STATE OF NEW YORK

7055

2023-2024 Regular Sessions

IN ASSEMBLY

May 10, 2023

Introduced by M. of A. McDONALD, FALL -- read once and referred to the Committee on Governmental Employees

AN ACT to amend the civil service law, in relation to clarifying that the New York state health insurance program remains subject to certain provisions of the financial services law

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

Section 1. Subparagraph (iv) of paragraph (b) of subdivision 1 of section 162 of the civil service law, as amended by section 3 of part T of chapter 56 of the laws of 2010 and as further amended by section 104 of part A of chapter 62 of the laws of 2011, is amended to read as follows:

(iv) Notwithstanding the provisions of this subdivision, the president's election to provide health benefits directly to plan participants shall not constitute the doing of insurance business within the meaning of article eleven of the insurance law; provided however, the provision of direct benefits as per this subdivision shall be subject to review by the superintendent of financial services for the purposes of ensuring compliance with applicable insurance law and any and all associated insurance rules and regulations as noted in this subdivision. **Further, the provision of direct benefits as per this subdivision, and any entity providing administrative services regarding those benefits, shall be subject to the jurisdiction of the department of financial services in accordance with article three of the financial services law, as well as the provisions of article six of the financial services law.**

§ 2. Subparagraph (i) of paragraph (b) of subdivision 1 of section 162 of the civil service law, as amended by section 3 of part T of chapter 56 of the laws of 2010, is amended to read as follows:

(i) Any and all health insurance coverage mandated by any law, rule or regulation, including but not limited to coverage mandated pursuant to article forty-three of the insurance law, applicable to contracts for

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

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health insurance entered into under this section shall be provided in a manner assuring uninterrupted continuance of coverage for all covered persons. **Health benefits shall include a requirement that covered health care services provided to plan participants will be reimbursed at the level of at least eighty percent of the usual and customary cost of each out-of-network health care service. As used in this subparagraph, "usual and customary cost" shall mean the eightieth percentile of all charges for the particular health care service performed by a provider in the same or similar specialty and provided in the same geographical area as reported in a benchmarking database maintained by a nonprofit organization specified by the superintendent of financial services.** For the purposes of this paragraph "coverage" shall include but shall not be limited to all benefits, services, rights, privileges and guarantees allowed by law;

§ 3. Subdivision 1 of section 161-a of the civil service law, as amended by section 10 of part T of chapter 56 of the laws of 2010, is amended to read as follows:

1. Where, and to the extent that, an agreement between the state and an employee organization entered into pursuant to article fourteen of this chapter provides for health benefits, the president, after receipt of written directions from the director of employee relations, shall implement the provisions of such agreement consistent with the terms thereof and to the extent necessary shall adopt regulations providing for the benefits to be thereunder provided. The president, with the approval of the director of the budget, may extend such benefits, in whole or in part, **provided that such benefits are not a diminishment of current existing benefits** to employees not subject to the provisions of such agreement.

§ 4. This act shall take effect immediately.