STATE OF NEW YORK

904

2017-2018 Regular Sessions

IN ASSEMBLY

January 9, 2017

Introduced by M. of A. PERRY -- read once and referred to the Committee on Health

AN ACT to amend the public health law, in relation to substantial reductions by health maintenance organizations of inpatient referrals to a hospital

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

Section 1. The public health law is amended by adding a new section 4405-c to read as follows:

§ 4405-c. Substantial reductions of referrals to a hospital. 1. No health maintenance organization shall make a substantial reduction in inpatient referrals to any hospital, to which the health maintenance organization has referred non-emergency inpatients for at least three years, or issue orders, directives, instructions or suggest in any manner to any participant medical practitioner registered in the health maintenance organization plan that such practitioner should reduce or discontinue referring patients to any hospital, without approval of the commissioner.

2. For the purposes of this section, any reduction in a health maintenance organization's inpatient referrals to a hospital shall be considered substantial if such reduction would result in a decrease in the projected annualized discharges of the hospital that exceeds five percent of its total discharges in the prior calendar year.

3. A health maintenance organization that plans to make a substantial reduction in inpatient referrals to a particular hospital shall file with the department and with the appropriate health systems agency a written plan that shall include: (a) the projected number of reduced referrals by service; (b) the plans to assure quality and continuity of service to the health maintenance organization enrollees; and (c) the steps that can be taken to minimize the adverse impact of the reduced admissions on the hospital.

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

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4. The health systems agency shall have an opportunity to give its views to the commissioner. The commissioner shall not grant approval for the substantial reduction in inpatient referrals unless he or she is satisfied that the written plan submitted by the health maintenance organization: (a) adequately protects quality and accessibility of services to health maintenance organization members; (b) reflects all reasonable efforts by the health maintenance organization to minimize the adverse impact of the reduction upon the hospital; and (c) does not unduly risk the quality or accessibility of hospital services in the community served by the hospital. To protect the public interest, the commissioner may establish a reasonable withdrawal schedule.

§ 2. This act shall take effect immediately.