

# STATE OF NEW YORK

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6435--A

2021-2022 Regular Sessions

## IN SENATE

April 28, 2021

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Introduced by Sen. BRESLIN -- read twice and ordered printed, and when printed to be committed to the Committee on Health -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the public health law and the insurance law, in relation to utilization review program standards, and in relation to pre-authorization of health care services

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

1 Section 1. Paragraph (c) of subdivision 1 of section 4902 of the  
2 public health law, as added by chapter 705 of the laws of 1996, is  
3 amended to read as follows:

4 (c) Utilization of written clinical review criteria developed pursuant  
5 to a utilization review plan. Such clinical review criteria shall  
6 utilize recognized evidence-based and peer reviewed clinical review  
7 criteria that take into account the needs of a typical patient popu-  
8 lations and diagnoses;

9 § 2. Paragraph (a) of subdivision 2 of section 4903 of the public  
10 health law, as separately amended by section 13 of part YY and section 3  
11 of part KKK of chapter 56 of the laws of 2020, is amended to read as  
12 follows:

13 (a) A utilization review agent shall make a utilization review deter-  
14 mination involving health care services which require pre-authorization  
15 and provide notice of a determination to the enrollee or enrollee's  
16 designee and the enrollee's health care provider by telephone and in  
17 writing within [~~three business days~~] seventy-two hours of receipt of the  
18 necessary information, within twenty-four hours of the receipt of neces-  
19 sary information if the request is for an enrollee with a medical condi-  
20 tion that places the health of the insured in serious jeopardy without  
21 the health care services recommended by the enrollee's health care  
22 professional, or for inpatient rehabilitation services following an

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

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1 inpatient hospital admission provided by a hospital or skilled nursing  
2 facility, within one business day of receipt of the necessary informa-  
3 tion. The notification shall identify[+] (i) whether the services are  
4 considered in-network or out-of-network; (ii) and whether the enrollee  
5 will be held harmless for the services and not be responsible for any  
6 payment, other than any applicable co-payment or co-insurance; (iii) as  
7 applicable, the dollar amount the health care plan will pay if the  
8 service is out-of-network; and (iv) as applicable, information explain-  
9 ing how an enrollee may determine the anticipated out-of-pocket cost for  
10 out-of-network health care services in a geographical area or zip code  
11 based upon the difference between what the health care plan will reim-  
12 burse for out-of-network health care services and the usual and custom-  
13 ary cost for out-of-network health care services. An approval for a  
14 request for pre-authorization shall be valid for the duration of the  
15 prescription, including any authorized refills, or treatment for a  
16 specific condition as requested by the enrollee's health care provider.

17 § 3. Paragraph 3 of subsection (a) of section 4902 of the insurance  
18 law, as added by chapter 705 of the laws of 1996, is amended to read as  
19 follows:

20 (3) Utilization of written clinical review criteria developed pursuant  
21 to a utilization review plan. Such clinical review criteria shall  
22 utilize recognized evidence-based and peer reviewed clinical review  
23 criteria that take into account the needs of a typical patient popu-  
24 lations and diagnoses;

25 § 4. Paragraph 1 of subsection (b) of section 4903 of the insurance  
26 law, as separately amended by section 16 of part YY and section 7 of  
27 part KKK of chapter 56 of the laws of 2020, is amended to read as  
28 follows:

29 (1) A utilization review agent shall make a utilization review deter-  
30 mination involving health care services which require pre-authorization  
31 and provide notice of a determination to the insured or insured's desig-  
32 nee and the insured's health care provider by telephone and in writing  
33 within ~~[three-business days]~~ seventy-two hours of receipt of the neces-  
34 sary information, within twenty-four hours of receipt of necessary  
35 information if the request is for an insured with a medical condition  
36 that places the health of the insured in serious jeopardy without the  
37 health care services recommended by the insured's health care provider,  
38 or for inpatient rehabilitation services following an inpatient hospital  
39 admission provided by a hospital or skilled nursing facility, within one  
40 business day of receipt of the necessary information. The notification  
41 shall identify: (i) whether the services are considered in-network or  
42 out-of-network; (ii) whether the insured will be held harmless for the  
43 services and not be responsible for any payment, other than any applica-  
44 ble co-payment, co-insurance or deductible; (iii) as applicable, the  
45 dollar amount the health care plan will pay if the service is out-of-  
46 network; and (iv) as applicable, information explaining how an insured  
47 may determine the anticipated out-of-pocket cost for out-of-network  
48 health care services in a geographical area or zip code based upon the  
49 difference between what the health care plan will reimburse for out-of-  
50 network health care services and the usual and customary cost for out-  
51 of-network health care services. An approval of request for pre-authori-  
52 zation shall be valid for the duration of the prescription, including  
53 any authorized refills, or treatment for a specific condition requested  
54 for pre-authorization.

55 § 5. Subsection (a) of section 3238 of the insurance law, as added by  
56 chapter 451 of the laws of 2007, is amended to read as follows:

(a) An insurer, corporation organized pursuant to article forty-three of this chapter, municipal cooperative health benefits plan certified pursuant to article forty-seven of this chapter, or health maintenance organization and other organizations certified pursuant to article forty-four of the public health law ("health plan") shall pay claims for a health care service for which a pre-authorization was required by, and received from, the health plan prior to the rendering of such health care service, and eligibility confirmed on the day of the service, unless:

(1) ~~[(i) the insured, subscriber, or enrollee was not a covered person at the time the health care service was rendered.]~~

~~[(ii) Notwithstanding the provisions of subparagraph (i) of this paragraph, a health plan shall not deny a claim on this basis if the insured's, subscriber's or enrollee's coverage was retroactively terminated more than one hundred twenty days after the date of the health care service, provided that the claim is submitted within ninety days after the date of the health care service. If the claim is submitted more than ninety days after the date of the health care service, the health plan shall have thirty days after the claim is received to deny the claim on the basis that the insured, subscriber or enrollee was not a covered person on the date of the health care service.]~~

~~[(2)]~~ (2) the submission of the claim with respect to an insured, subscriber or enrollee was not timely under the terms of the applicable provider contract, if the claim is submitted by a provider, or the policy or contract, if the claim is submitted by the insured, subscriber or enrollee;

~~[(3)]~~ (2) at the time the pre-authorization was issued, the insured, subscriber or enrollee had not exhausted contract or policy benefit limitations based on information available to the health plan at such time, but subsequently exhausted contract or policy benefit limitations after authorization was issued; provided, however, that the health plan shall include in the notice of determination required pursuant to subsection (b) of section four thousand nine hundred three of this chapter and subdivision two of section forty-nine hundred three of the public health law that the visits authorized might exceed the limits of the contract or policy and accordingly would not be covered under the contract or policy;

~~[(4)]~~ (3) the pre-authorization was based on materially inaccurate or incomplete information provided by the insured, subscriber or enrollee, the designee of the insured, subscriber or enrollee, or the health care provider such that if the correct or complete information had been provided, such pre-authorization would not have been granted; or

~~[(5) the pre-authorized service was related to a pre-existing condition that was excluded from coverage; or]~~

~~[(6)]~~ (4) there is a reasonable basis supported by specific information available for review by the superintendent that the insured, subscriber or enrollee, the designee of the insured, subscriber or enrollee, or the health care provider has engaged in fraud or abuse.

§ 6. This act shall take effect on the ninetieth day after it shall have become a law.