

STATE OF NEW YORK

2140--B

2025-2026 Regular Sessions

IN ASSEMBLY

January 15, 2025

Introduced by M. of A. JACKSON, LASHER, GONZALEZ-ROJAS, SIMON, SIMONE, MEEKS, DINOWITZ, CRUZ, BORES, ROSENTHAL, KELLES, STECK, FORREST, BURROUGHS, GLICK, TAPIA, PHEFFER AMATO, BICHOTTE HERMELYN, TORRES, KASSAY, LAVINE, GALLAGHER, YEGER, R. CARROLL, RAGA, TAYLOR, WIEDER, VALDEZ, LEVENBERG, SHIMSKY, ZINERMAN, DE LOS SANTOS, BURDICK, WRIGHT, DILAN, RAJKUMAR, HOOKS, SEPTIMO, P. CARROLL, COLTON, ROZIC, HEVESI, LEE, CUNNINGHAM, SHRESTHA, MORENO, CLARK, O'PHARROW, ANDERSON, McDONALD, STIRPE -- read once and referred to the Committee on Health -- recommitted to the Committee on Health in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- again reported from said committee with amendments, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the public health law, in relation to fair pricing for low-complexity, routine medical care; and to amend the insurance law, in relation to billing and reimbursement

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

- 1 Section 1. Section 2830 of the public health law, as added by chapter
2 764 of the laws of 2022, is renumbered section 2833 and a new section
3 2834 is added to read as follows:
4 § 2834. Fair pricing for certain services. 1. As used in this section:
5 (a) "Site-neutral payment policy" means the policy of reimbursing
6 health care providers the same amount for a similar service, regardless
7 of the site or setting of the service.
8 (b) "Applicable services" means outpatient or ambulatory items or
9 services that can safely be provided across ambulatory care settings;
10 including:
11 (i) any outpatient or ambulatory item or service paid by medicare on a
12 site-neutral basis, such as services paid exclusively through non-hospi-

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

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1 tal fee schedules or paid at a rate set to match with a non-hospital fee
2 schedule rate; or

3 (ii) the services, identified by healthcare common procedure coding
4 system (HCPCS) codes, contained within the sixty-six ambulatory payment
5 classifications (APCs) identified by the medicare payment advisory
6 commission (MedPAC) in its June two thousand twenty-three report to
7 congress and any subsequent services MedPAC recommends for site-neutral
8 payment policy.

9 (c) (i) "Health care provider" means an individual, entity, corpo-
10 ration, person, or organization, whether for profit or nonprofit,
11 authorized to practice or holding an operating certificate, registra-
12 tion, or certification under title VIII of the education law, article
13 twenty-eight, thirty-one, or forty-seven of this chapter, or article
14 thirty-one or thirty-two of the mental hygiene law that furnishes, bills
15 or is paid for health care service delivery in the normal course of
16 business, and includes, but is not limited to, hospitals, hospital
17 extension clinics, diagnostic and treatment centers, physician offices,
18 and clinical laboratories. It shall also include any affiliated provider
19 or entity acting on the health care provider's or affiliated provider's
20 behalf.

21 (ii) "Health care provider" shall not include any of the following:

22 (A) any facility that is eligible to be designated or has received a
23 designation as a federally qualified health center in accordance with 42
24 U.S.C. § 1396a(aa), as amended, or any successor law thereto, including
25 those facilities that are also licensed under article thirty-one or
26 thirty-two of the mental hygiene law;

27 (B) a diagnostic and treatment center whose patient population is over
28 fifty percent combined patients enrolled in Medicaid or uninsured and
29 that is a sub-recipient of federal Title X Family Planning funding as of
30 April twenty-eighth, two thousand twenty-six;

31 (C) an enhanced safety net hospital, as defined in subdivision thir-
32 ty-four of section twenty-eight hundred seven-c of this article;

33 (D) a general hospital that is a distressed safety net hospital, which
34 for purposes of this subdivision shall mean a private, financially
35 distressed hospital that serves at least forty-five percent Medicaid and
36 uninsured payor mix and has an average operating margin that is less
37 than or equal to zero percent over the past four calendar years of
38 available data based on audited hospital institutional cost reports; or

39 (E) a PPS-exempt cancer hospital under medicare. A public hospital,
40 which for purposes of this subdivision, shall mean a general hospital
41 operated by a county, municipality or a public benefit corporation.

42 (d) "Affiliated provider" means a provider that is billing for medical
43 goods or services that were delivered at a facility that is:

44 (i) employed by the health care provider;

45 (ii) under a professional services agreement with the health care
46 provider; or

47 (iii) a clinical faculty member of a medical school or other school
48 that trains individuals to be providers and that is affiliated with the
49 health care provider.

