

# STATE OF NEW YORK

1532

2021-2022 Regular Sessions

## IN ASSEMBLY

January 11, 2021

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:

1 Section 1. The public health law is amended by adding a new section  
2 4405-c to read as follows:

3 § 4405-c. Substantial reductions of referrals to a hospital. 1. No  
4 health maintenance organization shall make a substantial reduction in  
5 inpatient referrals to any hospital, to which the health maintenance  
6 organization has referred non-emergency inpatients for at least three  
7 years, or issue orders, directives, instructions or suggest in any  
8 manner to any participant medical practitioner registered in the health  
9 maintenance organization plan that such practitioner should reduce or  
10 discontinue referring patients to any hospital, without approval of the  
11 commissioner.

12 2. For the purposes of this section, any reduction in a health mainte-  
13 nance organization's inpatient referrals to a hospital shall be consid-  
14 ered substantial if such reduction would result in a decrease in the  
15 projected annualized discharges of the hospital that exceeds five  
16 percent of its total discharges in the prior calendar year.

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

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

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

12 § 2. This act shall take effect immediately.