

# STATE OF NEW YORK

8639--A

2019-2020 Regular Sessions

## IN ASSEMBLY

October 2, 2019

Introduced by M. of A. GOTTFRIED, D'URSO, EPSTEIN, JACOBSON, THIELE, BARRON, ORTIZ, SIMON, SEAWRIGHT, LENTOL, DINOWITZ, JAFFEE, BENEDETTO, SAYEGH, REYES, ARROYO, GLICK, PERRY, MOSLEY, ABINANTI, CRUZ, PAULIN, ENGLEBRIGHT, SOLAGES, L. ROSENTHAL, GUNTHER, AUBRY, GALEF, STECK, NIOU, WEPRIN, TAYLOR, SIMOTAS, BUCHWALD, JEAN-PIERRE -- read once and referred to the Committee on Health -- recommitted to the Committee on Health in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the public health law, in relation to medical billing and debt (Part A); to amend the public health law, in relation to defining certain terms (Part B); to amend the public health law, in relation to standardized consolidated itemized general hospital bills (Part C); to amend the public health law, in relation to regulation of the billing of facility fees (Part D); to amend the public health law, in relation to standardized patient financial liability forms (Part E); to amend the public health law, in relation to an all payer database (Part F); to amend the public health law, in relation to the general hospital indigent care pool; and to repeal certain provisions of such law relating thereto (Part G); to amend the civil practice law and rules, in relation to the rate of interest in medical debt actions (Part H); and to amend the financial services law, in relation to services rendered by a non-participating provider; and to amend the public health law, in relation to hospital statements of rights and responsibilities of patients (Part I)

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

- 1 Section 1. Short title. This act shall be known and may be cited as
- 2 the "patient medical debt protection act".
- 3 § 2. This act enacts into law major components of legislation which
- 4 relate to patient medical debt protection. Each component is wholly

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

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1 contained within a Part identified as Parts A through I. The effective  
2 date for each particular provision contained within such Part is set  
3 forth in the last section of such Part. Any provision in any section  
4 contained within a Part, including the effective date of the Part, which  
5 makes reference to a section "of this act", when used in connection with  
6 that particular component, shall be deemed to mean and refer to the  
7 corresponding section of the Part in which it is found. Section four of  
8 this act sets forth the general effective date of this act.

9 PART A

10 Section 1. Sections 2800 through 2827 of article 28 of the public  
11 health law are designated title 1, and a new title 2 is added to article  
12 28, to read as follows:

13 TITLE 2

14 MEDICAL BILLING AND DEBT

15 § 2. This act shall take effect immediately.

16 PART B

17 Section 1. Title 2 of article 28 of the public health law is amended  
18 by adding a new section 2830 to read as follows:

19 § 2830. Definitions. As used in this title, the following terms shall  
20 have the following meanings, unless the context clearly requires other-  
21 wise:

22 1. "Affiliated provider" means a provider that is: (a) employed by a  
23 hospital or health system, (b) under a professional services agreement  
24 with a hospital or health system, or (c) a clinical faculty member of a  
25 medical school or other school that trains individuals to be providers  
26 that is affiliated with a hospital or health system.

27 2. "Campus" means: (a) the physical area immediately adjacent to a  
28 hospital's main buildings and other areas and structures that are not  
29 strictly contiguous to the main buildings but are located within two  
30 hundred fifty yards of the main buildings, or (b) any other area that  
31 has been determined on an individual case basis by the Centers for Medi-  
32 care and Medicaid Services to be part of a hospital's campus.

33 3. "Facility fee" means any fee charged or billed by a hospital or  
34 health system for inpatient or outpatient hospital services provided in  
35 a hospital-based facility that is: (a) intended to compensate the hospi-  
36 tal or health system for the operational expenses of the hospital or  
37 health system, and (b) separate and distinct from a fee for patient-spe-  
38 cific services, supplies and drugs; "facility fee" shall not include any  
39 fee charged or billed by a residential health care facility.

40 4. "Health system" means a group of one or more hospitals and provid-  
41 ers affiliated through ownership, governance, membership or other means.

42 5. "Hospital-based facility" means a facility that is owned or oper-  
43 ated, in whole or in part, by a hospital or health system where hospital  
44 or professional health care services, supplies or drugs are provided.

45 6. "Fee" means any fee charged or billed by a provider for profes-  
46 sional health care services provided in a hospital-based facility.

47 7. "Provider" means an individual or entity, whether for profit or  
48 nonprofit, whose primary purpose is to provide professional health care  
49 services.

50 § 2. This act shall take effect immediately.

