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

3088--C

2013-2014 Regular Sessions

I N A S S E M B L Y

January 23, 2013

Introduced by M. of A. LAVINE, COOK, ARROYO, DUPREY, McKEVITT, MONTESANO, RIVERA, ROBERTS, GOTTFRIED, SCHIMEL -- Multi-Sponsored by -- M. of A. PERRY -- read once and referred to the Committee on Insurance -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- recommitted to the Committee on Insurance in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- again reported from said committee with amendments, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the insurance law, in relation to determination of overpayments to health care providers by extrapolation

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

Section 1. Paragraph 2 of subsection (b) of section 3224-b of the insurance law, as amended by chapter 237 of the laws of 2009, is amended to read as follows:

(2) A health plan shall provide a health care provider with the opportunity to challenge an overpayment recovery, including the sharing of claims information, and shall establish written policies and procedures for health care providers to follow to challenge an overpayment recovery. Such challenge shall set forth the specific grounds on which the provider is challenging the overpayment recovery. IN THE EVENT THAT THE PROCESS KNOWN AS EXTRAPOLATION WILL BE USED IN DETERMINING WHETHER HEALTH CARE PROVIDERS HAVE RECEIVED OVERPAYMENTS FROM A HEALTH CARE PLAN, THE HEALTH CARE PLAN SHALL COMPLY WITH THE FOLLOWING REQUIREMENTS:

(A) ADVISE THE HEALTH CARE PROVIDER WITH WRITTEN NOTICE THAT EXTRAPOLATION WILL BE UTILIZED;

(B) APPLY A VALID STATISTICAL METHODOLOGY THAT USES STRATIFIED RANDOM SAMPLING METHODS TO ASSURE A FAIR EVALUATION OF THE CLAIMS SUBJECT TO AUDIT;

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

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(C) ADVISE THE HEALTH CARE PROVIDER AS TO THE TYPE OF METHODOLOGY USED;

(D) PROVIDE THE HEALTH CARE PROVIDER SIXTY BUSINESS DAYS TO APPEAL THE AUDIT FINDINGS; AND

(E) IN THE EVENT OF AN APPEAL OF THE AUDIT FINDINGS, THE HEALTH CARE PROVIDER MAY SEEK A REVIEW OF THE FINDINGS BY A MUTUALLY AGREED UPON INDEPENDENT THIRD PARTY AUDITOR. THE COST OF A THIRD PARTY REVIEW SHALL BE SHARED EQUALLY BETWEEN THE PARTIES.

S 2. This act shall take effect immediately.