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:

Section 1. Subsection (b) of section 3224-a of the insurance law, as amended by section 8 of part YYY of chapter 56 of the laws of 2020, 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, and through the internet or other electronic means for claims submitted in that manner, 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**

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

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

[~~(3)~~] **(4)** of the specific type of plan or product the policyholder or covered person is enrolled in; provided that nothing in this section shall authorize discrimination based on the source of 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 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; provided, that if the insurer or 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 determines that payment or additional payment is due on the claim, such payment shall be made to the policyholder or covered person or health care provider within fifteen days of the determination. **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 DENIAL 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 or 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.