

STATE OF NEW YORK

2008

2021-2022 Regular Sessions

IN SENATE

January 16, 2021

Introduced by Sens. JACKSON, BENJAMIN, RAMOS, SALAZAR, BIAGGI, GOUNARDES, KRUEGER, LIU, RIVERA, SEPULVEDA -- 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:

1 Section 1. Subsection (b) of section 3224-a of the insurance law, as
2 amended by section 8 of part YY of chapter 56 of the laws of 2020, is
3 amended to read as follows:

4 (b) In a case where the obligation of an insurer or an organization or
5 corporation licensed or certified pursuant to article forty-three or
6 forty-seven of this chapter or article forty-four of the public health
7 law to pay a claim or make a payment for health care services rendered
8 is not reasonably clear due to a good faith dispute regarding the eligi-
9 bility of a person for coverage, the liability of another insurer or
10 corporation or organization for all or part of the claim, the amount of
11 the claim, the benefits covered under a contract or agreement, or the
12 manner in which services were accessed or provided, an insurer or organ-
13 ization or corporation shall pay any undisputed portion of the claim in
14 accordance with this subsection and notify the policyholder, covered
15 person or health care provider in writing, and through the internet or
16 other electronic means for claims submitted in that manner, within thir-
17 ty calendar days of the receipt of the claim:

18 (1) whether the claim or bill has been denied or partially approved;
19 (2) which claim or medical payment that it is not obligated to pay
20 [~~the claim or make the medical payment,~~] stating the specific reasons
21 why it is not liable; [~~or~~
22 ~~(2)~~] and

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

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1 ~~(3)~~ (3) to request all additional information needed to determine liabil-
2 ity to pay the claim or make the health care payment; and
3 ~~[(3)]~~ (4) of the specific type of plan or product the policyholder or
4 covered person is enrolled in; provided that nothing in this section
5 shall authorize discrimination based on the source of payment.

6 Upon receipt of the information requested in paragraph ~~[two]~~ three of
7 this subsection or an appeal of a claim or bill for health care services
8 denied pursuant to ~~[paragraph one of]~~ this subsection, an insurer or
9 organization or corporation licensed or certified pursuant to article
10 forty-three or forty-seven of this chapter or article forty-four of the
11 public health law shall comply with subsection (a) of this section;
12 provided, that if the insurer or organization or corporation licensed or
13 certified pursuant to article forty-three or forty-seven of this chapter
14 or article forty-four of the public health law determines that payment
15 or additional payment is due on the claim, such payment shall be made to
16 the policyholder or covered person or health care provider within
17 fifteen days of the determination. Any denial or partial approval of
18 claim or payment and the specific reasons for such denial or partial
19 approval pursuant to this subsection shall be prominently displayed on a
20 written notice with at least twelve-point type. A partial approval of
21 claim or payment shall state at the top of such written notice with at
22 least fourteen-point type bold: "NOTICE OF DENIAL OF MEDICAL COVERAGE".
23 A denial of claim or payment shall state at the top of such written
24 notice with at least fourteen-point type bold: "NOTICE OF DENIAL OF
25 MEDICAL COVERAGE". Any additional terms or conditions included on such
26 notice of partial approval or such notice or denial, such as but not
27 limited to time restraints to file an appeal, shall be included with at
28 least twelve-point type.

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