

# STATE OF NEW YORK

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2521

2021-2022 Regular Sessions

## IN SENATE

January 21, 2021

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Introduced by Sen. RIVERA -- read twice and ordered printed, and when printed to be committed to the Committee on Health

AN ACT to amend the public health law, in relation to medical billing and debt (Part A); to amend the public health law, in relation to defining certain terms (Part B); to amend the public health law, in relation to standardized consolidated itemized general hospital bills (Part C); to amend the public health law, in relation to regulation of the billing of facility fees (Part D); to amend the public health law, in relation to standardized patient financial liability forms (Part E); to amend the public health law, in relation to an all payer database (Part F); to amend the public health law, in relation to the general hospital indigent care pool; and to repeal certain provisions of such law relating thereto (Part G); to amend the civil practice law and rules, in relation to the rate of interest in medical debt actions (Part H); and to amend the financial services law, in relation to services rendered by a non-participating provider; and to amend the public health law, in relation to hospital statements of rights and responsibilities of patients (Part I)

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

1 Section 1. Short title. This act shall be known and may be cited as  
2 the "patient medical debt protection act".  
3 § 2. This act enacts into law major components of legislation which  
4 relate to patient medical debt protection. Each component is wholly  
5 contained within a Part identified as Parts A through I. The effective  
6 date for each particular provision contained within such Part is set  
7 forth in the last section of such Part. Any provision in any section  
8 contained within a Part, including the effective date of the Part, which  
9 makes reference to a section "of this act", when used in connection with  
10 that particular component, shall be deemed to mean and refer to the

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

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1 corresponding section of the Part in which it is found. Section four of  
2 this act sets forth the general effective date of this act.

3 PART A

4 Section 1. Sections 2800 through 2827 of article 28 of the public  
5 health law are designated title 1, and a new title 2 is added to article  
6 28, to read as follows:

7 TITLE 2

8 MEDICAL BILLING AND DEBT

9 § 2. This act shall take effect immediately.

10 PART B

11 Section 1. Title 2 of article 28 of the public health law is amended  
12 by adding a new section 2830 to read as follows:

13 § 2830. Definitions. As used in this title, the following terms shall  
14 have the following meanings, unless the context clearly requires other-  
15 wise:

16 1. "Affiliated provider" means a provider that is: (a) employed by a  
17 hospital or health system, (b) under a professional services agreement  
18 with a hospital or health system, or (c) a clinical faculty member of a  
19 medical school or other school that trains individuals to be providers  
20 that is affiliated with a hospital or health system.

21 2. "Campus" means: (a) the physical area immediately adjacent to a  
22 hospital's main buildings and other areas and structures that are not  
23 strictly contiguous to the main buildings but are located within two  
24 hundred fifty yards of the main buildings, or (b) any other area that  
25 has been determined on an individual case basis by the Centers for Medi-  
26 care and Medicaid Services to be part of a hospital's campus.

27 3. "Facility fee" means any fee charged or billed by a hospital or  
28 health system for inpatient or outpatient hospital services provided in  
29 a hospital-based facility that is: (a) intended to compensate the hospi-  
30 tal or health system for the operational expenses of the hospital or  
31 health system, and (b) separate and distinct from a fee for patient-spe-  
32 specific services, supplies and drugs; "facility fee" shall not include any  
33 fee charged or billed by a residential health care facility.

34 4. "Health system" means a group of one or more hospitals and provid-  
35 ers affiliated through ownership, governance, membership or other means.

36 5. "Hospital-based facility" means a facility that is owned or oper-  
37 ated, in whole or in part, by a hospital or health system where hospital  
38 or professional health care services, supplies or drugs are provided.

39 6. "Fee" means any fee charged or billed by a provider for profes-  
40 sional health care services provided in a hospital-based facility.

41 7. "Provider" means an individual or entity, whether for profit or  
42 nonprofit, whose primary purpose is to provide professional health care  
43 services.

44 § 2. This act shall take effect immediately.

45 PART C

46 Section 1. Title 2 of article 28 of the public health law is amended  
47 by adding a new section 2831 to read as follows:

48 § 2831. Standardized consolidated itemized general hospital bills. 1.  
49 After a patient's discharge or release from a general hospital, or  
50 completion of a discrete course of treatment by a hospital-based facili-

1 ty, the facility shall provide to the patient or to the patient's survi-  
2 vor or legal guardian, as appropriate, a consolidated itemized bill.  
3 The initial consolidated itemized bill shall be provided no more than  
4 seven days after the patient's discharge, or release or completion of  
5 the episode or course of treatment, or after a request for such  
6 bill, whichever is earlier.