51 PART C

1 Section 1. Title 2 of article 28 of the public health law is amended  
2 by adding a new section 2831 to read as follows:

3 § 2831. Standardized consolidated itemized general hospital bills. 1.  
4 After a patient's discharge or release from a general hospital, or  
5 completion of a discrete course of treatment by a hospital-based facili-  
6 ty, the facility shall provide to the patient or to the patient's survi-  
7 vor or legal guardian, as appropriate, a consolidated itemized bill.  
8 The initial consolidated itemized bill shall be provided no more than  
9 seven days after the patient's discharge, or release or completion of  
10 the episode or course of treatment, or after a request for such  
11 bill, whichever is earlier.

12 2. The consolidated itemized bill shall:

13 (a) detail in plain language, comprehensible to an ordinary layperson  
14 (consistent with accuracy), the specific nature of charges or expenses  
15 incurred by the patient during the hospitalization or episode or course  
16 of treatment and the date of each service;

17 (b) detail all services provided to the patient during the hospitali-  
18 zation or episode or course of treatment, including all professional  
19 services administered and supplies and drugs, contain a statement of  
20 specific services received and expenses incurred by date and provider  
21 for such items of service, enumerating in detail the constituent compo-  
22 ponents of the services received within each department of the facility  
23 and including unit price data on rates charged;

24 (c) identify each item as paid, assigned to a third-party payer, or  
25 expected payment by the patient;

26 (d) include the amount due, if any from the patient, including a due  
27 date;

28 (e) for any amount paid or to be paid by the patient, indicate to  
29 which person or entity an amount is due;

30 (f) not include any generalized category of expenses such as "other"  
31 or "miscellaneous" or similar categories;

32 (g) list drugs by brand or generic name, even where drug code numbers  
33 are used;

34 (h) specifically identify physical, rehabilitative, occupational, or  
35 speech therapy treatment by date, type, and length of treatment when  
36 such treatment is a part of the statement or bill; and

37 (i) prominently display the telephone number of the facility's patient  
38 liaison responsible for expediting the resolution of any billing dispute  
39 between the patient, or the patient's survivor or legal guardian, and  
40 the billing department or departments.

41 3. A provider with any financial or contractual relationship with the  
42 facility may not separately bill the patient or the patient's survivor  
43 or legal guardian for such services, supplies or drugs.

44 4. Any subsequent bill provided to a patient or to the patient's  
45 survivor or legal guardian, as appropriate, relating to the hospitaliza-  
46 tion or episode or course of treatment must include all of the informa-  
47 tion required under this section, in or enclosed with the bill or by  
48 reference to a previous consolidated itemized bill, with any clearly  
49 delineated revisions.

50 5. The consolidated itemized bill, shall be in a form developed by  
51 the commissioner, in consultation with the superintendent of financial  
52 services.

53 6. Each facility shall establish policies and procedures for review-  
54 ing and responding to questions from patients concerning the patient's  
55 consolidated itemized bill. The response shall be provided no more than  
56 seven business days after the date a question is received. If the

patient is not satisfied with the response, the facility shall provide the patient with the contact information of the hospital department or collection entity to which the issue shall be sent for review.

§ 2. This act shall take effect one year after it shall have become a law.

PART D

Section 1. Title 2 of article 28 of the public health law is amended by adding a new section 2832 to read as follows:

§ 2832. Regulation of the billing of facility fees. No hospital or health system shall bill or seek payment from a patient for a facility fee: 1. related to the provision of preventive care service as defined by the United States Preventive Services Task Force; or 2. where the facility fee is not covered for the patient by a third-party payer.

§ 2. This act shall take effect on the one hundred eightieth day after it shall have become a law.

PART E

Section 1. Title 2 of article 28 of the public health law is amended by adding a new section 2833 to read as follows:

§ 2833. Standardized patient financial liability forms. Every hospital, health system, hospital-based facility, affiliated provider or other provider shall use the uniform patient financial liability form which shall be developed by the commissioner. The form shall disclose to the patient whether services, supplies and drugs provided to the patient are in-network or out-of-network, whether the care is a covered benefit by a third-party payer of the patient, and the nature and amount of the patient's projected financial liability. A patient shall not be financially liable for any service, supplies or drugs subject to this title that is not charged or billed in accordance with this title. The commissioner shall develop and issue the uniform financial liability form within six months of the effective date of this section. The form shall be adopted and used under this section by each hospital, health system, hospital-based facility, affiliated provider and other provider not later than sixty days after the commissioner issues the form.

§ 2. This act shall take effect immediately.

PART F

Section 1. Subdivision 18-a of section 206 of the public health law is amended by adding a new paragraph (e) to read as follows:

(e)(i) The commissioner shall ensure that the New York state all payer database shall serve the interests of New York's health care consumers.