50 (e) "Health benefit plan" means a plan, policy, contract, certificate,
51 or agreement entered into, offered, or issued by a health insurance
52 carrier, plan sponsor, or third-party administrator acting on behalf of
53 a plan sponsor to provide, deliver, arrange for, pay for, or reimburse
54 any of the costs of health care services and includes all plans adminis-
55 tered by an insurer, health maintenance organization, corporation or
56 plan authorized, licensed or certified under article thirty-two, forty-

1 two, forty-three, forty-four, or forty-seven of the insurance law, or
2 article forty-four or section twenty-five hundred eleven of this chap-
3 ter. Health benefit plan does not include any plans, programs of cover-
4 age, or benefits administered under 42 U.S.C. § 1395 et seq. (Medicare).

5 (f) "Plan sponsor" means:

6 (i) the employer in the case of a benefit plan established or main-
7 tained by a single employer;

8 (ii) the employee organization in the case of a benefit plan estab-
9 lished or maintained by an employee organization, provided that "employ-
10 ee organization" shall mean any labor union or any organization of any
11 kind, or any agency or employee representation committee, association,
12 group, or plan, in which employees participate and that exists for the
13 purpose, in whole or in part, of dealing with employers concerning an
14 employee benefit plan, or other matters incidental to employment
15 relationships, or any employees' beneficiary association organized for
16 the purpose in whole or in part, of establishing such a plan; or

17 (iii) in the case of a benefit plan established or maintained by two
18 or more employers or jointly by one or more employers and one or more
19 employee organizations, the association, committee, joint board of trus-
20 tees, or other similar group of representatives of the parties who
21 establish or maintain the benefit plan.

22 (g) "Health care contract" means a contract, agreement, or understand-
23 ing, either orally or in writing, entered into, amended, restated, or
24 renewed between a health care provider and a health insurance carrier,
25 one or more third-party administrators, a plan sponsor or its contrac-
26 tors or agents for the delivery of health care services to an enrollee
27 of a health benefit plan.

28 (h) "Medicare non-hospital rate" means the amount paid by medicare for
29 those same services pursuant to the appropriate non-hospital medicare
30 fee schedule, such as the medicare physician fee schedule, set forth
31 under 42 U.S.C. § 1395w-4, or the ambulatory surgical center (ASC)
32 payment system, set forth under 42 U.S.C. § 1395l(i)(2)(D), according to
33 the site of service recommended by MedPAC as the reference rate where
34 applicable.

35 2. (a) No health care provider shall charge, bill, or accept payment
36 for any applicable services that exceeds the lesser of: (i) one hundred
37 fifty percent of the medicare non-hospital rate; or (ii) the negotiated
38 rate agreed upon by the health care provider and the health benefit
39 plan. This provision applies regardless of whether the health care
40 provider has an existing contract with the payor, including self-pay
41 individuals.

42 (b) No health care provider shall charge, bill, or collect, or other-
43 wise demand payment for any applicable service on an institutional claim
44 form when a professional claim form is appropriate to be filed for the
45 same service. In no circumstance should both a professional claim and an
46 institutional claim be charged or billed for the same service.

47 (c) All health care providers that enter into a health care contract
48 to be a participating provider with a health benefit plan, must offer to
49 accept as payment in full for all applicable services, rates that shall
50 not exceed one hundred fifty percent of the medicare non-hospital rate.

51 (d) No beneficiary or self-pay individual shall be liable to any
52 health care provider for any amounts in excess of the rates set forth in
53 this subdivision or for claims, charges, or bills prohibited by para-
54 graph (b) of this subdivision, including any copayments, deductibles
55 and/or coinsurance for any portion of such prohibited rates.

1 3. (a) Commencing one year after the effective date of this section,
2 the department, in consultation with the superintendent, shall publish
3 on a publicly accessible website an annual report on multi-year spending
4 trends and cost drivers for ambulatory services, including the applica-
5 ble services, stratified by site of service. The report shall include,
6 but is not limited to, the following:

7 (i) analysis of impact from this section on utilization of, and spend-
8 ing on, the applicable services, including average prices charged and
9 allowed relative to medicare non-hospital rates, patient cost-sharing,
10 service volumes, total spending, and an estimate of savings to payers
11 and consumers;

12 (ii) service-specific rates for the most common services, formatted to
13 allow price comparisons stratified by site and across each of the larg-
14 est hospitals and non-hospital provider groups;

15 (iii) a list of general hospitals which charge for services in
16 violation of paragraph (a) of subdivision two of this section and
17 actions taken by the state for non-compliance; and

18 (iv) recommendations to the governor and legislature regarding ambula-
19 tory services pricing, including other items or services that should be
20 considered for site-neutral payment policy.