7 2. The consolidated itemized bill shall:

8 (a) detail in plain language, comprehensible to an ordinary layperson  
9 (consistent with accuracy), the specific nature of charges or expenses  
10 incurred by the patient during the hospitalization or episode or course  
11 of treatment and the date of each service;

12 (b) detail all services provided to the patient during the hospitali-  
13 zation or episode or course of treatment, including all professional  
14 services administered and supplies and drugs, contain a statement of  
15 specific services received and expenses incurred by date and provider  
16 for such items of service, enumerating in detail the constituent compo-  
17 ponents of the services received within each department of the facility  
18 and including unit price data on rates charged;

19 (c) identify each item as paid, assigned to a third-party payer, or  
20 expected payment by the patient;

21 (d) include the amount due, if any from the patient, including a due  
22 date;

23 (e) for any amount paid or to be paid by the patient, indicate to  
24 which person or entity an amount is due;

25 (f) not include any generalized category of expenses such as "other"  
26 or "miscellaneous" or similar categories;

27 (g) list drugs by brand or generic name, even where drug code numbers  
28 are used;

29 (h) specifically identify physical, rehabilitative, occupational, or  
30 speech therapy treatment by date, type, and length of treatment when  
31 such treatment is a part of the statement or bill; and

32 (i) prominently display the telephone number of the facility's patient  
33 liaison responsible for expediting the resolution of any billing dispute  
34 between the patient, or the patient's survivor or legal guardian, and  
35 the billing department or departments.

36 3. A provider with any financial or contractual relationship with the  
37 facility may not separately bill the patient or the patient's survivor  
38 or legal guardian for such services, supplies or drugs.

39 4. Any subsequent bill provided to a patient or to the patient's  
40 survivor or legal guardian, as appropriate, relating to the hospitaliza-  
41 tion or episode or course of treatment must include all of the informa-  
42 tion required under this section, in or enclosed with the bill or by  
43 reference to a previous consolidated itemized bill, with any clearly  
44 delineated revisions.

45 5. The consolidated itemized bill, shall be in a form developed by  
46 the commissioner, in consultation with the superintendent of financial  
47 services.

48 6. Each facility shall establish policies and procedures for review-  
49 ing and responding to questions from patients concerning the patient's  
50 consolidated itemized bill. The response shall be provided no more than  
51 seven business days after the date a question is received. If the  
52 patient is not satisfied with the response, the facility shall provide  
53 the patient with the contact information of the hospital department or  
54 collection entity to which the issue shall be sent for review.

55 § 2. This act shall take effect one year after it shall have become a  
56 law.

1

## PART D

2 Section 1. Title 2 of article 28 of the public health law is amended  
3 by adding a new section 2832 to read as follows:

4 § 2832. Regulation of the billing of facility fees. No hospital or  
5 health system shall bill or seek payment from a patient for a facility  
6 fee: 1. related to the provision of preventive care service as defined  
7 by the United States Preventive Services Task Force; or

8 2. where the facility fee is not covered for the patient by a third-  
9 party payer.

10 § 2. This act shall take effect on the one hundred eightieth day after  
11 it shall have become a law.

12

## PART E

13 Section 1. Title 2 of article 28 of the public health law is amended  
14 by adding a new section 2833 to read as follows:

15 § 2833. Standardized patient financial liability forms. Every hospi-  
16 tal, health system, hospital-based facility, affiliated provider or  
17 other provider shall use the uniform patient financial liability form  
18 which shall be developed by the commissioner. The form shall disclose  
19 to the patient whether services, supplies and drugs provided to the  
20 patient are in-network or out-of-network, whether the care is a covered  
21 benefit by a third-party payer of the patient, and the nature and amount  
22 of the patient's projected financial liability. A patient shall not be  
23 financially liable for any service, supplies or drugs subject to this  
24 title that is not charged or billed in accordance with this title. The  
25 commissioner shall develop and issue the uniform financial liability  
26 form within six months of the effective date of this section. The form  
27 shall be adopted and used under this section by each hospital, health  
28 system, hospital-based facility, affiliated provider and other provider  
29 not later than sixty days after the commissioner issues the form.

30 § 2. This act shall take effect immediately.

31

## PART F

32 Section 1. Subdivision 18-a of section 206 of the public health law is  
33 amended by adding a new paragraph (e) to read as follows:

34 (e)(i) The commissioner shall ensure that the New York state all payer  
35 database shall serve the interests of New York's health care consumers.

36 (ii) Every hospital licensed under article twenty-eight of this chap-  
37 ter and health care professionals authorized under title eight of the  
38 education law shall participate in the all payer database through their  
39 insurance carrier contracts, and may participate in the all payer data-  
40 base through any other of the hospital's third-party payer contracts.