(ii) Every hospital licensed under article twenty-eight of this chapter and health care professionals authorized under title eight of the education law shall participate in the all payer database through their insurance carrier contracts, and may participate in the all payer database through any other of the hospital's third-party payer contracts.

(iii) Data that is required to be submitted to the all payer database shall not be considered proprietary information for the purposes of submission to or inclusion in the all payer database.

§ 2. This act shall take effect on the one hundred eightieth day after it shall have become a law.

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## PART G

2 Section 1. Subdivisions 9 and 9-a of section 2807-k of the public  
3 health law, subdivision 9 as amended by section 17 of part B of chapter  
4 60 of the laws of 2014, subdivision 9-a as added by section 39-a of part  
5 A of chapter 57 of the laws of 2006 and paragraph (k) of subdivision 9-a  
6 as added by section 43 of part B of chapter 58 of the laws of 2008, are  
7 amended to read as follows:

8 9. In order for a general hospital to participate in the distribution  
9 of funds from the pool, the general hospital must ~~[implement minimum  
10 collection policies and procedures approved]~~ use only the uniform finan-  
11 cial assistance form provided by the commissioner. The definitions in  
12 section twenty-eight hundred thirty of this article shall apply to this  
13 subdivision and subdivision nine-a of this section.

14 9-a. (a) (i) As a condition for participation in pool distributions  
15 authorized pursuant to this section and section twenty-eight hundred  
16 seven-w of this article for periods on and after January first, two  
17 thousand nine, general hospitals shall, effective for periods on and  
18 after January first, two thousand ~~[seven, establish]~~ twenty-one, adopt  
19 and implement the uniform financial ~~[aid policies and procedures, in  
20 accordance with the provisions of this subdivision]~~ assistance form  
21 policy, to be developed and issued by the commissioner no later than one  
22 hundred eighty days after the effective date of a chapter of the laws of  
23 two thousand twenty that amended this subdivision. No later than thirty  
24 days after the issuance of the uniform financial assistance form and  
25 policy, general hospitals shall implement such form and policy, for  
26 reducing hospital charges and charges for affiliated providers otherwise  
27 applicable to low-income individuals without third-party health ~~[insur-  
28 ance] coverage~~, or who have ~~[exhausted their]~~ third-party health ~~[insur-  
29 ance benefits]~~ coverage that does not cover or limits coverage of the  
30 service, and who can demonstrate an inability to pay full charges, and  
31 also, at the hospital's discretion, for reducing or discounting the  
32 collection of co-pays and deductible payments from those individuals who  
33 can demonstrate an inability to pay such amounts. Immigration status  
34 shall not be an eligibility criterion.

35 (ii) A general hospital may use the New York state of health market-  
36 place eligibility determination page to establish the patient's house-  
37 hold income and residency in lieu of the financial application form,  
38 provided it has secured the consent of the patient. A general hospital  
39 shall not require a patient to apply for coverage through the New York  
40 state of health marketplace in order to receive care or financial  
41 assistance.

42 (iii) Upon submission of a completed application form, the patient may  
43 disregard any bills until the general hospital has rendered a decision  
44 on the application in accordance with this paragraph.

45 (b) Such reductions from charges for ~~[uninsured]~~ patients described in  
46 paragraph (a) of this subdivision with incomes below ~~[at least three]~~  
47 four hundred percent of the federal poverty level shall result in a  
48 charge to such individuals that does not exceed ~~[the greater of]~~ the  
49 amount that would have been paid for the same services ~~[by the "highest  
50 volume payor" for such general hospital as defined in subparagraph (v)  
51 of this paragraph, or for services provided pursuant to title XVIII of  
52 the federal social security act (medicare), or for services]~~ provided  
53 pursuant to title XIX of the federal social security act (medicaid), and  
54 provided further that such amounts shall be adjusted according to income  
55 level as follows:

1 (i) For patients with incomes at or below [~~at least one~~] two hundred  
2 percent of the federal poverty level, the hospital shall collect no more  
3 than a nominal payment amount, consistent with guidelines established by  
4 the commissioner[+].

