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

5705

2011-2012 Regular Sessions

I N S E N A T E

June 10, 2011

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

AN ACT to amend the public health law, in relation to prior settlements and general hospitals

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

Section 1. Paragraph (f) of subdivision 8-a of section 2807-j of the public health law, as amended by a chapter of the laws of 2011 amending the public health law relating to authorizing the commissioner of health to extend the use of audit findings to subsequent un-audited periods with regard to payments to patient service providers and assessments on covered lives as proposed in legislative bills numbers S. 5553 and A. 8085, is amended to read as follows:

(f) The commissioner may enter into agreements with designated providers of services, and with third-party payors, in regard to which audit findings OR PRIOR SETTLEMENTS have been made pursuant to this section or section twenty-eight hundred seven-s of this article, extending and applying such audit findings OR PRIOR SETTLEMENTS, or a portion thereof, in settlement and satisfaction of potential audit liabilities for subsequent un-audited periods. The commissioner may reduce or waive payment of interest and penalties otherwise applicable to such subsequent unaudited periods when such amounts due as a result of such agreement, other than reduced or waived penalties and interest, are paid in full to the commissioner or the commissioner's designee within sixty days of execution of such agreement by all parties to the agreement. Any payments made pursuant to agreements entered into in accordance with this paragraph shall be deemed to be in full satisfaction of any liability arising under this section and section twenty-eight hundred seven-s of this article, as referenced in such agreements and for the time periods covered by such agreements, provided, however, that the commissioner may audit future retroactive adjustments to payments made for such peri-

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

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ods based on reports filed by providers and payors subsequent to such agreements.

S 2. Paragraph (f) of subdivision 10 of section 2807-t of the public health law, as amended by a chapter of the laws of 2011 amending the public health law relating to authorizing the commissioner of health to extend the use of audit findings to subsequent un-audited periods with regard to payments to patient service providers and assessments on covered lives as proposed in legislative bills numbers S. 5553 and A. 8085, is amended to read as follows:

(f) The commissioner may enter into agreements with specified third-party payors in regard to which audit findings OR PRIOR SETTLEMENTS have been made pursuant to this section, extending and applying such audit findings OR PRIOR SETTLEMENTS, or a portion thereof, in settlement and satisfaction of potential audit liabilities for subsequent un-audited periods. The commissioner may reduce or waive payment of interest and penalties otherwise applicable to such subsequent unaudited periods when such amounts due as a result of such agreement, other than reduced or waived interest and penalties, are paid in full to the commissioner or the commissioner's designee within sixty days of execution of such agreement by all parties to the agreement. Any payments made pursuant to agreements entered into in accordance with this paragraph shall be deemed to be in full satisfaction of any liability arising under this section, as referenced in such agreements and for the time periods covered by such agreements, provided, however, that the commissioner may audit future retroactive adjustments to payments made for such periods based on reports filed by payors subsequent to such agreements.

S 3. Subdivision 18 of section 2807-c of the public health law is amended by adding a new paragraph (i) to read as follows:

(I) THE COMMISSIONER MAY ENTER INTO AGREEMENTS WITH GENERAL HOSPITALS SUBJECT TO THIS SUBDIVISION, IN REGARD TO WHICH AUDIT FINDINGS OR PRIOR SETTLEMENTS HAVE BEEN MADE PURSUANT TO THIS SUBDIVISION, EXTENDING AND APPLYING SUCH AUDIT FINDINGS OR PRIOR SETTLEMENTS OR A PORTION THEREOF, IN SETTLEMENT AND SATISFACTION OF POTENTIAL AUDIT LIABILITIES FOR SUBSEQUENT UN-AUDITED PERIODS. THE COMMISSIONER MAY REDUCE OR WAIVE PAYMENT OF INTEREST AND PENALTIES OTHERWISE APPLICABLE TO SUCH SUBSEQUENT UN-AUDITED PERIODS WHEN SUCH AMOUNTS DUE AS A RESULT OF SUCH AGREEMENT, OTHER THAN REDUCED OR WAIVED PENALTIES AND INTEREST, ARE PAID IN FULL TO THE COMMISSIONER OR THE COMMISSIONER'S DESIGNEE WITHIN SIXTY DAYS OF EXECUTION OF SUCH AGREEMENT BY ALL PARTIES TO THE AGREEMENT. ANY PAYMENTS MADE PURSUANT TO AGREEMENTS ENTERED INTO IN ACCORDANCE WITH THIS PARAGRAPH SHALL BE DEEMED TO BE IN FULL SATISFACTION OF ANY LIABILITY ARISING UNDER THIS SUBDIVISION, AS REFERENCED IN SUCH AGREEMENTS AND FOR THE TIME PERIODS COVERED BY SUCH AGREEMENTS, PROVIDED, HOWEVER, THAT THE COMMISSIONER MAY AUDIT FUTURE RETROACTIVE ADJUSTMENTS TO PAYMENTS MADE FOR SUCH PERIODS BASED ON REPORTS FILED BY HOSPITALS SUBSEQUENT TO SUCH AGREEMENTS.

S 4. This act shall take effect on the same date and in the same manner as a chapter of the laws of 2011 amending the public health law relating to authorizing the commissioner of health to extend the use of audit findings to subsequent un-audited periods with regard to payments to patient service providers and assessments on covered lives as proposed in legislative bills numbers S. 5553 and A. 8085 takes effect; provided that the amendments to paragraph (f) of subdivision 8-a of section 2807-j of the public health law, made by section one of this act, shall not affect the expiration of such section and shall expire therewith; provided, further, that the amendments to paragraph (f) of

subdivision 10 of section 2807-t of the public health law, made by section two of this act, shall not affect the expiration of such section and shall expire therewith.