

# STATE OF NEW YORK

2842

2019-2020 Regular Sessions

## IN ASSEMBLY

January 25, 2019

Introduced by M. of A. LAVINE, GOTTFRIED, COOK, ABINANTI, ARROYO, RIVERA  
-- Multi-Sponsored by -- M. of A. PERRY -- read once and referred to  
the Committee on Insurance

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

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

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

4 (2) A health plan shall provide a health care provider with the oppor-  
5 tunity to challenge an overpayment recovery, including the sharing of  
6 claims information, and shall establish written policies and procedures  
7 for health care providers to follow to challenge an overpayment recov-  
8 ery. Such challenge shall set forth the specific grounds on which the  
9 provider is challenging the overpayment recovery. In the event that the  
10 process known as extrapolation will be used in determining whether  
11 health care providers have received overpayments from a health care  
12 plan, the health care plan shall comply with the following requirements:

13 (A) advise the health care provider with written notice that extrapo-  
14 lation will be utilized;

15 (B) apply a valid statistical methodology that uses stratified random  
16 sampling methods to assure a fair evaluation of the claims subject to  
17 audit;

18 (C) advise the health care provider as to the type of methodology  
19 used;

20 (D) provide the health care provider sixty business days to appeal the  
21 audit findings; and

22 (E) in the event of an appeal of the audit findings, the health care  
23 provider may seek a review of the findings by a mutually agreed upon  
24 independent third party auditor. The cost of a third party review shall  
25 be shared equally between the parties.

26 § 2. This act shall take effect immediately.

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

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