41 (iii) Data that is required to be submitted to the all payer database  
42 shall not be considered proprietary information for the purposes of  
43 submission to or inclusion in the all payer database.

44 § 2. This act shall take effect on the one hundred eightieth day after  
45 it shall have become a law.

46

## PART G

47 Section 1. Subdivisions 9 and 9-a of section 2807-k of the public  
48 health law, subdivision 9 as amended by section 17 of part B of chapter  
49 60 of the laws of 2014, subdivision 9-a as added by section 39-a of part

1 A of chapter 57 of the laws of 2006 and paragraph (k) of subdivision 9-a  
2 as added by section 43 of part B of chapter 58 of the laws of 2008, are  
3 amended to read as follows:

4 9. In order for a general hospital to participate in the distribution  
5 of funds from the pool, the general hospital must [~~implement minimum~~  
6 ~~collection policies and procedures approved~~] use only the uniform finan-  
7 cial assistance form provided by the commissioner. The definitions in  
8 section twenty-eight hundred thirty of this article shall apply to this  
9 subdivision and subdivision nine-a of this section.

10 9-a. (a) (i) As a condition for participation in pool distributions  
11 authorized pursuant to this section and section twenty-eight hundred  
12 seven-w of this article for periods on and after January first, two  
13 thousand nine, general hospitals shall, effective for periods on and  
14 after January first, two thousand [~~seven, establish~~] twenty-two, adopt  
15 and implement the uniform financial [~~aid policies and procedures, in~~  
16 ~~accordance with the provisions of this subdivision~~] assistance form  
17 policy, to be developed and issued by the commissioner no later than one  
18 hundred eighty days after the effective date of a chapter of the laws of  
19 two thousand twenty-one that amended this subdivision. No later than  
20 thirty days after the issuance of the uniform financial assistance form  
21 and policy, general hospitals shall implement such form and policy, for  
22 reducing hospital charges and charges for affiliated providers otherwise  
23 applicable to low-income individuals without third-party health [~~insur-~~  
24 ~~ance~~] coverage, or who have [~~exhausted their~~] third-party health [~~insur-~~  
25 ~~ance benefits~~] coverage that does not cover or limits coverage of the  
26 service, and who can demonstrate an inability to pay full charges, and  
27 also, at the hospital's discretion, for reducing or discounting the  
28 collection of co-pays and deductible payments from those individuals who  
29 can demonstrate an inability to pay such amounts. Immigration status  
30 shall not be an eligibility criterion.

31 (ii) A general hospital may use the New York state of health market-  
32 place eligibility determination page to establish the patient's house-  
33 hold income and residency in lieu of the financial application form,  
34 provided it has secured the consent of the patient. A general hospital  
35 shall not require a patient to apply for coverage through the New York  
36 state of health marketplace in order to receive care or financial  
37 assistance.

38 (iii) Upon submission of a completed application form, the patient may  
39 disregard any bills until the general hospital has rendered a decision  
40 on the application in accordance with this paragraph.

41 (b) Such reductions from charges for [~~uninsured~~] patients described in  
42 paragraph (a) of this subdivision with incomes below [~~at least three~~]  
43 four hundred percent of the federal poverty level shall result in a  
44 charge to such individuals that does not exceed [~~the greater of~~] the  
45 amount that would have been paid for the same services [~~by the "highest~~  
46 ~~volume payer" for such general hospital as defined in subparagraph (v)~~  
47 ~~of this paragraph, or for services provided pursuant to title XVIII of~~  
48 ~~the federal social security act (medicare), or for services~~] provided  
49 pursuant to title XIX of the federal social security act (medicaid), and  
50 provided further that such amounts shall be adjusted according to income  
51 level as follows:

52 (i) For patients with incomes at or below [~~at least one~~] two hundred  
53 percent of the federal poverty level, the hospital shall collect no more  
54 than a nominal payment amount, consistent with guidelines established by  
55 the commissioner[+].

1 (ii) For patients with incomes between [~~at least one~~] **two** hundred one  
2 percent and [~~one~~] **four** hundred [~~fifty~~] percent of the federal poverty  
3 level, the hospital shall collect no more than the amount identified  
4 after application of a proportional sliding fee schedule under which  
5 patients with lower incomes shall pay the lowest amount. Such schedule  
6 shall provide that the amount the hospital may collect for such patients  
7 increases from the nominal amount described in subparagraph (i) of this  
8 paragraph in equal increments as the income of the patient increases, up  
9 to a maximum of twenty percent of the greater of the amount that would  
10 have been paid for the same services [~~by the "highest volume payer" for  
11 such general hospital, as defined in subparagraph (v) of this paragraph,  
12 or for services provided pursuant to title XVIII of the federal social  
13 security act (medicare) or for services~~] provided pursuant to title XIX  
14 of the federal social security act (medicaid)[,].

