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I N S E N A T E

May 18, 2016

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

AN ACT to amend the financial services law, in relation to establishing protections from excessive hospital emergency charges

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

1 Section 1. Section 605 of the financial services law, as added by
2 section 26 of part H of chapter 60 of the laws of 2014, is amended to
3 read as follows:

4 S 605. Dispute resolution for emergency services. (a) Emergency
5 services for an insured. (1) When a health care plan receives a bill for
6 emergency services from a non-participating physician OR HOSPITAL, the
7 health care plan shall pay an amount that it determines is reasonable
8 for the emergency services rendered by the non-participating physician
9 OR HOSPITAL, in accordance with section three thousand two hundred twenty-four-a of the insurance law, except for the insured's co-payment, coinsurance or deductible, if any, and shall ensure that the insured shall incur no greater out-of-pocket costs for the emergency services than the insured would have incurred with a participating physician OR HOSPITAL pursuant to subsection (c) of section three thousand two hundred forty-one of the insurance law.

16 (2) A non-participating physician OR HOSPITAL or a health care plan may submit a dispute regarding a fee or payment for emergency services for review to an independent dispute resolution entity. IN CASES WHERE A HEALTH CARE PLAN SUBMITS A DISPUTE REGARDING A FEE FOR PAYMENT OF A NON-PARTICIPATING HOSPITAL'S EMERGENCY ROOM SERVICES, THE HEALTH CARE PLAN SHALL PAY THE AMOUNT IT DETERMINES IS REASONABLY DIRECTLY TO THE NON-PARTICIPATING HOSPITAL.

23 (3) The independent dispute resolution entity shall make a determination within thirty days of receipt of the dispute for review.

25 (4) In determining a reasonable fee for the services rendered, an independent dispute resolution entity shall select either the health care plan's payment or the non-participating physician's OR HOSPITAL'S fee. The independent dispute resolution entity shall determine which

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

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1 amount to select based upon the conditions and factors set forth in
2 section six hundred four of this article. If an independent dispute
3 resolution entity determines, based on the health care plan's payment
4 and the non-participating physician's OR HOSPITAL'S fee, that a settle-
5 ment between the health care plan and non-participating physician OR
6 HOSPITAL is reasonably likely, or that both the health care plan's
7 payment and the non-participating physician's OR HOSPITAL'S fee repre-
8 sent unreasonable extremes, then the independent dispute resolution
9 entity may direct both parties to attempt a good faith negotiation for
10 settlement. The health care plan and non-participating physician OR
11 HOSPITAL may be granted up to ten business days for this negotiation,
12 which shall run concurrently with the thirty day period for dispute
13 resolution.

14 (b) Emergency services for a patient that is not an insured. (1) A
15 patient that is not an insured or the patient's physician may submit a
16 dispute regarding a fee for emergency services for review to an inde-
17 pendent dispute resolution entity upon approval of the superintendent.

18 (2) An independent dispute resolution entity shall determine a reason-
19 able fee for the services based upon the same conditions and factors set
20 forth in section six hundred four of this article.

21 (3) A patient that is not an insured shall not be required to pay the
22 physician's OR HOSPITAL'S fee in order to be eligible to submit the
23 dispute for review to an independent dispute resolution entity.

24 (c) The determination of an independent dispute resolution entity
25 shall be binding on the health care plan, physician OR HOSPITAL and
26 patient, and shall be admissible in any court proceeding between the
27 health care plan, physician OR HOSPITAL or patient, or in any adminis-
28 trative proceeding between this state and the physician OR HOSPITAL.

29 S 2. Paragraph (a) of section 608 of the financial services law, as
30 added by section 26 of part H of chapter 60 of the laws of 2014, is
31 amended to read as follows:

32 (a) For disputes involving an insured, when the independent dispute
33 resolution entity determines the health care plan's payment is reason-
34 able, payment for the dispute resolution process shall be the responsi-
35 bility of the non-participating physician OR HOSPITAL. When the inde-
36 pendent dispute resolution entity determines the non-participating
37 physician's OR HOSPITAL'S fee is reasonable, payment for the dispute
38 resolution process shall be the responsibility of the health care plan.
39 When a good faith negotiation directed by the independent dispute resol-
40 ution entity pursuant to paragraph four of subsection (a) of section six
41 hundred five of this article, or paragraph six of subsection (a) of
42 section six hundred seven of this article results in a settlement
43 between the health care plan and non-participating physician, the health
44 care plan and the non-participating physician OR HOSPITAL shall evenly
45 divide and share the prorated cost for dispute resolution.

46 S 3. This act shall take effect immediately.