5 (ii) For patients with incomes between [~~at least one~~] two hundred one  
6 percent and [~~one~~] four hundred [~~fifty~~] percent of the federal poverty  
7 level, the hospital shall collect no more than the amount identified  
8 after application of a proportional sliding fee schedule under which  
9 patients with lower incomes shall pay the lowest amount. Such schedule  
10 shall provide that the amount the hospital may collect for such patients  
11 increases from the nominal amount described in subparagraph (i) of this  
12 paragraph in equal increments as the income of the patient increases, up  
13 to a maximum of twenty percent of the greater of the amount that would  
14 have been paid for the same services [~~by the "highest volume payor" for  
15 such general hospital, as defined in subparagraph (v) of this paragraph,  
16 or for services provided pursuant to title XVIII of the federal social  
17 security act (medicare) or for services~~] provided pursuant to title XIX  
18 of the federal social security act (medicaid)[+].

19 [~~For patients with incomes between at least one hundred fifty-  
20 one percent and two hundred fifty percent of the federal poverty level,  
21 the hospital shall collect no more than the amount identified after  
22 application of a proportional sliding fee schedule under which patients  
23 with lower income shall pay the lowest amounts. Such schedule shall  
24 provide that the amount the hospital may collect for such patients  
25 increases from the twenty percent figure described in subparagraph (ii)  
26 of this paragraph in equal increments as the income of the patient  
27 increases, up to a maximum of the greater of the amount that would have  
28 been paid for the same services by the "highest volume payor" for such  
29 general hospital, as defined in subparagraph (v) of this paragraph, or  
30 for services provided pursuant to title XVIII of the federal social  
31 security act (medicare) or for services provided pursuant to title XIX  
32 of the federal social security act (medicaid), and~~

33 (iv)] For patients with incomes [~~between at least two hundred fifty-  
34 one percent and three hundred~~] above four hundred one percent of the  
35 federal poverty level, the hospital shall collect no more than the  
36 greater of the amount that would have been paid for the same services  
37 [~~by the "highest volume payor" for such general hospital as defined in  
38 subparagraph (v) of this paragraph, or for services provided pursuant to  
39 title XVIII of the federal social security act (medicare), or for  
40 services~~] provided pursuant to title XIX of the federal social security  
41 act (medicaid).

42 [~~(v) For the purposes of this paragraph, "highest volume payor" shall  
43 mean the insurer, corporation or organization licensed, organized or  
44 certified pursuant to article thirty-two, forty-two or forty-three of  
45 the insurance law or article forty-four of this chapter, or other third-  
46 party payor, which has a contract or agreement to pay claims for  
47 services provided by the general hospital and incurred the highest  
48 volume of claims in the previous calendar year.~~

49 (vi) A hospital may implement policies and procedures to permit, but  
50 not require, consideration on a case by case basis of exceptions to the  
51 requirements described in subparagraphs (i) and (ii) of this paragraph  
52 based upon the existence of significant assets owned by the patient that  
53 should be taken into account in determining the appropriate payment  
54 amount for that patient's care, provided, however, that such proposed  
55 policies and procedures shall be subject to the prior review and  
56 approval of the commissioner and, if approved, shall be included in the

1 ~~hospital's financial assistance policy established pursuant to this~~  
2 ~~section, and provided further that, if such approval is granted, the~~  
3 ~~maximum amount that may be collected shall not exceed the greater of the~~  
4 ~~amount that would have been paid for the same services by the "highest~~  
5 ~~volume payer" for such general hospital as defined in subparagraph (v)~~  
6 ~~of this paragraph, or for services provided pursuant to title XVIII of~~  
7 ~~the federal social security act (medicare), or for services provided~~  
8 ~~pursuant to title XIX of the federal social security act (medicaid). In~~  
9 ~~the event that a general hospital reviews a patient's assets in deter-~~  
10 ~~mining payment adjustments such policies and procedures shall not~~  
11 ~~consider as assets a patient's primary residence, assets held in a tax-~~  
12 ~~deferred or comparable retirement savings account, college savings~~  
13 ~~accounts, or cars used regularly by a patient or immediate family~~  
14 ~~members.~~

15 ~~(vii)]~~ (iv) Nothing in this paragraph shall be construed to limit a  
16 hospital's ability to establish patient eligibility for payment  
17 discounts at income levels higher than those specified herein and/or to  
18 provide greater payment discounts for eligible patients than those  
19 required by this paragraph.