15 (iii) [~~For patients with incomes between at least one hundred fifty-  
16 one percent and two hundred fifty percent of the federal poverty level,  
17 the hospital shall collect no more than the amount identified after  
18 application of a proportional sliding fee schedule under which patients  
19 with lower income shall pay the lowest amounts. Such schedule shall  
20 provide that the amount the hospital may collect for such patients  
21 increases from the twenty percent figure described in subparagraph (ii)  
22 of this paragraph in equal increments as the income of the patient  
23 increases, up to a maximum of the greater of the amount that would have  
24 been paid for the same services by the "highest volume payer" for such  
25 general hospital, as defined in subparagraph (v) of this paragraph, or  
26 for services provided pursuant to title XVIII of the federal social  
27 security act (medicare) or for services provided pursuant to title XIX  
28 of the federal social security act (medicaid); and~~

29 (~~iv~~) For patients with incomes [~~between at least two hundred fifty-  
30 one percent and three hundred~~] **above four hundred one** percent of the  
31 federal poverty level, the hospital shall collect no more than the  
32 greater of the amount that would have been paid for the same services  
33 [~~by the "highest volume payer" for such general hospital as defined in  
34 subparagraph (v) of this paragraph, or for services provided pursuant to  
35 title XVIII of the federal social security act (medicare), or for  
36 services~~] provided pursuant to title XIX of the federal social security  
37 act (medicaid).

38 [~~(v) For the purposes of this paragraph, "highest volume payer" shall  
39 mean the insurer, corporation or organization licensed, organized or  
40 certified pursuant to article thirty two, forty two or forty three of  
41 the insurance law or article forty four of this chapter, or other third-  
42 party payor, which has a contract or agreement to pay claims for  
43 services provided by the general hospital and incurred the highest  
44 volume of claims in the previous calendar year.~~

45 (~~vi~~) A hospital may implement policies and procedures to permit, but  
46 not require, consideration on a case-by-case basis of exceptions to the  
47 requirements described in subparagraphs (i) and (ii) of this paragraph  
48 based upon the existence of significant assets owned by the patient that  
49 should be taken into account in determining the appropriate payment  
50 amount for that patient's care, provided, however, that such proposed  
51 policies and procedures shall be subject to the prior review and  
52 approval of the commissioner and, if approved, shall be included in the  
53 hospital's financial assistance policy established pursuant to this  
54 section, and provided further that, if such approval is granted, the  
55 maximum amount that may be collected shall not exceed the greater of the  
56 amount that would have been paid for the same services by the "highest

1 ~~volume payor" for such general hospital as defined in subparagraph (v)~~  
2 ~~of this paragraph, or for services provided pursuant to title XVIII of~~  
3 ~~the federal social security act (medicare), or for services provided~~  
4 ~~pursuant to title XIX of the federal social security act (medicaid). In~~  
5 ~~the event that a general hospital reviews a patient's assets in deter-~~  
6 ~~mining payment adjustments such policies and procedures shall not~~  
7 ~~consider as assets a patient's primary residence, assets held in a tax~~  
8 ~~deferred or comparable retirement savings account, college savings~~  
9 ~~accounts, or cars used regularly by a patient or immediate family~~  
10 ~~members.~~

11 ~~(vii)]~~ (iv) Nothing in this paragraph shall be construed to limit a  
12 hospital's ability to establish patient eligibility for payment  
13 discounts at income levels higher than those specified herein and/or to  
14 provide greater payment discounts for eligible patients than those  
15 required by this paragraph.

