

# STATE OF NEW YORK

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2704

2017-2018 Regular Sessions

## IN ASSEMBLY

January 23, 2017

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Introduced by M. of A. LAVINE, ABINANTI, COLTON, TITONE, ZEBROWSKI,  
SEAWRIGHT -- Multi-Sponsored by -- M. of A. RA -- read once and  
referred to the Committee on Health

AN ACT to amend the public health law and the insurance law, in relation  
to health care professional applications and terminations

The People of the State of New York, represented in Senate and Assem-  
bly, do enact as follows:

1 Section 1. Section 4406-d of the public health law, as added by chap-  
2 ter 705 of the laws of 1996, subdivision 1 as amended by chapter 425 of  
3 the laws of 2016, is amended to read as follows:

4 § 4406-d. Health care professional applications and terminations. 1.  
5 (a) A health care plan shall, upon request, make available and disclose  
6 to health care professionals written application procedures and minimum  
7 qualification requirements which a health care professional must meet in  
8 order to be considered by the health care plan. The plan shall consult  
9 with appropriately qualified health care professionals in developing its  
10 qualification requirements. A health care plan shall complete review of  
11 the health care professional's application to participate in the in-net-  
12 work portion of the health care plan's network and shall, within sixty  
13 days of receiving a health care professional's completed application to  
14 participate in the health care plan's network, notify the health care  
15 professional as to: (i) whether he or she is credentialed; or (ii)  
16 whether additional time is necessary to make a determination because of  
17 a failure of a third party to provide necessary documentation. In such  
18 instances where additional time is necessary because of a lack of neces-  
19 sary documentation, a health plan shall make every effort to obtain such  
20 information as soon as possible and shall make a final determination  
21 within twenty-one days of receiving the necessary documentation.

22 (b) If the completed application of a newly-licensed health care  
23 professional or a health care professional who has recently relocated to  
24 this state from another state and has not previously practiced in this

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

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1 state, who joins a group practice of health care professionals each of  
2 whom participates in the in-network portion of a health care plan's  
3 network, is neither approved nor declined within sixty days of  
4 submission of a completed application pursuant to paragraph (a) of this  
5 subdivision, the health care professional shall be deemed "provisionally  
6 credentialed" and may participate in the in-network portion of the  
7 health care plan's network; provided, however, that a provisionally  
8 credentialed physician may not be designated as an enrollee's primary  
9 care physician until such time as the physician has been fully creden-  
10 tialed. The network participation for a provisionally credentialed  
11 health care professional shall begin on the day following the sixtieth  
12 day of receipt of the completed application and shall last until the  
13 final credentialing determination is made by the health care plan. A  
14 health care professional shall only be eligible for provisional creden-  
15 tialing if the group practice of health care professionals notifies the  
16 health care plan in writing that, should the application ultimately be  
17 denied, the health care professional or the group practice: (i) shall  
18 refund any payments made by the health care plan for in-network services  
19 provided by the provisionally credentialed health care professional that  
20 exceed any out-of-network benefits payable under the enrollee's contract  
21 with the health care plan; and (ii) shall not pursue reimbursement from  
22 the enrollee, except to collect the copayment that otherwise would have  
23 been payable had the enrollee received services from a health care  
24 professional participating in the in-network portion of a health care  
25 plan's network. Interest and penalties pursuant to section three thou-  
26 sand two hundred twenty-four-a of the insurance law shall not be  
27 assessed based on the denial of a claim submitted during the period when  
28 the health care professional was provisionally credentialed; provided,  
29 however, that nothing herein shall prevent a health care plan from  
30 paying a claim from a health care professional who is provisionally  
31 credentialed upon submission of such claim. A health care plan shall not  
32 deny, after appeal, a claim for services provided by a provisionally  
33 credentialed health care professional solely on the ground that the  
34 claim was not timely filed.

35 2. (a) A health care plan shall not terminate or not renew a contract  
36 with a health care professional unless the health care plan provides to  
37 the health care professional a written explanation of the reasons for  
38 the proposed contract termination and an opportunity for a review or  
39 hearing as hereinafter provided. This section shall not apply in cases  
40 involving imminent harm to patient care, a determination of fraud, or a  
41 final disciplinary action by a state licensing board or other govern-  
42 mental agency that impairs the health care professional's ability to  
43 practice.

