

# STATE OF NEW YORK

9781

## IN ASSEMBLY

February 11, 2020

Introduced by M. of A. HUNTER -- read once and referred to the Committee on Insurance

AN ACT to amend the insurance law and the public health law, in relation to prohibiting certain requirements in insurance contracts

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

1 Section 1. Section 3217-b of the insurance law is amended by adding a  
2 new subsection (m) to read as follows:

3 (m)(1) No insurer that offers a managed care product or a comprehen-  
4 sive policy that utilizes a network of providers shall enter into a  
5 contract, written policy, written procedure or agreement with any health  
6 care provider that:

7 (A) Requires an insurer to include all members of a provider group,  
8 including medical practice groups and facilities, in its network of  
9 participating providers;

10 (B) Requires an insurer to place all members of a provider group,  
11 including medical practice groups and facilities, in the same network  
12 tier;

13 (C) Requires an insurer to include all members of a provider group,  
14 including medical practice groups and facilities, in all products  
15 offered by the insurer;

16 (D) Prohibits insurers from using benefit designs to encourage members  
17 to seek services from higher-value health care providers;

18 (E) Contains a most-favored-nation provision; provided, however, noth-  
19 ing in this section shall be construed to prohibit a health insurer and  
20 a provider from negotiating payment rates and performance-based contract  
21 terms that would result in the insurer receiving a rate that is as  
22 favorable, or more favorable, than the rates negotiated between a health  
23 care provider and another entity; and

24 (F) Limits the ability of the insurer or health care provider from  
25 disclosing fees for services or the allowed amounts to an insured or  
26 insured's health care provider.

27 (2) After January first, two thousand twenty-one, any contract, writ-  
28 ten policy, written procedure or agreement that contains a clause

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

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1 contrary to the provisions set forth in this section shall be null and  
2 void; provided, however, the remaining clauses of the contract shall  
3 remain in effect for the duration of the contract term.

4 § 2. Section 4406 of the public health law is amended by adding a new  
5 subdivision 6 to read as follows:

6 6. (a) No health maintenance organization that offers a managed care  
7 product or a comprehensive policy that utilizes a network of providers  
8 shall enter into a contract, written policy, written procedure or agree-  
9 ment with any health care provider that:

10 (i) Requires an insurer to include all members of a provider group,  
11 including medical practice groups and facilities, in its network of  
12 participating providers;

13 (ii) Requires an insurer to place all members of a provider group,  
14 including medical practice groups and facilities, in the same network  
15 tier;

16 (iii) Requires an insurer to include all members of a provider group,  
17 including medical practice groups and facilities, in all products  
18 offered by the insurer;

19 (iv) Prohibits insurers from using benefit designs to encourage  
20 members to seek services from higher-value health care providers;

21 (v) Contains a most-favored-nation provision; provided, however, noth-  
22 ing in this section shall be construed to prohibit a health insurer and  
23 a provider from negotiating payment rates and performance-based contract  
24 terms that would result in the insurer receiving a rate that is as  
25 favorable, or more favorable, than the rates negotiated between a health  
26 care provider and another entity; and

27 (vi) Limits the ability of the insurer or health care provider from  
28 disclosing fees for services or the allowed amounts to an insured or  
29 insured's health care provider.

30 (b) After January first, two thousand twenty-one, any contract, writ-  
31 ten policy, written procedure or agreement that contains a clause  
32 contrary to the provisions set forth in this section shall be null and  
33 void; provided, however, the remaining clauses of the contract shall  
34 remain in effect for the duration of the contract term.

35 § 3. This act shall take effect on January 1, 2021.