16 ~~(c) [Such policies and procedures shall be clear, understandable, in~~  
17 ~~writing and publicly available in summary form and each] Each~~ general  
18 hospital participating in the pool shall ensure that every patient is  
19 made aware of the existence of such ~~[policies and procedures]~~ uniform  
20 financial assistance form and policy and is provided, in a timely  
21 manner, with a ~~[summary]~~ copy of such ~~[policies and procedures]~~ form and  
22 policy upon request. ~~[Any summary provided to patients shall, at a mini-~~  
23 ~~imum, include specific information as to income levels used to determine~~  
24 ~~eligibility for assistance, a description of the primary service area of~~  
25 ~~the hospital and the means of applying for assistance. For general~~  
26 ~~hospitals with twenty-four hour emergency departments, such policies and~~  
27 ~~procedures] A general hospital~~ shall require the notification of  
28 patients through written materials provided to patients during the  
29 intake and registration process, through the conspicuous posting of  
30 language-appropriate information in the general hospital, and informa-  
31 tion on bills and statements sent to patients, that financial ~~[aid]~~  
32 assistance may be available to qualified patients and how to obtain  
33 further information. ~~[For specialty hospitals without twenty-four hour~~  
34 ~~emergency departments, such notification shall take place through writ-~~  
35 ~~ten materials provided to patients during the intake and registration~~  
36 ~~process prior to the provision of any health care services or proce-~~  
37 ~~dures, and through information on bills and statements sent to patients,~~  
38 ~~that financial aid may be available to qualified patients and how to~~  
39 ~~obtain further information. Application materials shall include a notice~~  
40 ~~to patients that upon submission of a completed application, including~~  
41 ~~any information or documentation needed to determine the patient's~~  
42 ~~eligibility pursuant to the hospital's financial assistance policy, the~~  
43 ~~patient may disregard any bills until the hospital has rendered a deci-~~  
44 ~~sion on the application in accordance with this paragraph] General~~  
45 hospitals shall post the uniform financial assistance application form  
46 and policy in a conspicuous location on the general hospital's website.  
47 The commissioner shall likewise post the uniform financial assistance  
48 form and policy on the department's hospital profile page related to the  
49 general hospital's or any successor website.

50 (d) The commissioner shall provide application materials to general  
51 hospitals, including the uniform financial assistance application form  
52 and policy. These application materials shall include a notice to  
53 patients that upon submission of a completed application form, the  
54 patient may disregard any bills until the general hospital has rendered  
55 a decision on the application in accordance with this paragraph. The  
56 application materials shall include specific information as the income

1 levels used to determine eligibility for financial assistance, a  
2 description of the primary service area of the hospital and the means to  
3 apply for assistance. Such policies and procedures shall include clear,  
4 objective criteria for determining a patient's ability to pay and for  
5 providing such adjustments to payment requirements as are necessary. In  
6 addition to adjustment mechanisms such as sliding fee schedules and  
7 discounts to fixed standards, such policies and procedures shall also  
8 provide for the use of installment plans for the payment of outstanding  
9 balances by patients pursuant to the provisions of the hospital's finan-  
10 cial assistance policy. The monthly payment under such a plan shall not  
11 exceed [~~ten~~] five percent of the gross monthly income of the patient[~~,7~~  
12 ~~provided, however, that if patient assets are considered under such a~~  
13 ~~policy, then patient assets which are not excluded assets pursuant to~~  
14 ~~subparagraph (vi) of paragraph (b) of this subdivision may be considered~~  
15 ~~in addition to the limit on monthly payments.~~] The rate of interest  
16 charged to the patient on the unpaid balance, if any, shall not exceed  
17 the [~~rate for a ninety-day security~~] federal funds rate issued by the  
18 United States Department of Treasury[~~, plus .5 percent~~] and no plan  
19 shall include an accelerator or similar clause under which a higher rate  
20 of interest is triggered upon a missed payment. [~~If such policies and~~  
21 ~~procedures~~] The policy shall not include a requirement of a deposit  
22 prior to [~~non-emergent,~~] medically-necessary care[~~, such deposit must be~~  
23 ~~included as part of any financial aid consideration~~]. Such policies and  
24 procedures shall be applied consistently to all eligible patients.

25 (e) Such policies and procedures shall permit patients to apply for  
26 assistance within at least [~~ninety~~] two hundred forty days of the date  
27 of discharge or date of service and provide at least [~~twenty~~] sixty days  
28 for patients to submit a completed application. Such policies and proce-  
29 dures may require that patients seeking payment adjustments provide  
30 [~~appropriate~~] the following financial information and documentation in  
31 support of their application[~~, provided, however, that such application~~  
32 ~~process shall not be unduly burdensome or complex~~] that are used by the  
33 New York state of health marketplace: pay checks or pay stubs; rent  
34 receipts; a letter from the patient's employer attesting to the  
35 patient's gross income; or, if none of the aforementioned information  
36 and documentation are available, a written self-attestation of the  
37 patient's income. General hospitals shall, upon request, assist patients  
38 in understanding the hospital's policies and procedures and in applying  
39 for payment adjustments. [~~Application forms shall be printed~~] The  
40 commissioner shall translate the financial assistance application form  
41 and policy into the "primary languages" of each general hospital. Each  
42 general hospital shall print and post these materials to its website in  
43 the "primary languages" of patients served by the general hospital. For  
44 the purposes of this paragraph, "primary languages" shall include any  
45 language that is either (i) used to communicate, during at least five  
46 percent of patient visits in a year, by patients who cannot speak, read,  
47 write or understand the English language at the level of proficiency  
48 necessary for effective communication with health care providers, or  
49 (ii) spoken by non-English speaking individuals comprising more than one  
50 percent of the primary hospital service area population, as calculated  
51 using demographic information available from the United States Bureau of  
52 the Census, supplemented by data from school systems. Decisions regard-  
53 ing such applications shall be made within thirty days of receipt of a  
54 completed application. Such policies and procedures shall require that  
55 the hospital issue any denial/approval of such application in writing  
56 with information on how to appeal the denial and shall require the



