

# STATE OF NEW YORK

7076

2023-2024 Regular Sessions

## IN SENATE

May 17, 2023

Introduced by Sen. SCARCELLA-SPANTON -- 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 limiting the lookback  
period for insurance overpayment recovery from health care providers

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

1 Section 1. Paragraph 3 of subsection (b) of section 3224-b of the  
2 insurance law, as amended by chapter 237 of the laws of 2009, is amended  
3 to read as follows:

4 (3) A health plan shall not initiate overpayment recovery efforts more  
5 than [~~twenty-four~~] three months after the original payment was received  
6 by a health care provider. However, no such time limit shall apply to  
7 overpayment recovery efforts that are: (i) based on a reasonable belief  
8 of fraud or other intentional misconduct, or abusive billing, (ii)  
9 required by, or initiated at the request of, a self-insured plan, or  
10 (iii) required or authorized by a state or federal government program or  
11 coverage that is provided by this state or a municipality thereof to its  
12 respective employees, retirees or members. Notwithstanding the aforemen-  
13 tioned time limitations, in the event that a health care provider  
14 asserts that a health plan has underpaid a claim or claims, the health  
15 plan may defend or set off such assertion of underpayment based on over-  
16 payments going back in time as far as the claimed underpayment. For  
17 purposes of this paragraph, "abusive billing" shall be defined as a  
18 billing practice which results in the submission of claims that are not  
19 consistent with sound fiscal, business, or medical practices and at such  
20 frequency and for such a period of time as to reflect a consistent  
21 course of conduct.

22 § 2. This act shall take effect on the thirtieth day after it shall  
23 have become a law.

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

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