STATE OF NEW YORK

7159

IN SENATE

January 9, 2020

Introduced by Sens. JACKSON, BENJAMIN, CARLUCCI, RAMOS, SALAZAR -- read twice and ordered printed, and when printed to be committed to the Committee on Insurance

AN ACT to amend the insurance law, in relation to requiring specification between partial approval of medical claims and a denial of medical claims on written notices to an insurer

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

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

(b) In a case where the obligation of an insurer or an organization or corporation licensed or certified pursuant to article forty-three or forty-seven of this chapter or article forty-four of the public health law to pay a claim or make a payment for health care services rendered is not reasonably clear due to a good faith dispute regarding the eligibility of a person for coverage, the liability of another insurer or corporation or organization for all or part of the claim, the amount of the claim, the benefits covered under a contract or agreement, or the manner in which services were accessed or provided, an insurer or organization or corporation shall pay any undisputed portion of the claim in accordance with this subsection and notify the policyholder, covered person or health care provider in writing within thirty calendar days of the receipt of the claim:

(1) **whether the claim or bill has been denied or partially approved;**

(2) which claim or medical payment that it is not obligated to pay [~~the claim or make the medical payment,~~] stating the specific reasons why it is not liable; [~~or~~

~~(2)~~] **and**

(3) to request all additional information needed to determine liability to pay the claim or make the health care payment.

Upon receipt of the information requested in paragraph [~~two~~] **three** of this subsection or an appeal of a claim or bill for health care services denied pursuant to [~~paragraph one of~~] this subsection, an insurer or

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

LBD14595-01-9

organization or corporation licensed or certified pursuant to article forty-three or forty-seven of this chapter or article forty-four of the public health law shall comply with subsection (a) of this section. **Any denial or partial approval of claim or payment and the specific reasons for such denial or partial approval pursuant to this subsection shall be prominently displayed on a written notice with at least twelve-point type. A partial approval of claim or payment shall state at the top of such written notice with at least fourteen-point type bold: "NOTICE OF PARTIAL APPROVAL OF MEDICAL COVERAGE". A denial of claim or payment shall state at the top of such written notice with at least fourteen-point type bold: "NOTICE OF DENIAL OF MEDICAL COVERAGE". Any additional terms or conditions included on such notice of partial approval or such notice of denial, such as but not limited to time restraints to file an appeal, shall be included with at least twelve-point type.**

§ 2. This act shall take effect on the ninetieth day after it shall have become a law and shall apply to policies and contracts issued, renewed, modified, altered or amended on or after such effective date.