21 (b) If the all payer database data is not in a format sufficient for
22 the reporting described in this subdivision, the department shall
23 collect any additional data submissions needed for the purposes of accu-
24 rate and comprehensive reporting.

25 (c) The department shall annually post on a publicly available website
26 an official list of health care facilities exempt from this section as
27 described in subparagraph (ii) of paragraph (c) of subdivision one of
28 this section.

29 4. A health care provider that violates any provision of this section
30 or any of the rules and regulations adopted pursuant hereto shall be
31 subject to an administrative penalty in an amount which is the greater
32 of:

33 (a) a statutory penalty of one hundred thousand dollars per contract
34 occurrence; or

35 (b) one thousand dollars per claim improperly billed.

36 5. Any violation of this section, subsection (q) of section three
37 thousand two hundred seventeen-b, subsection (w) of section three thou-
38 sand two hundred twenty-one, section four thousand two hundred forty-
39 two, subsection (q) of section four thousand three hundred twenty-five,
40 subsection (h) of section four thousand four hundred thirteen, or
41 section four thousand seven hundred fifteen of the insurance law, or of
42 subdivision fifteen of section forty-four hundred six-c of this chapter
43 shall constitute an unlawful deceptive act or practice under section
44 three hundred forty-nine of the general business law. Any person or
45 entity who suffers a loss as a result of a violation of this section
46 shall be entitled to initiate an action and seek all remedies, damages,
47 costs, and fees available under subdivision (h) of section three hundred
48 forty-nine of the general business law.

49 § 2. Section 3217-b of the insurance law is amended by adding a new
50 subsection (q) to read as follows:

51 (q) No insurer that provides coverage for applicable services as
52 defined in subdivision one of section twenty-eight hundred thirty-four
53 of the public health law shall reimburse or enter into contracts that
54 include provisions to reimburse a health care provider for any applica-
55 ble services in amounts in excess of the rates set forth in subdivision
56 two of section twenty-eight hundred thirty-four of the public health law

1 or for services billed in violation of paragraph (a) of subdivision two
2 of section twenty-eight hundred thirty-four of the public health law.
3 The superintendent, after notice and hearing, may impose a penalty of up
4 to fifty thousand dollars per day for each day that a contract is in
5 violation of this subsection.

6 § 3. Section 3221 of the insurance law is amended by adding a new
7 subsection (w) to read as follows:

8 (w) No policy that provides coverage for applicable services as
9 defined in subdivision one of section twenty-eight hundred thirty-four
10 of the public health law shall reimburse or enter into contracts that
11 include provisions to reimburse a health care provider for any applica-
12 ble services in amounts in excess of the rates set forth in subdivision
13 two of section twenty-eight hundred thirty-four of the public health law
14 or for services billed in violation of paragraph (a) of subdivision two
15 of section twenty-eight hundred thirty-four of the public health law.
16 The superintendent, after notice and hearing, may impose a penalty of up
17 to fifty thousand dollars per day for each day that a contract is in
18 violation of this subsection.

19 § 4. The insurance law is amended by adding a new section 4242 to read
20 as follows:

21 § 4242. Penalty for violation of fair pricing law. Any authorized
22 insurer that offers group or blanket insurance and provides coverage for
23 applicable services as defined in subdivision one of section twenty-
24 eight hundred thirty-four of the public health law shall not reimburse
25 or enter into contracts that include provisions to reimburse a health
26 care provider for any applicable services in amounts in excess of the
27 rates set forth in subdivision two of section twenty-eight hundred thir-
28 ty-four of the public health law or for services billed in violation of
29 paragraph (a) of subdivision two of section twenty-eight hundred thir-
30 ty-four of the public health law. The superintendent, after notice and
31 hearing, may impose a penalty of up to fifty thousand dollars per day
32 for each day that a contract is in violation of this section.

33 § 5. Section 4325 of the insurance law is amended by adding a new
34 subsection (q) to read as follows:

35 (q) No corporation organized under this article that provides coverage
36 for applicable services as defined in subdivision one of section twen-
37 ty-eight hundred thirty-four of the public health law shall reimburse or
38 enter into contracts that include provisions to reimburse a health care
39 provider for any applicable services in amounts in excess of the rates
40 set forth in subdivision two of section twenty-eight hundred thirty-four
41 of the public health law or for services billed in violation of para-
42 graph (a) of subdivision two of section twenty-eight hundred thirty-four
43 of the public health law. The superintendent, after notice and hearing,
44 may impose a penalty of up to fifty thousand dollars per day for each
45 day that a contract is in violation of this subsection.

