

STATE OF NEW YORK

832--A

Cal. No. 80

2021-2022 Regular Sessions

IN ASSEMBLY

(Prefiled)

January 6, 2021

Introduced by M. of A. GOTTFRIED, DINOWITZ, ENGLEBRIGHT, GALEF, PAULIN, CUSICK, L. ROSENTHAL, SAYEGH, BARRON -- Multi-Sponsored by -- M. of A. CARROLL, COLTON, COOK, CYMBROWITZ, GLICK, GUNTHER, PERRY, J. RIVERA -- read once and referred to the Committee on Health -- reported from committee, advanced to a third reading, amended and ordered reprinted, retaining its place on the order of third reading

AN ACT to amend the public health law and the insurance law, in relation to certain contracts or agreements by health maintenance organizations

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

1 Section 1. Subdivision 7 of section 4406-c of the public health law,
2 as added by chapter 705 of the laws of 1996 and as renumbered by chapter
3 487 of the laws of 2010, is renumbered subdivision 14 and three new
4 subdivisions 11, 12 and 13 are added to read as follows:

5 11. No contract or agreement between a health care plan and a health
6 care provider shall contain any clause which entitles such health care
7 plan to reimburse the health care provider at the lowest price or rate
8 that such health care provider has charged another person or entity for
9 rendering the same treatment or performing the same procedure.

10 12. No health care plan shall by contract, written policy or written
11 procedure prohibit any health care provider from referring a patient or
12 enrollee to a health care provider based solely upon such health care
13 provider's participation status with the managed care product subscribed
14 to by the patient or enrollee.

15 13. No health care plan shall by contract, written policy or procedure
16 provide for or allow the substitution of a pharmaceutical drug or agent
17 (other than a generic substitution) by any person other than the
18 prescribing health care professional or by a pharmacist under section
19 sixty-eight hundred one-a of the education law.

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

LBD00253-02-1

1 § 2. Subsection (h) of section 3217-b of the insurance law, as relet-
2 tered by chapter 237 of the laws of 2009, is relettered subsection (o)
3 and three new subsections (h), (m) and (n) are added to read as follows:

4 (h) No contract or agreement between an insurer and a health care
5 provider shall contain any clause which entitles such insurer to reim-
6 burse the health care provider at the lowest price or rate that such
7 health care provider has charged another person or entity for rendering
8 the same treatment or performing the same procedure.

9 (m) No insurer shall by contract, written policy or written procedure
10 prohibit any health care provider from referring an insured to a physi-
11 cian based solely upon such physician's participation status with the
12 insurance product subscribed to by the insured.

13 (n) No insurer which maintains a drug formulary, or which contracts
14 with another entity to maintain a drug formulary, shall by contract,
15 written policy or procedure provide for or allow the substitution of a
16 pharmaceutical drug or agent (other than a generic substitution) by any
17 person other than the prescribing health care professional or by a phar-
18 macist under section sixty-eight hundred one-a of the education law.

19 § 3. Subsection (i) of section 4325 of the insurance law, as relet-
20 tered by chapter 487 of the laws of 2010, is relettered subsection (p)
21 and three new subsections (i), (n) and (o) are added to read as follows:

22 (i) No contract or agreement between an insurer and a health care
23 provider shall contain any clause which entitles such insurer to reim-
24 burse the health care provider at the lowest price or rate that such
25 health care provider has charged another person or entity for rendering
26 the same treatment or performing the same procedure.

27 (n) No insurer shall by contract, written policy or written procedure
28 prohibit any health care provider from referring an insured to a physi-
29 cian based solely upon such physician's participation status with the
30 insurance product subscribed to by the insured.

31 (o) No insurer which maintains a drug formulary, or which contracts
32 with another entity to maintain a drug formulary, shall by contract,
33 written policy or procedure provide for or allow the substitution of a
34 pharmaceutical drug or agent (other than a generic substitution) by any
35 person other than the prescribing health care professional or by a phar-
36 macist under section sixty-eight hundred one-a of the education law.

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