1 hospital to establish an appeals process under which it will evaluate  
2 the denial of an application. [~~Nothing in this subdivision shall be~~  
3 ~~interpreted as prohibiting a hospital from making the availability of~~  
4 ~~financial assistance contingent upon the patient first applying for~~  
5 ~~coverage under title XIX of the social security act (medicaid) or another~~  
6 ~~insurance program if, in the judgment of the hospital, the patient~~  
7 ~~may be eligible for medicaid or another insurance program, and upon the~~  
8 ~~patient's cooperation in following the hospital's financial assistance~~  
9 ~~application requirements, including the provision of information needed~~  
10 ~~to make a determination on the patient's application in accordance with~~  
11 ~~the hospital's financial assistance policy.~~]

12 (f) Such policies and procedures shall provide that patients with  
13 incomes below [~~three~~] four hundred percent of the federal poverty level  
14 are deemed presumptively eligible for payment adjustments and shall  
15 conform to the requirements set forth in paragraph (b) of this subdivi-  
16 sion, provided, however, that nothing in this subdivision shall be  
17 interpreted as precluding hospitals from extending such payment adjust-  
18 ments to other patients, either generally or on a case-by-case basis.  
19 Such [~~policies and procedures~~] policy shall provide financial [~~aid~~]  
20 assistance for emergency hospital services, including emergency trans-  
21 fers pursuant to the federal emergency medical treatment and active  
22 labor act (42 USC 1395dd), to patients who reside in New York state and  
23 for medically necessary hospital services for patients who reside in the  
24 hospital's primary service area as determined according to criteria  
25 established by the commissioner. In developing such criteria, the  
26 commissioner shall consult with representatives of the hospital indus-  
27 try, health care consumer advocates and local public health officials.  
28 Such criteria shall be made available to the public no less than thirty  
29 days prior to the date of implementation and shall, at a minimum:

30 (i) prohibit a hospital from developing or altering its primary  
31 service area in a manner designed to avoid medically underserved commu-  
32 nities or communities with high percentages of uninsured residents;

33 (ii) ensure that every geographic area of the state is included in at  
34 least one general hospital's primary service area so that eligible  
35 patients may access care and financial assistance; and

36 (iii) require the hospital to notify the commissioner upon making any  
37 change to its primary service area, and to include a description of its  
38 primary service area in the hospital's annual implementation report  
39 filed pursuant to subdivision three of section twenty-eight hundred  
40 three-1 of this [~~article~~] title.

41 (g) Nothing in this subdivision shall be interpreted as precluding  
42 hospitals from extending payment adjustments for medically necessary  
43 non-emergency hospital services to patients outside of the hospital's  
44 primary service area. For patients determined to be eligible for finan-  
45 cial [~~aid~~] assistance under the terms of [~~a hospital's~~] the uniform  
46 financial [~~aid~~] assistance policy, such [~~policies and procedures~~] policy  
47 shall prohibit any limitations on financial [~~aid~~] assistance for  
48 services based on the medical condition of the applicant, other than  
49 typical limitations or exclusions based on medical necessity or the  
50 clinical or therapeutic benefit of a procedure or treatment.

51 (h) Such policies and procedures shall not permit the securance of a  
52 lien or forced sale or foreclosure of a patient's primary residence in  
53 order to collect an outstanding medical bill and shall require the  
54 hospital to refrain from sending an account to collection if the patient  
55 has submitted a completed application for financial [~~aid, including any~~  
56 ~~required supporting documentation~~] assistance, while the hospital deter-

