOWEVER, THAT SUCH NOTICE SHALL NOT BE REQUIRED WHERE THE GROUP POLICYHOLDER HAS: (A) PROVIDED SUCH CERTIFICATE HOLDERS AT LEAST THIRTY DAYS PRIOR WRITTEN NOTICE OF THE TERMINATION OF COVERAGE, BY MAILING SUCH NOTICE TO SUCH CERTIFICATE HOLDER'S LAST KNOWN RESIDENTIAL ADDRESS, OR, IF SUCH CERTIFICATE HOLDER IS REPRESENTED BY A LABOR ORGANIZATION, PROVIDED THE REPRESENTATIVE OF SUCH LABOR ORGANIZATION WITH SUCH WRITTEN NOTICE, OR (B) HAS CONTRACTED WITH ANOTHER INSURER TO PROVIDE SIMILAR COVERAGE FOR THE SAME CERTIFICATE HOLDERS, AND HAS PROVIDED SUCH CERTIFICATE HOLDERS WITH THE NAME OF THE SUBSTITUTED INSURER. NO TERMINATION OF A GROUP POLICY OR CONTRACT OF HEALTH, OR ACCIDENT AND HEALTH INSURANCE SHALL BECOME EFFECTIVE UNTIL THIRTY DAYS AFTER THE MAILING OF SUCH NOTICE OF TERMINATION CONTRACT, IF REQUIRED.

(2) THE INSURER SHALL INCLUDE WITH SUCH NOTICE A COMPLETE STATEMENT OF THE RIGHTS OF THE CERTIFICATE HOLDER UNDER THE TERMINATION OF THE POLICY AS TO COVERAGE FOR ILLNESS, ACCIDENT AND TREATMENT OCCURRING PRIOR TO AND SUBSEQUENT TO THE TERMINATION DATE, AND SUCH OTHER RIGHTS OF CERTIFICATE HOLDERS AS MAY EXIST UNDER THE CONTRACT OR POLICY OR PURSUANT TO PARAGRAPH ONE OF SUBSECTION (D) OF THIS SECTION.

(3) UPON WRITTEN REQUEST, THE HOLDER OF THE GROUP POLICY BEING TERMINATED SHALL REIMBURSE THE INSURER FOR ALL REASONABLE AND NECESSARY COSTS ASSOCIATED WITH PROVIDING SUCH NOTICE TO CERTIFICATE HOLDERS.

S 3. The public health law is amended by adding a new section 4407-a to read as follows:

S 4407-A. GROUP CONTRACTS; NOTIFICATION OF CANCELLATION REQUIREMENTS. 1. A HEALTH MAINTENANCE ORGANIZATION SHALL REQUIRE A POLICYHOLDER TO PROVIDE IT WITH THE NAMES AND RESIDENTIAL ADDRESSES OF ALL INDIVIDUALS WHO BECAUSE OF THEIR EMPLOYEE OR MEMBERSHIP STATUS ARE MEMBERS IN SUCH HEALTH MAINTENANCE ORGANIZATION, AND TO UPDATE SUCH INFORMATION AT LEAST ANNUALLY; AND IN THE EVENT THE HEALTH MAINTENANCE ORGANIZATION TERMINATES SUCH POLICY, SHALL GIVE EACH SUCH MEMBER AT LEAST THIRTY DAYS PRIOR WRITTEN NOTICE OF TERMINATION OF COVERAGE, BY MAILING SUCH NOTICE TO THE LAST PROVIDED RESIDENTIAL ADDRESS FOR SUCH MEMBER; PROVIDED, HOWEVER, THAT SUCH NOTICE SHALL NOT BE REQUIRED WHERE THE POLICYHOLDER HAS: (A) PROVIDED SUCH MEMBER AT LEAST THIRTY DAYS PRIOR WRITTEN NOTICE OF THE TERMINATION OF COVERAGE, BY MAILING SUCH NOTICE TO SUCH MEMBER'S LAST KNOWN RESIDENTIAL ADDRESS, OR, IF THE MEMBER IS REPRESENTED BY A LABOR ORGANIZATION, PROVIDED THE REPRESENTATIVE OF SUCH LABOR ORGANIZATION WITH SUCH WRITTEN NOTICE, OR (B) HAS CONTRACTED WITH ANOTHER HEALTH MAINTENANCE ORGANIZATION OR INSURER TO PROVIDE SIMILAR COVERAGE FOR THE

SAME MEMBERS, AND HAS PROVIDED MEMBERS WITH THE NAME OF THE SUBSTITUTED HEALTH MAINTENANCE ORGANIZATION OR INSURER. NO TERMINATION OF A GROUP POLICY OR CONTRACT OF HEALTH, OR ACCIDENT AND HEALTH INSURANCE SHALL BECOME EFFECTIVE UNTIL THIRTY DAYS AFTER THE MAILING OF SUCH NOTICE OF TERMINATION CONTRACT, IF REQUIRED.

2. THE HEALTH MAINTENANCE ORGANIZATION SHALL INCLUDE WITH SUCH NOTICE A COMPLETE STATEMENT OF THE RIGHTS OF THE MEMBER UNDER THE TERMINATION OF THE POLICY AS TO COVERAGE FOR ILLNESS, ACCIDENT AND TREATMENT OCCURRING PRIOR TO AND SUBSEQUENT TO THE TERMINATION DATE, AND SUCH OTHER RIGHTS OF MEMBERS AS MAY EXIST UNDER THE CONTRACT OR POLICY OR PURSUANT TO THIS ARTICLE AND ARTICLE FORTY-THREE OF THE INSURANCE LAW.

3. UPON WRITTEN REQUEST, THE HOLDER OF THE POLICY BEING TERMINATED SHALL REIMBURSE THE HEALTH MAINTENANCE ORGANIZATION FOR ALL REASONABLE AND NECESSARY COSTS ASSOCIATED WITH PROVIDING SUCH NOTICE TO MEMBERS.

S 4. This act shall take effect on the ninetieth day after it shall have become a law.