

3262

2015-2016 Regular Sessions

I N   S E N A T E

February 4, 2015

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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, the insurance law and the public authorities law, in relation to payments to home care services providers and authorizing the commissioner of health to establish a program to provide loans, through the dormitory authority, to home care to finance health care reform efforts

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

1     Section 1. Section 4406-c of the public health law is amended by  
2     adding a new subdivision 9 to read as follows:  
3     9. NOTWITHSTANDING ANY INCONSISTENT PROVISION OF LAW, CONTRACTS WITH  
4     CERTIFIED HOME HEALTH AGENCIES, LONG TERM HOME HEALTH CARE PROGRAMS,  
5     LICENSED HOME CARE SERVICES PROGRAMS OR FISCAL INTERMEDIARIES OPERATING  
6     PURSUANT TO SECTION THREE HUNDRED SIXTY-FIVE-F OF THE SOCIAL SERVICES  
7     LAW TO PROVIDE HOME CARE AIDE SERVICES AS DEFINED IN SECTION THIRTY-SIX  
8     HUNDRED FOURTEEN-C OF THIS CHAPTER, OR CONSUMER DIRECTED PERSONAL  
9     ASSISTANCE SERVICES AS AUTHORIZED PURSUANT TO SECTION THREE HUNDRED  
10    SIXTY-FIVE-F OF THE SOCIAL SERVICES LAW SHALL AT A MINIMUM ENSURE THAT  
11    THE RESOURCES MADE AVAILABLE BY SUCH CONTRACTS SHALL SUPPORT COMPEN-  
12    SATION FOR PERSONS PROVIDING SUCH HOME CARE AIDE SERVICES AND CONSUMER  
13    DIRECTED PERSONAL ASSISTANCE SERVICES TO ENSURE THE RETENTION OF A QUAL-  
14    IFIED WORKFORCE CAPABLE OF PROVIDING HIGH QUALITY CARE TO RECIPIENTS OF  
15    SUCH SERVICES CONSISTENT WITH THE PROVISIONS OF SUCH SECTION.  
16    S 2. Subsection (a) of section 3224-a of the insurance law, as amended  
17    by chapter 237 of the laws of 2009, is amended to read as follows:  
18    (a) Except in a case where the obligation of an insurer or an organ-  
19    ization or corporation licensed or certified pursuant to article forty-  
20    three or forty-seven of this chapter or article forty-four of the public  
21    health law to pay a claim submitted by a policyholder or person covered  
22    under such policy ("covered person") or make a payment to a health care

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

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1 provider is not reasonably clear, or when there is a reasonable basis  
2 supported by specific information available for review by the super-  
3 intendent that such claim or bill for health care services rendered was  
4 submitted fraudulently, such insurer or organization or corporation  
5 shall pay the claim to a policyholder or covered person or make a  
6 payment to a health care provider within thirty days of receipt of a  
7 claim or bill for services rendered that is transmitted via the internet  
8 or electronic mail, or forty-five days of receipt of a claim or bill for  
9 services rendered that is submitted by other means, such as paper or  
10 facsimile. PROVIDED, HOWEVER, ANY PAYMENT FOR SERVICES TO HEALTH CARE  
11 PROVIDERS LICENSED UNDER ARTICLE THIRTY-SIX OF THE PUBLIC HEALTH LAW OR  
12 FISCAL INTERMEDIARIES OPERATING PURSUANT TO SECTION THREE HUNDRED  
13 SIXTY-FIVE-F OF THE SOCIAL SERVICES LAW SHALL BE PAID WITHIN FIFTEEN  
14 DAYS OF THE RECEIPT OF A CLAIM OR A BILL FOR SERVICES RENDERED DURING  
15 THE TRANSITION PERIOD FROM FEE FOR SERVICE TO MEDICAID MANAGED LONG TERM  
16 CARE CONSISTENT WITH THE STATE MEDICAID PLAN FOR SUCH HEALTH CARE  
17 PROVIDERS AND FOR THE TWELVE MONTH PERIOD BEYOND THE FINAL TRANSITION OF  
18 MEDICAID BENEFICIARIES IN THAT COUNTY. IN ADDITION, PAYMENTS FOR ANY  
19 DISPUTED CLAIM OR BILL FOR SERVICES SHALL BE PAID TO SUCH HEALTH CARE  
20 PROVIDERS BY AN INSURER OR AN ORGANIZATION OR CORPORATION LICENSED OR  
21 CERTIFIED PURSUANT TO ARTICLE FORTY-THREE OR FORTY-SEVEN OF THIS CHAPTER  
22 OR ARTICLE FORTY-FOUR OF THE PUBLIC HEALTH LAW WITHIN TWENTY DAYS OF THE  
23 RECEIPT OF A CLAIM OR A BILL FOR SERVICES; PROVIDED THAT AT THE OPTION  
24 OF SUCH INSURER OR ORGANIZATION OR CORPORATION LICENSED OR CERTIFIED  
25 PURSUANT TO ARTICLE FORTY-THREE OR FORTY-SEVEN OF THIS CHAPTER OR ARTI-  
26 CLE FORTY-FOUR OF THE PUBLIC HEALTH LAW, SUCH CLAIM OR BILL FOR SERVICES  
27 SHALL SUBSEQUENTLY BE SUBJECT TO ARBITRATION PURSUANT TO ARTICLE SEVEN-  
28 TY-FIVE OF THE CIVIL PRACTICE LAW AND RULES.