20 (c) [~~Such policies and procedures shall be clear, understandable, in~~  
21 ~~writing and publicly available in summary form and each]~~ Each general  
22 hospital participating in the pool shall ensure that every patient is  
23 made aware of the existence of such [~~policies and procedures]~~ uniform  
24 financial assistance form and policy and is provided, in a timely  
25 manner, with a [~~summary]~~ copy of such [~~policies and procedures]~~ form and  
26 policy upon request. [~~Any summary provided to patients shall, at a mini-~~  
27 ~~imum, include specific information as to income levels used to determine~~  
28 ~~eligibility for assistance, a description of the primary service area of~~  
29 ~~the hospital and the means of applying for assistance. For general~~  
30 ~~hospitals with twenty four hour emergency departments, such policies and~~  
31 ~~procedures]~~ A general hospital shall require the notification of  
32 patients through written materials provided to patients during the  
33 intake and registration process, through the conspicuous posting of  
34 language-appropriate information in the general hospital, and informa-  
35 tion on bills and statements sent to patients, that financial [~~aid]~~  
36 assistance may be available to qualified patients and how to obtain  
37 further information. [~~For specialty hospitals without twenty four hour~~  
38 ~~emergency departments, such notification shall take place through writ-~~  
39 ~~ten materials provided to patients during the intake and registration~~  
40 ~~process prior to the provision of any health care services or proce-~~  
41 ~~dures, and through information on bills and statements sent to patients,~~  
42 ~~that financial aid may be available to qualified patients and how to~~  
43 ~~obtain further information. Application materials shall include a notice~~  
44 ~~to patients that upon submission of a completed application, including~~  
45 ~~any information or documentation needed to determine the patient's~~  
46 ~~eligibility pursuant to the hospital's financial assistance policy, the~~  
47 ~~patient may disregard any bills until the hospital has rendered a deci-~~  
48 ~~sion on the application in accordance with this paragraph]~~ General  
49 hospitals shall post the uniform financial assistance application form  
50 and policy in a conspicuous location on the general hospital's website.  
51 The commissioner shall likewise post the uniform financial assistance  
52 form and policy on the department's hospital profile page related to the  
53 general hospital's or any successor website.

54 (d) The commissioner shall provide application materials to general  
55 hospitals, including the uniform financial assistance application form  
56 and policy. These application materials shall include a notice to

1 patients that upon submission of a completed application form, the  
2 patient may disregard any bills until the general hospital has rendered  
3 a decision on the application in accordance with this paragraph. The  
4 application materials shall include specific information as the income  
5 levels used to determine eligibility for financial assistance, a  
6 description of the primary service area of the hospital and the means to  
7 apply for assistance. Such policies and procedures shall include clear,  
8 objective criteria for determining a patient's ability to pay and for  
9 providing such adjustments to payment requirements as are necessary. In  
10 addition to adjustment mechanisms such as sliding fee schedules and  
11 discounts to fixed standards, such policies and procedures shall also  
12 provide for the use of installment plans for the payment of outstanding  
13 balances by patients pursuant to the provisions of the hospital's finan-  
14 cial assistance policy. The monthly payment under such a plan shall not  
15 exceed [~~ten~~] five percent of the gross monthly income of the patient[~~,  
16 provided, however, that if patient assets are considered under such a  
17 policy, then patient assets which are not excluded assets pursuant to  
18 subparagraph (vi) of paragraph (b) of this subdivision may be considered  
19 in addition to the limit on monthly payments.~~] The rate of interest  
20 charged to the patient on the unpaid balance, if any, shall not exceed  
21 the [~~rate for a ninety-day security~~] federal funds rate issued by the  
22 United States Department of Treasury[~~, plus .5 percent~~] and no plan  
23 shall include an accelerator or similar clause under which a higher rate  
24 of interest is triggered upon a missed payment. [~~If such policies and  
25 procedures~~] The policy shall not include a requirement of a deposit  
26 prior to [~~non-emergent,~~] medically-necessary care[~~, such deposit must be  
27 included as part of any financial aid consideration~~]. Such policies and  
28 procedures shall be applied consistently to all eligible patients.  
29 (e) Such policies and procedures shall permit patients to apply for  
30 assistance within at least [~~ninety~~] two hundred forty days of the date  
31 of discharge or date of service and provide at least [~~twenty~~] sixty days  
32 for patients to submit a completed application. Such policies and proce-  
33 dures may require that patients seeking payment adjustments provide  
34 [~~appropriate~~] the following financial information and documentation in  
35 support of their application[~~, provided, however, that such application  
36 process shall not be unduly burdensome or complex~~] that are used by the  
37 New York state of health marketplace: pay checks or pay stubs; rent  
38 receipts; a letter from the patient's employer attesting to the  
39 patient's gross income; or, if none of the aforementioned information  
40 and documentation are available, a written self-attestation of the  
41 patient's income. General hospitals shall, upon request, assist patients  
42 in understanding the hospital's policies and procedures and in applying  
43 for payment adjustments. [~~Application forms shall be printed~~] The  
44 commissioner shall translate the financial assistance application form  
45 and policy into the "primary languages" of each general hospital. Each  
46 general hospital shall print and post these materials to its website in  
47 the "primary languages" of patients served by the general hospital. For  
48 the purposes of this paragraph, "primary languages" shall include any  
49 language that is either (i) used to communicate, during at least five  
50 percent of patient visits in a year, by patients who cannot speak, read,  
51 write or understand the English language at the level of proficiency  
52 necessary for effective communication with health care providers, or  
53 (ii) spoken by non-English speaking individuals comprising more than one  
54 percent of the primary hospital service area population, as calculated  
55 using demographic information available from the United States Bureau of  
56 the Census, supplemented by data from school systems. Decisions regard-