46 § 6. Section 4413 of the insurance law is amended by adding a new
47 subsection (h) to read as follows:

48 (h) Any employee welfare fund organized under this article that offers
49 coverage for applicable services as defined in subdivision one of
50 section twenty-eight hundred thirty-four of the public health law that
51 reimburses or enters into contracts that include provisions to reimburse
52 a health care provider for any applicable services in amounts in excess
53 of the rates set forth in subdivision two of section twenty-eight
54 hundred thirty-four of the public health law or for services billed in
55 violation of paragraph (a) of subdivision two of section twenty-eight
56 hundred thirty-four of the public health law. The superintendent, after

1 notice and hearing, may impose a penalty of up to fifty thousand dollars
2 per day for each day that a contract is in violation of this subsection.

3 § 7. The insurance law is amended by adding a new section 4715 to read
4 as follows:

5 § 4715. Fair pricing. No municipal cooperative health benefit plan
6 organized under this article that provides coverage for applicable
7 services as defined in subdivision one of section twenty-eight hundred
8 thirty-four of the public health law shall reimburse or enter into
9 contracts that include provisions to reimburse a health care provider
10 for any applicable services in amounts in excess of the rates set forth
11 in subdivision two of section twenty-eight hundred thirty-four of the
12 public health law or for services billed in violation of paragraph (a)
13 of subdivision two of section twenty-eight hundred thirty-four of the
14 public health law. The superintendent, after notice and hearing, may
15 impose a penalty of up to fifty thousand dollars per day for each day
16 that a contract is in violation of this section.

17 § 8. Section 4406-c of the public health law is amended by adding a
18 new subdivision 15 to read as follows:

19 15. No health care plan that provides coverage for applicable services
20 as defined in subdivision one of section twenty-eight hundred thirty-
21 four of this chapter shall reimburse or enter into contracts that
22 include provisions to reimburse a health care provider for any applica-
23 ble services in amounts in excess of the rates set forth in subdivision
24 two of section twenty-eight hundred thirty-four of this chapter or for
25 services billed in violation of paragraph (a) of subdivision two of
26 section twenty-eight hundred thirty-four of this chapter. The department
27 may impose a penalty of up to fifty thousand dollars per day for each
28 day that a contract is in violation of this subdivision.

29 § 9. Subparagraph (A) of paragraph 1 of subsection (e) of section 3231
30 of the insurance law, as amended by chapter 107 of the laws of 2010 and
31 as further amended by section 104 of part A of chapter 62 of the laws of
32 2011, is amended to read as follows:

33 (A) An insurer desiring to increase or decrease premiums for any poli-
34 cy form subject to this section shall submit a rate filing or applica-
35 tion to the superintendent.

36 An insurer shall send written notice of the proposed rate adjustment,
37 including the specific change requested, to each policy holder and
38 certificate holder affected by the adjustment on or before the date the
39 rate filing or application is submitted to the superintendent. The
40 notice shall prominently include mailing and website addresses for both
41 the department of financial services and the insurer through which a
42 person may, within thirty days from the date the rate filing or applica-
43 tion is submitted to the superintendent, contact the department of
44 financial services or insurer to receive additional information or to
45 submit written comments to the department of financial services on the
46 rate filing or application. The superintendent shall establish a process
47 to post on the department's website, in a timely manner, all relevant
48 written comments received pertaining to rate filings or applications.
49 The insurer shall provide a copy of the notice to the superintendent
50 with the rate filing or application. The superintendent shall immediate-
51 ly cause the notice to be posted on the department of financial
52 services' website. The superintendent shall determine whether the filing
53 or application shall become effective as filed, shall become effective
54 as modified, or shall be disapproved. The superintendent may modify or
55 disapprove the rate filing or application if the superintendent finds
56 that the premiums are unreasonable, excessive, inadequate, or unfairly