29 S 3. Section 2801-a of the public health law is amended by adding a  
30 new subdivision 17 to read as follows:

31 17. (A) THE COMMISSIONER IS AUTHORIZED TO ESTABLISH A PROGRAM TO  
32 ASSIST IN RESTRUCTURING LONG TERM HOME HEALTH CARE DELIVERY SYSTEMS BY  
33 PROVIDING CREDIT ENHANCEMENT TO HEALTH CARE PROVIDERS LICENSED PURSUANT  
34 TO ARTICLE THIRTY-SIX OF THIS CHAPTER THAT LACK THE CREDIT RESOURCES  
35 NECESSARY TO TRANSITION FROM FEE FOR SERVICE TO MANAGED LONG TERM CARE  
36 CONSISTENT WITH THE GOALS OF THE STATE'S MEDICAID PROGRAM MULTI-YEAR  
37 ACTION AS ADOPTED BY THE MEDICAID REDESIGN TEAM. THE PROGRAM SHALL APPLY  
38 TO HEALTH CARE PROVIDERS WHO CAN DEMONSTRATE FINANCIAL NEED AND ADVANCE  
39 THE STATE'S HEALTH REFORM AGENDA OF BETTER CARE, BETTER HEALTH FOR POPU-  
40 LATIONS, LOWER COSTS, AND TRANSITIONING THE STATE'S LONG TERM CARE  
41 SYSTEM.

42 (B) APPLICANTS MUST COMMIT THAT THE USES OF THE CREDIT-ENHANCED LOANS  
43 WILL PROMOTE AGREED UPON GOALS OF TRANSITIONING THE LONG TERM HOME  
44 HEALTH CARE DELIVERY SYSTEMS. APPLICANTS SHALL SUBMIT A COMPREHENSIVE  
45 PROGRAM AND BUSINESS PLAN, AND SUCH PLAN MUST PROMOTE AGREED OBJECTIVES  
46 OF TRANSITION. LOAN DOCUMENTS SHALL CONTAIN HEALTH REFORM COVENANTS,  
47 MILESTONE DATES AND STATISTICAL TARGETS TO BE ATTAINED BY THE BORROWER.  
48 THE APPLICATION MUST ADDRESS HOW THE APPLICANT WILL UNDERTAKE THE  
49 IMPROVEMENTS IN FORMAL OR INFORMAL COOPERATION WITH OTHER HEALTH CARE  
50 PROVIDERS IN THE REGION. TO THE EXTENT REQUIRED TO PROVIDE LEGAL  
51 PROTECTION FOR SUCH COOPERATIVE ENDEAVORS, THE COMMISSIONER SHALL EXER-  
52 CISE ALL NECESSARY POWERS PURSUANT TO ARTICLE TWENTY-NINE-F OF THIS  
53 CHAPTER AND ANY FEES ASSOCIATED WITH SUCH OVERSIGHT MAY BE INCLUDED IN  
54 THE PROJECT FINANCING COSTS.

55 (C) THE CREDIT ENHANCEMENT PROGRAM SHALL BE ADMINISTERED BY THE DORMI-  
56 TORY AUTHORITY, OR A NOT-FOR-PROFIT CORPORATION DESIGNATED BY THE DORMI-