1 ing such applications shall be made within thirty days of receipt of a  
2 completed application. Such policies and procedures shall require that  
3 the hospital issue any denial/approval of such application in writing  
4 with information on how to appeal the denial and shall require the  
5 hospital to establish an appeals process under which it will evaluate  
6 the denial of an application. [~~Nothing in this subdivision shall be  
7 interpreted as prohibiting a hospital from making the availability of  
8 financial assistance contingent upon the patient first applying for  
9 coverage under title XIX of the social security act (medicaid) or another  
10 insurance program if, in the judgment of the hospital, the patient  
11 may be eligible for medicaid or another insurance program, and upon the  
12 patient's cooperation in following the hospital's financial assistance  
13 application requirements, including the provision of information needed  
14 to make a determination on the patient's application in accordance with  
15 the hospital's financial assistance policy.~~]

16 (f) Such policies and procedures shall provide that patients with  
17 incomes below [~~three~~] four hundred percent of the federal poverty level  
18 are deemed presumptively eligible for payment adjustments and shall  
19 conform to the requirements set forth in paragraph (b) of this subdivi-  
20 sion, provided, however, that nothing in this subdivision shall be  
21 interpreted as precluding hospitals from extending such payment adjust-  
22 ments to other patients, either generally or on a case-by-case basis.  
23 Such [~~policies and procedures~~] policy shall provide financial [~~aid~~]  
24 assistance for emergency hospital services, including emergency trans-  
25 fers pursuant to the federal emergency medical treatment and active  
26 labor act (42 USC 1395dd), to patients who reside in New York state and  
27 for medically necessary hospital services for patients who reside in the  
28 hospital's primary service area as determined according to criteria  
29 established by the commissioner. In developing such criteria, the  
30 commissioner shall consult with representatives of the hospital indus-  
31 try, health care consumer advocates and local public health officials.  
32 Such criteria shall be made available to the public no less than thirty  
33 days prior to the date of implementation and shall, at a minimum:

34 (i) prohibit a hospital from developing or altering its primary  
35 service area in a manner designed to avoid medically underserved commu-  
36 nities or communities with high percentages of uninsured residents;

37 (ii) ensure that every geographic area of the state is included in at  
38 least one general hospital's primary service area so that eligible  
39 patients may access care and financial assistance; and

40 (iii) require the hospital to notify the commissioner upon making any  
41 change to its primary service area, and to include a description of its  
42 primary service area in the hospital's annual implementation report  
43 filed pursuant to subdivision three of section twenty-eight hundred  
44 three-1 of this article.

45 (g) Nothing in this subdivision shall be interpreted as precluding  
46 hospitals from extending payment adjustments for medically necessary  
47 non-emergency hospital services to patients outside of the hospital's  
48 primary service area. For patients determined to be eligible for finan-  
49 cial [~~aid~~] assistance under the terms of [~~a hospital's~~] the uniform  
50 financial [~~aid~~] assistance policy, such [~~policies and procedures~~] policy  
51 shall prohibit any limitations on financial [~~aid~~] assistance for  
52 services based on the medical condition of the applicant, other than  
53 typical limitations or exclusions based on medical necessity or the  
54 clinical or therapeutic benefit of a procedure or treatment.

55 (h) Such policies and procedures shall not permit the securance of a  
56 lien or forced sale or foreclosure of a patient's primary residence in