44 (b) The notice of the proposed contract termination or non-renewal  
45 provided by the health care plan to the health care professional shall  
46 include:

- 47 (i) the reasons for the proposed action;
- 48 (ii) notice that the health care professional has the right to request  
49 a hearing or review, at the professional's discretion, before a panel  
50 ~~[appointed by the health care plan]~~ comprised of no fewer than three  
51 health care professionals licensed to practice in the state of New York;
- 52 (iii) a time limit of not less than thirty days within which a health  
53 care professional may request a hearing; and
- 54 (iv) a time limit for a hearing date which must be held within thirty  
55 days after the date of receipt of a request for a hearing.

(c) The hearing panel shall be comprised of three ~~[persons appointed by the health care plan]~~ health care professionals licensed to practice by the state of New York in the same profession as the subject of the review, one of whom is appointed by the health care plan, one of whom is appointed by the health care professional who is the subject of the hearing. The remaining member of the panel shall be chosen by the other two panel members. At least one person on such panel shall be a clinical peer in the same discipline and the same or similar specialty as the health care professional under review. The hearing panel may consist of more than three persons, provided however that the number of clinical peers on such panel shall constitute one-third or more of the total membership of the panel and provided further that the ratio of the number of health care professionals appointed by the health care plan to the number of health care professionals appointed by the subject of the hearing to the number of health care professionals chosen by the other panel members remains one to one to one.

(d) The hearing panel shall render a decision on the proposed action in a timely manner. Such decision shall include reinstatement of the health care professional by the health care plan, provisional reinstatement subject to conditions set forth by the health care plan or termination of the health care professional. Such decision shall be provided in writing to the health care professional.

(e) A decision by the hearing panel to terminate or not renew a health care professional shall be effective not less than thirty days after the receipt by the health care professional of the hearing panel's decision; provided, however, that the provisions of paragraph (e) of subdivision six of section ~~[four thousand four]~~ forty-four hundred three of this article shall apply to such termination or non-renewal.

(f) In no event shall termination be effective earlier than sixty days from the receipt of the notice of termination.

3. ~~[Either party to a contract may exercise a right of non-renewal at the expiration of the contract period set forth therein or, for a contract without a specific expiration date, on each January first occurring after the contract has been in effect for at least one year, upon sixty days notice to the other party, provided, however, that any non-renewal shall not constitute a termination for purposes of this section.]~~

4.] A health care plan shall develop and implement policies and procedures to ensure that health care professionals are regularly informed of information maintained by the health care plan to evaluate the performance or practice of the health care professional. The health care plan shall consult with health care professionals in developing methodologies to collect and analyze health care professional profiling data. Health care plans shall provide any such information and profiling data and analysis to health care professionals. Such information, data or analysis shall be provided on a periodic basis appropriate to the nature and amount of data and the volume and scope of services provided. Any profiling data used to evaluate the performance or practice of a health care professional shall be measured against stated criteria and an appropriate group of health care professionals using similar treatment modalities serving a comparable patient population. Upon presentation of such information or data, each health care professional shall be given the opportunity to discuss the unique nature of the health care professional's patient population which may have a bearing on the health care professional's profile and to work cooperatively with the health care plan to improve performance.

1     ~~[5-]~~ 4. No health care plan shall terminate a contract or employment,  
2 or refuse to renew a contract, solely because a health care provider  
3 has:

- 4     (a) advocated on behalf of an enrollee;
- 5     (b) filed a complaint against the health care plan;
- 6     (c) appealed a decision of the health care plan;
- 7     (d) provided information or filed a report pursuant to section forty-  
8 four hundred six-c of this article; or
- 9     (e) requested a hearing or review pursuant to this section.

10    ~~[6-]~~ 5. Except as provided herein, no contract or agreement between a  
11 health care plan and a health care professional shall contain any  
12 provision which shall supersede or impair a health care professional's  
13 right to notice of reasons for termination or non-renewal and the oppor-  
14 tunity for a hearing or review concerning such termination or non-rene-  
15 wal.

16    ~~[7-]~~ 6. Any contract provision in violation of this section shall be  
17 deemed to be void and unenforceable.

18    ~~[8-]~~ 7. For purposes of this section, "health care plan" shall mean a  
19 health maintenance organization licensed pursuant to article forty-three  
20 of the insurance law or certified pursuant to this article or an inde-  
21 pendent practice association certified or recognized pursuant to this  
22 article.

23    ~~[9-]~~ 8. For purposes of this section, "health care professional" shall  
24 mean a health care professional licensed, registered or certified pursu-  
25 ant to title eight of the education law.