1 discriminatory, and may consider the financial condition of the insurer
2 when approving, modifying or disapproving any premium adjustment. The
3 determination of the superintendent shall be supported by sound actuari-
4 al assumptions and methods, and shall be rendered in writing between
5 thirty and sixty days from the date the rate filing or application is
6 submitted to the superintendent. In addition, the determination of the
7 superintendent shall modify the final rate determination to reflect the
8 reduced payments to health care providers as a result of the require-
9 ments in section twenty-eight hundred thirty-four of the public health
10 law. Should the superintendent require additional information from the
11 insurer in order to make a determination, the superintendent shall
12 require the insurer to furnish such information, and in such event, the
13 sixty days shall be tolled and shall resume as of the date the insurer
14 furnishes the information to the superintendent. If the superintendent
15 requests additional information less than ten days from the expiration
16 of the sixty days (exclusive of tolling), the superintendent may extend
17 the sixty day period an additional twenty days to make a determination.
18 The application or rate filing will be deemed approved if a determi-
19 nation is not rendered within the time allotted under this section. An
20 insurer shall not implement a rate adjustment unless the insurer
21 provides at least sixty days advance written notice of the premium rate
22 adjustment approved by the superintendent to each policy holder and
23 certificate holder affected by the rate adjustment.

24 § 10. Paragraph 2 of subsection (c) of section 4308 of the insurance
25 law, as amended by chapter 107 of the laws of 2010 and as further
26 amended by section 104 of part A of chapter 62 of the laws of 2011, is
27 amended to read as follows:

28 (2) A corporation desiring to increase or decrease premiums for any
29 contract subject to this subsection shall submit a rate filing or appli-
30 cation to the superintendent. A corporation shall send written notice of
31 the proposed rate adjustment, including the specific change requested,
32 to each contract holder and subscriber affected by the adjustment on or
33 before the date the rate filing or application is submitted to the
34 superintendent. The notice shall prominently include mailing and website
35 addresses for both the department of financial services and the corpo-
36 ration through which a person may, within thirty days from the date the
37 rate filing or application is submitted to the superintendent, contact
38 the department of financial services or corporation to receive addi-
39 tional information or to submit written comments to the department of
40 financial services on the rate filing or application. The superintendent
41 shall establish a process to post on the department's website, in a
42 timely manner, all relevant written comments received pertaining to rate
43 filings or applications. The corporation shall provide a copy of the
44 notice to the superintendent with the rate filing or application. The
45 superintendent shall immediately cause the notice to be posted on the
46 department of financial services' website. The superintendent shall
47 determine whether the filing or application shall become effective as
48 filed, shall become effective as modified, or shall be disapproved. The
49 superintendent may modify or disapprove the rate filing or application
50 if the superintendent finds that the premiums are unreasonable, exces-
51 sive, inadequate, or unfairly discriminatory, and may consider the
52 financial condition of the corporation in approving, modifying or disap-
53 proving any premium adjustment. The determination of the superintendent
54 shall be supported by sound actuarial assumptions and methods, and shall
55 be rendered in writing between thirty and sixty days from the date the
56 rate filing or application is submitted to the superintendent. In addi-

1 tion, the determination of the superintendent shall modify the final
2 rate determination to reflect the reduced payments to health care
3 providers as a result of the requirements in section twenty-eight
4 hundred thirty-four of the public health law. Should the superintendent
5 require additional information from the corporation in order to make a
6 determination, the superintendent shall require the corporation to
7 furnish such information, and in such event, the sixty days shall be
8 tolled and shall resume as of the date the corporation furnishes the
9 information to the superintendent. If the superintendent requests addi-
10 tional information less than ten days from the expiration of the sixty
11 days (exclusive of tolling), the superintendent may extend the sixty day
12 period an additional twenty days, to make a determination. The applica-
13 tion or rate filing will be deemed approved if a determination is not
14 rendered within the time allotted under this section. A corporation
15 shall not implement a rate adjustment unless the corporation provides at
16 least sixty days advance written notice of the premium rate adjustment
17 approved by the superintendent to each contract holder and subscriber
18 affected by the rate adjustment.

19 § 11. The commissioner of health and the superintendent of financial
20 services shall promulgate joint regulations necessary to implement the
21 provisions of this act.

22 § 12. Severability. If any clause, sentence, paragraph, subdivision,
23 section or part of this act shall be adjudged by any court of competent
24 jurisdiction to be invalid, such judgment shall not affect, impair, or
25 invalidate the remainder thereof, but shall be confined in its operation
26 to the clause, sentence, paragraph, subdivision, section or part thereof
27 directly involved in the controversy in which such judgment shall have
28 been rendered. It is hereby declared to be the intent of the legislature
29 that this act would have been enacted even if such invalid provisions
30 had not been included herein.

31 § 13. This act shall take effect on the first of January next succeed-
32 ing the date upon which it shall have become a law, and shall apply to
33 policies and contracts issued, amended, or renewed on or after such
34 date. Effective immediately, the addition, amendment and/or repeal of
35 any rule or regulation necessary for the implementation of this act on
36 its effective date are authorized to be made and completed on or before
37 such effective date.