1 order to collect an outstanding medical bill and shall require the  
2 hospital to refrain from sending an account to collection if the patient  
3 has submitted a completed application for financial ~~[aid, including any~~  
4 ~~required supporting documentation]~~ assistance, while the hospital deter-  
5 mines the patient's eligibility for such ~~[aid]~~ assistance. Such ~~[poli-~~  
6 ~~cies and procedures]~~ policy shall provide for written notification,  
7 which shall include notification on a patient bill, to a patient not  
8 less than thirty days prior to the referral of debts for collection and  
9 shall require that the collection agency obtain the hospital's written  
10 consent prior to commencing a legal action. Such ~~[policies and proce-~~  
11 ~~dures]~~ policy shall require all general hospital staff who interact with  
12 patients or have responsibility for billing and collections to be  
13 trained in such ~~[policies and procedures]~~ policy, and require the imple-  
14 mentation of a mechanism for the general hospital to measure its compli-  
15 ance with ~~[such policies and procedures]~~ the policy. Such ~~[policies and~~  
16 ~~procedures]~~ policy shall require that any collection agency under  
17 contract with a general hospital for the collection of debts follow the  
18 ~~[hospital's]~~ uniform financial assistance policy, including providing  
19 information to patients on how to apply for financial assistance where  
20 appropriate. Such ~~[policies and procedures]~~ policy shall prohibit  
21 collections from a patient who is determined to be eligible for medical  
22 assistance pursuant to title XIX of the federal social security act at  
23 the time services were rendered and for which services medicaid payment  
24 is available.

25 (i) Reports required to be submitted to the department by each general  
26 hospital as a condition for participation in the pools, and which  
27 contain, in accordance with applicable regulations, a certification from  
28 an independent certified public accountant or independent licensed  
29 public accountant or an attestation from a senior official of the hospi-  
30 tal that the hospital is in compliance with conditions of participation  
31 in the pools, shall also contain, for reporting periods on and after  
32 January first, two thousand seven:

33 (i) a report on hospital costs incurred and uncollected amounts in  
34 providing services to ~~[eligible]~~ patients ~~[without insurance]~~ found  
35 eligible for financial assistance, including the amount of care provided  
36 for a nominal payment amount, during the period covered by the report;

37 (ii) hospital costs incurred and uncollected amounts for deductibles  
38 and coinsurance for eligible patients with insurance or other third-par-  
39 ty payor coverage;

40 (iii) the number of patients, organized according to United States  
41 postal service zip code, who applied for financial assistance pursuant  
42 to the ~~[hospital's]~~ uniform financial assistance policy, and the number,  
43 organized according to United States postal service zip code, whose  
44 applications were approved and whose applications were denied;

45 (iv) the reimbursement received for indigent care from the pool estab-  
46 lished pursuant to this section;

47 (v) the amount of funds that have been expended on ~~[charity care]~~  
48 financial assistance from charitable bequests made or trusts established  
49 for the purpose of providing financial assistance to patients who are  
50 eligible in accordance with the terms of such bequests or trusts;

51 (vi) for hospitals located in social services districts in which the  
52 district allows hospitals to assist patients with such applications, the  
53 number of applications for eligibility under title XIX of the social  
54 security act (medicaid) that the hospital assisted patients in complet-  
55 ing and the number denied and approved;

1 (vii) the hospital's financial losses resulting from services provided  
2 under medicaid; and

3 (viii) the number of referrals to collection agents or outside vendor  
4 court cases and liens placed on [~~the primary~~] any residences of patients  
5 through the collection process used by a hospital.

6 (j) [~~Within ninety days of the effective date of this subdivision each~~  
7 ~~hospital shall submit to the commissioner a written report on its poli-~~  
8 ~~cies and procedures for financial assistance to patients which are used~~  
9 ~~by the hospital on the effective date of this subdivision. Such report~~  
10 ~~shall include copies of its policies and procedures, including material~~  
11 ~~which is distributed to patients, and a description of the hospital's~~  
12 ~~financial aid policies and procedures. Such description shall include~~  
13 ~~the income levels of patients on which eligibility is based, the finan-~~  
14 ~~cial aid eligible patients receive and the means of calculating such~~  
15 ~~aid, and the service area, if any, used by the hospital to determine~~  
16 ~~eligibility]~~ The commissioner shall include the data collected under  
17 paragraph (i) of this subdivision in regular audits of the annual gener-  
18 al hospital institutional cost report.

19 (k) In the event it is determined by the commissioner that the state  
20 will be unable to secure all necessary federal approvals to include, as  
21 part of the state's approved state plan under title nineteen of the  
22 federal social security act, a requirement[~~, as set forth in paragraph~~  
23 ~~one of this subdivision,~~] that compliance with this subdivision is a  
24 condition of participation in pool distributions authorized pursuant to  
25 this section and section twenty-eight hundred seven-w of this article,  
26 then such condition of participation shall be deemed null and void and,  
27 notwithstanding section twelve of this chapter, failure to comply with  
28 the provisions of this subdivision by a hospital on and after the date  
29 of such determination shall make such hospital liable for a civil penal-  
30 ty not to exceed ten thousand dollars for each such violation. The impo-  
31 sition of such civil penalties shall be subject to the provisions of  
32 section twelve-a of this chapter.