26    § 2. Section 4803 of the insurance law, as added by chapter 705 of the  
27 laws of 1996, subsection (a) as amended by chapter 425 of the laws of  
28 2016, is amended to read as follows:

29    § 4803. Health care professional applications and terminations. (a)  
30    (1) An insurer which offers a managed care product shall, upon request,  
31 make available and disclose to health care professionals written appli-  
32 cation procedures and minimum qualification requirements which a health  
33 care professional must meet in order to be considered by the insurer for  
34 participation in the in-network benefits portion of the insurer's  
35 network for the managed care product. The insurer shall consult with  
36 appropriately qualified health care professionals in developing its  
37 qualification requirements for participation in the in-network benefits  
38 portion of the insurer's network for the managed care product. An insur-  
39 er shall complete review of the health care professional's application  
40 to participate in the in-network portion of the insurer's network and,  
41 within sixty days of receiving a health care professional's completed  
42 application to participate in the insurer's network, will notify the  
43 health care professional as to: (A) whether he or she is credentialed;  
44 or (B) whether additional time is necessary to make a determination  
45 because of a failure of a third party to provide necessary documenta-  
46 tion. In such instances where additional time is necessary because of a  
47 lack of necessary documentation, an insurer shall make every effort to  
48 obtain such information as soon as possible and shall make a final  
49 determination within twenty-one days of receiving the necessary documen-  
50 tation.

51    (2) If the completed application of a newly-licensed health care  
52 professional or a health care professional who has recently relocated to  
53 this state from another state and has not previously practiced in this  
54 state, who joins a group practice of health care professionals each of  
55 whom participates in the in-network portion of an insurer's network, is  
56 neither approved nor declined within sixty days of submission of a

1 completed application pursuant to paragraph one of this subsection, such  
2 health care professional shall be deemed "provisionally credentialed"  
3 and may participate in the in-network portion of an insurer's network;  
4 provided, however, that a provisionally credentialed physician may not  
5 be designated as an insured's primary care physician until such time as  
6 the physician has been fully credentialed. The network participation for  
7 a provisionally credentialed health care professional shall begin on the  
8 day following the sixtieth day of receipt of the completed application  
9 and shall last until the final credentialing determination is made by  
10 the insurer. A health care professional shall only be eligible for  
11 provisional credentialing if the group practice of health care profes-  
12 sionals notifies the insurer in writing that, should the application  
13 ultimately be denied, the health care professional or the group prac-  
14 tice: (A) shall refund any payments made by the insurer for in-network  
15 services provided by the provisionally credentialed health care profes-  
16 sional that exceed any out-of-network benefits payable under the  
17 insured's contract with the insurer; and (B) shall not pursue reimburse-  
18 ment from the insured, except to collect the copayment or coinsurance  
19 that otherwise would have been payable had the insured received services  
20 from a health care professional participating in the in-network portion  
21 of an insurer's network. Interest and penalties pursuant to section  
22 three thousand two hundred twenty-four-a of this chapter shall not be  
23 assessed based on the denial of a claim submitted during the period when  
24 the health care professional was provisionally credentialed; provided,  
25 however, that nothing herein shall prevent an insurer from paying a  
26 claim from a health care professional who is provisionally credentialed  
27 upon submission of such claim. An insurer shall not deny, after appeal,  
28 a claim for services provided by a provisionally credentialed health  
29 care professional solely on the ground that the claim was not timely  
30 filed.

31 (b) (1) An insurer shall not terminate or not renew a contract with a  
32 health care professional for participation in the in-network benefits  
33 portion of the insurer's network for a managed care product unless the  
34 insurer provides to the health care professional a written explanation  
35 of the reasons for the proposed contract termination and an opportunity  
36 for a review or hearing as hereinafter provided. This section shall not  
37 apply in cases involving imminent harm to patient care, a determination  
38 of fraud, or a final disciplinary action by a state licensing board or  
39 other governmental agency that impairs the health care professional's  
40 ability to practice.

41 (2) The notice of the proposed contract termination or non-renewal  
42 provided by the insurer to the health care professional shall include:

43 (i) the reasons for the proposed action;

44 (ii) notice that the health care professional has the right to request  
45 a hearing or review, at the professional's discretion, before a panel  
46 [~~appointed by the insurer~~] comprised of no fewer than three health care  
47 professionals licensed to practice by the state of New York;

48 (iii) a time limit of not less than thirty days within which a health  
49 care professional may request a hearing or review; and

50 (iv) a time limit for a hearing date which must be held within not  
51 less than thirty days after the date of receipt of a request for a hear-  
52 ing.