1 mines the patient's eligibility for such [~~aid~~] assistance. Such [~~poli-~~  
2 ~~cies and procedures~~] policy shall provide for written notification,  
3 which shall include notification on a patient bill, to a patient not  
4 less than thirty days prior to the referral of debts for collection and  
5 shall require that the collection agency obtain the hospital's written  
6 consent prior to commencing a legal action. Such [~~policies and proce-~~  
7 ~~dures~~] policy shall require all general hospital staff who interact with  
8 patients or have responsibility for billing and collections to be  
9 trained in such [~~policies and procedures~~] policy, and require the imple-  
10 mentation of a mechanism for the general hospital to measure its compli-  
11 ance with [~~such policies and procedures~~] the policy. Such [~~policies and~~  
12 ~~procedures~~] policy shall require that any collection agency under  
13 contract with a general hospital for the collection of debts follow the  
14 [~~hospital's~~] uniform financial assistance policy, including providing  
15 information to patients on how to apply for financial assistance where  
16 appropriate. Such [~~policies and procedures~~] policy shall prohibit  
17 collections from a patient who is determined to be eligible for medical  
18 assistance pursuant to title XIX of the federal social security act at  
19 the time services were rendered and for which services medicaid payment  
20 is available.

21 (i) Reports required to be submitted to the department by each general  
22 hospital as a condition for participation in the pools, and which  
23 contain, in accordance with applicable regulations, a certification from  
24 an independent certified public accountant or independent licensed  
25 public accountant or an attestation from a senior official of the hospi-  
26 tal that the hospital is in compliance with conditions of participation  
27 in the pools, shall also contain, for reporting periods on and after  
28 January first, two thousand seven:

29 (i) a report on hospital costs incurred and uncollected amounts in  
30 providing services to [~~eligible~~] patients [~~without insurance~~] found  
31 eligible for financial assistance, including the amount of care provided  
32 for a nominal payment amount, during the period covered by the report;

33 (ii) hospital costs incurred and uncollected amounts for deductibles  
34 and coinsurance for eligible patients with insurance or other third-par-  
35 ty payor coverage;

36 (iii) the number of patients, organized according to United States  
37 postal service zip code, who applied for financial assistance pursuant  
38 to the [~~hospital's~~] uniform financial assistance policy, and the number,  
39 organized according to United States postal service zip code, whose  
40 applications were approved and whose applications were denied;

41 (iv) the reimbursement received for indigent care from the pool estab-  
42 lished pursuant to this section;

43 (v) the amount of funds that have been expended on [~~charity care~~]  
44 financial assistance from charitable bequests made or trusts established  
45 for the purpose of providing financial assistance to patients who are  
46 eligible in accordance with the terms of such bequests or trusts;

47 (vi) for hospitals located in social services districts in which the  
48 district allows hospitals to assist patients with such applications, the  
49 number of applications for eligibility under title XIX of the social  
50 security act (medicaid) that the hospital assisted patients in complet-  
51 ing and the number denied and approved;

52 (vii) the hospital's financial losses resulting from services provided  
53 under medicaid; and

54 (viii) the number of referrals to collection agents or outside vendor  
55 court cases and liens placed on [~~the primary~~] any residences of patients  
56 through the collection process used by a hospital.

1 (j) [~~Within ninety days of the effective date of this subdivision each~~  
2 ~~hospital shall submit to the commissioner a written report on its poli-~~  
3 ~~cies and procedures for financial assistance to patients which are used~~  
4 ~~by the hospital on the effective date of this subdivision. Such report~~  
5 ~~shall include copies of its policies and procedures, including material~~  
6 ~~which is distributed to patients, and a description of the hospital's~~  
7 ~~financial aid policies and procedures. Such description shall include~~  
8 ~~the income levels of patients on which eligibility is based, the finan-~~  
9 ~~cial aid eligible patients receive and the means of calculating such~~  
10 ~~aid, and the service area, if any, used by the hospital to determine~~  
11 ~~eligibility]~~ The commissioner shall include the data collected under  
12 paragraph (i) of this subdivision in regular audits of the annual gener-  
13 al hospital institutional cost report.

14 (k) In the event it is determined by the commissioner that the state  
15 will be unable to secure all necessary federal approvals to include, as  
16 part of the state's approved state plan under title nineteen of the  
17 federal social security act, a requirement[~~, as set forth in paragraph~~  
18 ~~one of this subdivision,~~] that compliance with this subdivision is a  
19 condition of participation in pool distributions authorized pursuant to  
20 this section and section twenty-eight hundred seven-w of this [~~article~~  
21 title], then such condition of participation shall be deemed null and  
22 void and, notwithstanding section twelve of this chapter, failure to  
23 comply with the provisions of this subdivision by a hospital on and  
24 after the date of such determination shall make such hospital liable for  
25 a civil penalty not to exceed ten thousand dollars for each such  
26 violation. The imposition of such civil penalties shall be subject to  
27 the provisions of section twelve-a of this chapter.