TORY AUTHORITY. THE COMMISSIONER SHALL CHAIR THE CREDIT ENHANCEMENT APPLICATION AND APPROVAL COMMITTEE. THE COMMISSIONER SHALL DESIGNATE THREE OR MORE MEMBERS OF THE MEDICAID REDESIGN TEAM AS ADDITIONAL MEMBERS OF THE CREDIT ENHANCEMENT APPLICATION AND APPROVAL COMMITTEE. THE CHAIR OF THE DORMITORY AUTHORITY SHALL ALSO SERVE AS A MEMBER OF THE COMMITTEE, AND SHALL DETERMINE ALL RULES FOR REVIEWING AND APPROVING APPLICATIONS, AND ADMINISTERING APPROVED CREDIT ENHANCEMENTS. NOTWITHSTANDING ANY OTHER LAW, NO PERSON SERVING AS A MEMBER OF THE CREDIT ENHANCEMENT APPLICATION AND APPROVAL COMMITTEE SHALL HAVE ANY PERSONAL LIABILITY, OR INCUR LIABILITY FOR THEIR EMPLOYER, BY VIRTUE OF THEIR ROLE OR VOTE IN THE CREDIT ENHANCEMENT APPLICATION AND APPROVAL PROCESS.

(D) A DEBT SERVICE RESERVE FUND MAY BE CREATED TO FACILITATE THE CREDIT ENHANCEMENT.

(E)(I) IN THE EVENT OF A DEFAULT BY A BORROWER TO A LENDER, THE AMOUNT OF THE DEFAULTED PAYMENT SHALL BE PAID BY THE COMMISSIONER TO THE LENDER. TO FINANCE THE COMMISSIONER'S REMITTANCE OF THOSE DEFAULTED PAYMENTS, THE COMMISSIONER SHALL FIRST DRAW UPON FUNDS ALLOCATED FOR SUCH POTENTIAL DEFAULTS, INCLUDING BUT NOT LIMITED TO FUNDS MADE AVAILABLE FOR THAT PURPOSE PURSUANT TO THE STATE'S AUGUST SIXTH, TWO THOUSAND TWELVE SECTION 1115 PARTNERSHIP PLAN WAIVER APPLICATION AND ADDITIONAL FEDERAL FUNDS MADE AVAILABLE THROUGH IMPLEMENTATION OF THE FEDERAL AFFORDABLE CARE ACT (HEALTH REFORM).

(II) ALL PAYMENTS OF DEFAULTED AMOUNTS SHALL BE MADE SOLELY FROM THE ALLOCATED FUNDS AND AS SUCH AMOUNTS ARE ACTUALLY COLLECTED AND MADE AVAILABLE TO THE COMMISSIONER FOR REMITTANCE TO LENDERS PURSUANT TO SUBPARAGRAPH (I) OF THIS PARAGRAPH. NEITHER THE STATE, THE COMMISSIONER, THE DEPARTMENT, THE DORMITORY AUTHORITY, NOR ANY OTHER INSTRUMENTALITY OF THE STATE, SHALL BE LEGALLY RESPONSIBLE FOR PAYMENT OF THE DEFAULTED AMOUNTS, OTHER THAN PURSUANT TO THE PROCESS AND FINANCIAL RESOURCES DESCRIBED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH. NO ASSETS OR RESOURCES OF THE STATE SHALL BE PLEDGED, OR CONSIDERED TO BE PLEDGED OR OBLIGATED IN ANY FORM, TO PAYMENT OF THE DEFAULTS, OTHER THAN PURSUANT TO THE PROCESS AND FINANCIAL RESOURCES DESCRIBED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH, AS ACTUALLY COLLECTED AND MADE AVAILABLE TO THE COMMISSIONER FOR THE PURPOSES OF PAYING DEFAULTED AMOUNTS PURSUANT TO SUBPARAGRAPH (I) OF THIS PARAGRAPH.

S 4. Paragraph (b) of subdivision 2 of section 1676 of the public authorities law is amended by adding a new undesignated paragraph to read as follows:

SUCH HEALTH CARE PROVIDERS LICENSED PURSUANT TO ARTICLE THIRTY-SIX OF THE PUBLIC HEALTH LAW AS ARE APPROVED FOR THE CREDIT ENHANCEMENT PROGRAM PURSUANT TO SUBDIVISION SEVENTEEN OF SECTION TWENTY-EIGHT HUNDRED ONE-A OF THE PUBLIC HEALTH LAW.

S 5. Subdivision 1 of section 1680 of the public authorities law is amended by adding a new undesignated paragraph to read as follows:

SUCH HEALTH CARE PROVIDERS LICENSED PURSUANT TO ARTICLE THIRTY-SIX OF THE PUBLIC HEALTH LAW AS ARE APPROVED FOR THE CREDIT ENHANCEMENT PROGRAM PURSUANT TO SUBDIVISION SEVENTEEN OF SECTION TWENTY-EIGHT HUNDRED ONE-A OF THE PUBLIC HEALTH LAW.

S 6. This act shall take effect immediately.