53 (3) The hearing panel shall be comprised of three [~~persons appointed~~  
54 ~~by the insurer~~] health care professionals licensed to practice by the  
55 state of New York in the same profession as the subject of the review,  
56 one of whom is appointed by the insurer, one of whom is appointed by the

1 health care professional who is the subject of the hearing. The remain-  
2 ing member of the panel shall be chosen by the other two panel members.  
3 At least one person on such panel shall be a clinical peer in the same  
4 discipline and the same or similar specialty as the health care profes-  
5 sional under review. The hearing panel may consist of more than three  
6 persons, provided however that the number of clinical peers on such  
7 panel shall constitute one-third or more of the total membership of the  
8 panel and provided further that the ratio of the number of health care  
9 professionals appointed by the health care plan to the number of health  
10 care professionals appointed by the subject of the hearing to the number  
11 of health care professionals chosen by the two other panel members  
12 remains one to one to one.

13 (4) The hearing panel shall render a decision on the proposed action  
14 in a timely manner. Such decision shall include reinstatement of the  
15 health care professional by the insurer, provisional reinstatement  
16 subject to conditions set forth by the insurer or termination of the  
17 health care professional. Such decision shall be provided in writing to  
18 the health care professional.

19 (5) A decision by the hearing panel to terminate or not renew a health  
20 care professional shall be effective not less than thirty days after the  
21 receipt by the health care professional of the hearing panel's decision;  
22 provided, however, that the provisions of subsection (e) of section four  
23 thousand eight hundred four of this article shall apply to such termi-  
24 nation.

25 (6) In no event shall termination or non-renewal be effective earlier  
26 than sixty days from the receipt of the notice of termination or non-re-  
27 newal.

28 (c) [~~Either party to a contract for participation in the in-network~~  
29 ~~benefits portion of an insurer's network for a managed care product may~~  
30 ~~exercise a right of non-renewal at the expiration of the contract period~~  
31 ~~set forth therein or, for a contract without a specific expiration date,~~  
32 ~~on each January first occurring after the contract has been in effect~~  
33 ~~for at least one year, upon sixty days notice to the other party,~~  
34 ~~provided, however, that any non-renewal shall not constitute a termi-~~  
35 ~~nation for purposes of this section.~~

36 (d) An insurer shall develop and implement policies and procedures to  
37 ensure that health care providers participating in [the] the in-network  
38 benefits portion of an insurer's network for a managed care product are  
39 regularly informed of information maintained by the insurer to evaluate  
40 the performance or practice of the health care professional. The insurer  
41 shall consult with health care professionals in developing methodologies  
42 to collect and analyze provider profiling data. Insurers shall provide  
43 any such information and profiling data and analysis to these health  
44 care professionals. Such information, data or analysis shall be provided  
45 on a periodic basis appropriate to the nature and amount of data and the  
46 volume and scope of services provided. Any profiling data used to evalu-  
47 ate the performance or practice of such a health care professional shall  
48 be measured against stated criteria and an appropriate group of health  
49 care professionals using similar treatment modalities serving a compara-  
50 ble patient population. Upon presentation of such information or data,  
51 each such health care professional shall be given the opportunity to  
52 discuss the unique nature of the health care professional's patient  
53 population which may have a bearing on the professional's profile and to  
54 work cooperatively with the insurer to improve performance.

55 [~~e~~] (d) No insurer shall terminate or refuse to renew a contract for  
56 participation in the in-network benefits portion of an insurer's network



1 for a managed care product solely because the health care professional  
2 has (1) advocated on behalf of an insured; (2) has filed a complaint  
3 against the insurer; (3) has appealed a decision of the insurer; (4)  
4 provided information or filed a report pursuant to section forty-four  
5 hundred six-c of the public health law; or (5) requested a hearing or  
6 review pursuant to this section.

7 [~~(f)~~] (e) Except as provided herein, no contract or agreement between  
8 an insurer and a health care professional for participation in the  
9 in-network benefits portion of an insurer's network for a managed care  
10 product shall contain any provision which shall supersede or impair a  
11 health care professional's right to notice of reasons for termination or  
12 non-renewal and the opportunity for a hearing concerning such termi-  
13 nation or non-renewal.

14 [~~(g)~~] (f) Any contract provision in violation of this section shall be  
15 deemed to be void and unenforceable.

16 [~~(h)~~] (g) For purposes of this section, "health care professional"  
17 shall mean a health care professional licensed, registered or certified  
18 pursuant to title eight of the education law.

19 § 3. This act shall take effect immediately; provided that if chapter  
20 425 of the laws of 2016 shall not have taken effect by such date, then  
21 subdivision 1 of section 4406-d of the public health law, amended by  
22 section one of this act, and subsection (a) of section 4803 of the  
23 insurance law, as amended by section two of this act shall take effect  
24 on the same date and in the same manner as chapter 425 of the laws of  
25 2016, as amended, takes effect.