33 § 2. Subdivision 14 of section 2807-k of the public health law is  
34 REPEALED and subdivisions 15, 16 and 17 are renumbered subdivisions 14,  
35 15 and 16.

36 § 3. This act shall take effect immediately.

37 PART H

38 Section 1. Section 5004 of the civil practice law and rules, as  
39 amended by chapter 258 of the laws of 1981, is amended to read as  
40 follows:

41 § 5004. Rate of interest. Interest shall be at the rate of nine per  
42 centum per annum, except where otherwise provided by statute, provided  
43 that in medical debt actions by a hospital licensed under article twen-  
44 ty-eight of the public health law or a health care professional author-  
45 ized under title eight of the education law the interest rate shall be  
46 calculated at the one-year United States treasury bill rate. For the  
47 purpose of this section, the "one-year United States treasury bill rate"  
48 means the weekly average one-year constant maturity treasury yield, as  
49 published by the board of governors of the federal reserve system, for  
50 the calendar week preceding the date of the entry of the judgment award-  
51 ing damages. Provided however, that this section shall not apply to any  
52 provision of the tax law which provides for the annual rate of interest  
53 to be paid on a judgment or accrued claim.

54 § 2. This act shall take effect immediately.

1

PART I

2 Section 1. Subsection (h) of section 603 of the financial services  
3 law, as added by section 26 of part H of chapter 60 of the laws of 2014,  
4 is amended to read as follows:

5 (h) "Surprise bill" means a bill for health care services, other than  
6 emergency services, received by:

7 (1) an insured for services rendered by a non-participating physician  
8 at a participating hospital or ambulatory surgical center, where a  
9 participating physician is unavailable or a non-participating physician  
10 renders services without the insured's knowledge, or unforeseen medical  
11 services arise at the time the health care services are rendered;  
12 provided, however, that a surprise bill shall not mean a bill received  
13 for health care services when a participating physician is available and  
14 the insured has elected to obtain services from a non-participating  
15 physician;

16 (2) an insured for services rendered by a non-participating provider,  
17 where the services were referred by a participating physician to a non-  
18 participating provider without explicit written consent of the insured  
19 acknowledging that the participating physician is referring the insured  
20 to a non-participating provider and that the referral may result in  
21 costs not covered by the health care plan; ~~[ex]~~

22 (3) an insured for services rendered by a non-participating provider  
23 when the insured reasonably relied upon an oral or written statement  
24 that the non-participating provider was a participating provider made by  
25 a health care plan, or agent or representative of a health care plan, or  
26 as specified in the health care plan provider listing or directory, or  
27 provider information on the health plan's website;

28 (4) an insured for services rendered by a non-participating provider  
29 when the insured reasonably relied upon a statement that the non-parti-  
30 cipating provider was a participating provider made by the non-partici-  
31 pating provider, or agent or representative of the non-participating  
32 provider, or as specified on the non-participating provider's website;  
33 or

34 (5) a patient who is not an insured for services rendered by a physi-  
35 cian at a hospital or ambulatory surgical center, where the patient has  
36 not timely received all of the disclosures required pursuant to section  
37 twenty-four of the public health law.

38 § 2. Paragraph (k) of subdivision 1 of section 2803 of the public  
39 health law, as added by chapter 241 of the laws of 2016, is amended to  
40 read as follows:

41 (k) The statement regarding patient rights and responsibilities,  
42 required pursuant to paragraph (g) of this subdivision, shall include  
43 provisions informing the patient of his or her right to ~~[choose]~~ be held  
44 harmless from certain bills for emergency services and surprise bills,  
45 and to submit surprise bills or bills for emergency services to the  
46 independent dispute process established in article six of the financial  
47 services law, and informing the patient of his or her right to view a  
48 list of the hospital's standard charges and the health plans the hospi-  
49 tal participates with consistent with section twenty-four of this chap-  
50 ter.

51 § 3. This act shall take effect immediately.

52 § 3. Severability clause. If any provision of this act, or any appli-  
53 cation of any provision of this act, is held to be invalid, or to  
54 violate or be inconsistent with any federal law or regulation, that  
55 shall not affect the validity or effectiveness of any other provision of

1 this act, or of any other application of any provision of this act,  
2 which can be given effect without that provision or application; and to  
3 that end, the provisions and applications of this act are severable.

4 § 4. This act shall take effect immediately provided, however, that  
5 the applicable effective date of Parts A through I of this act shall be  
6 as specifically set forth in the last section of such Parts. Effective  
7 immediately, the commissioner of health and the superintendent of finan-  
8 cial services shall make regulations and take other actions reasonably  
9 necessary to implement every part of this act when it takes effect.