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

10534

I N A S S E M B L Y

June 4, 2012

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Morelle) -- read once and referred to the Committee on Insurance

AN ACT to amend the insurance law, in relation to the assignment of claims for certain medical expenses

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

Section 1. The insurance law is amended by adding a new section 5110 to read as follows:

S 5110. ASSIGNMENT OF BENEFITS FOR AUTHORIZED PROVIDERS OF HEALTH SERVICES. (A) (1) A COVERED PERSON HAS THE RIGHT TO ASSIGN A CLAIM FOR INCURRED MEDICAL EXPENSES UNDER THIS ARTICLE TO A HEALTH SERVICE PROVIDER, AND SUCH ASSIGNMENT SHALL AFFORD THE HEALTH SERVICE PROVIDER AS THE ASSIGNEE, THE RIGHTS, PRIVILEGES, AND REMEDIES FOR PAYMENT BASED ON THE INJURY OR INJURIES ALLEGED BY THE COVERED PERSON IN A CLAIM THAT ARISES OUT OF AND IS RELATED TO THE SAME ACCIDENT AND INVOLVES COMMON ISSUES OF FACT.

(2) SUCH ASSIGNMENT IS VALID ONLY:

(I) WHERE COVERAGE AND COMPLIANCE WITH EITHER INSURANCE POLICY TERMS BY THE COVERED PERSON OR A SELF INSURED FINANCIAL OBLIGATION, WHICH PROVIDES THE FINANCIAL SECURITY REQUIRED BY ARTICLE SIX OR EIGHT OF THE VEHICLE AND TRAFFIC LAW, ARE NOT IN DISPUTE, AND

(II) A COVERED PERSON HAS PROVIDED THE INSURER OR SELF INSURER WITH ALL CONDITIONS PRECEDENT FOR A CLAIM, CONSISTENT WITH THE RULES AND REGULATIONS PRESCRIBED THEREFOR BY THE DEPARTMENT.

(B) THE COVERED PERSON SHALL HAVE THE SOLE RIGHT TO CONTEST ANY ISSUES INVOLVING COVERAGE, COMPLIANCE WITH POLICY TERMS, OR CONDITIONS PRECEDENT TO ANY SELF INSURED FINANCIAL OBLIGATION, FOR THE COVERED PERSON.

(C) THE HEALTH SERVICE PROVIDER SHALL HAVE A LIEN AGAINST ANY RECOVERY BY THE COVERED PERSON FOR SERVICES PROVIDED.

(D) THE HEALTH SERVICE PROVIDER SHALL NOT PURSUE PAYMENT FOR THE COST OF SERVICES ARISING OUT OF THE INJURIES THE COVERED PERSON SUSTAINED DUE TO A MOTOR VEHICLE ACCIDENT UNLESS THERE IS A DETERMINATION THAT EITHER INSURANCE COVERAGE DOES NOT EXIST OR WHERE THERE IS A DETERMINATION THAT SUCH COVERED PERSON IS NOT ENTITLED TO BENEFITS OF A SELF INSURED FINANCIAL OBLIGATION WHICH PROVIDES THE FINANCIAL SECURITY REQUIRED BY ARTICLE SIX OR EIGHT OF THE VEHICLE AND TRAFFIC LAW.

S 2. This act shall take effect immediately.

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

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