28 § 2. Subdivision 14 of section 2807-k of the public health law is  
29 REPEALED and subdivisions 15, 16 and 17 are renumbered subdivisions 14,  
30 15 and 16.

31 § 3. This act shall take effect immediately.

#### 32 PART H

33 Section 1. Section 5004 of the civil practice law and rules, as  
34 amended by chapter 258 of the laws of 1981, is amended to read as  
35 follows:

36 § 5004. Rate of interest. Interest shall be at the rate of nine per  
37 centum per annum, except where otherwise provided by statute, provided  
38 that in medical debt actions by a hospital licensed under article twen-  
39 ty-eight of the public health law or a health care professional author-  
40 ized under title eight of the education law the interest rate shall be  
41 calculated at the one-year United States treasury bill rate. For the  
42 purpose of this section, the "one-year United States treasury bill rate"  
43 means the weekly average one-year constant maturity treasury yield, as  
44 published by the board of governors of the federal reserve system, for  
45 the calendar week preceding the date of the entry of the judgment award-  
46 ing damages. Provided however, that this section shall not apply to any  
47 provision of the tax law which provides for the annual rate of interest  
48 to be paid on a judgment or accrued claim.

49 § 2. This act shall take effect immediately.

#### 50 PART I

1 Section 1. Subsection (h) of section 603 of the financial services  
2 law, as added by section 26 of part H of chapter 60 of the laws of 2014,  
3 is amended to read as follows:

4 (h) "Surprise bill" means a bill for health care services, other than  
5 emergency services, received by:

6 (1) an insured for services rendered by a non-participating physician  
7 at a participating hospital or ambulatory surgical center, where a  
8 participating physician is unavailable or a non-participating physician  
9 renders services without the insured's knowledge, or unforeseen medical  
10 services arise at the time the health care services are rendered;  
11 provided, however, that a surprise bill shall not mean a bill received  
12 for health care services when a participating physician is available and  
13 the insured has elected to obtain services from a non-participating  
14 physician;

15 (2) an insured for services rendered by a non-participating provider,  
16 where the services were referred by a participating physician to a non-  
17 participating provider without explicit written consent of the insured  
18 acknowledging that the participating physician is referring the insured  
19 to a non-participating provider and that the referral may result in  
20 costs not covered by the health care plan; ~~[or]~~

21 (3) an insured for services rendered by a non-participating provider  
22 when the insured reasonably relied upon an oral or written statement  
23 that the non-participating provider was a participating provider made by  
24 a health care plan, or agent or representative of a health care plan, or  
25 as specified in the health care plan provider listing or directory, or  
26 provider information on the health plan's website;

27 (4) an insured for services rendered by a non-participating provider  
28 when the insured reasonably relied upon a statement that the non-parti-  
29 cipating provider was a participating provider made by the non-partici-  
30 pating provider, or agent or representative of the non-participating  
31 provider, or as specified on the non-participating provider's website;  
32 or

33 (5) a patient who is not an insured for services rendered by a physi-  
34 cian at a hospital or ambulatory surgical center, where the patient has  
35 not timely received all of the disclosures required pursuant to section  
36 twenty-four of the public health law.

37 § 2. Paragraph (k) of subdivision 1 of section 2803 of the public  
38 health law, as added by chapter 241 of the laws of 2016, is amended to  
39 read as follows:

40 (k) The statement regarding patient rights and responsibilities,  
41 required pursuant to paragraph (g) of this subdivision, shall include  
42 provisions informing the patient of his or her right to ~~[choose]~~ be held  
43 harmless from certain bills for emergency services and surprise bills,  
44 and to submit surprise bills or bills for emergency services to the  
45 independent dispute process established in article six of the financial  
46 services law, and informing the patient of his or her right to view a  
47 list of the hospital's standard charges and the health plans the hospi-  
48 tal participates with consistent with section twenty-four of this chap-  
49 ter.

50 § 3. This act shall take effect immediately.

51 § 3. Severability clause. If any provision of this act, or any appli-  
52 cation of any provision of this act, is held to be invalid, or to  
53 violate or be inconsistent with any federal law or regulation, that  
54 shall not affect the validity or effectiveness of any other provision of  
55 this act, or of any other application of any provision of this act,

1 which can be given effect without that provision or application; and to  
2 that end, the provisions and applications of this act are severable.  
3 § 4. This act shall take effect immediately provided, however, that  
4 the applicable effective date of Parts A through I of this act shall be  
5 as specifically set forth in the last section of such Parts. Effective  
6 immediately, the commissioner of health and the superintendent of finan-  
7 cial services shall make regulations and take other actions reasonably  
8 necessary to implement every part of this act when it takes effect.