STATE OF NEW YORK

9225--A

2025-2026 Regular Sessions

IN ASSEMBLY

November 3, 2025

Introduced by M. of A. JACOBSON, KAY, SCHIAVONI, REYES, SANTABARBARA, EACHUS, DINOWITZ, CONRAD -- read once and referred to the Committee on Judiciary -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the general obligations law, in relation to health insurance and provider divestment

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

Section 1. The general obligations law is amended by adding a new section 5-339 to read as follows:

§ 5-339. Prohibition on overlapping ownership of health insurance companies and health care providers. 1. As used in this section:

(a) "Health insurance company" means an insurance company subject to article forty-two or a corporation subject to article forty-three of the insurance law, or a health maintenance organization certified pursuant to article forty-four of the public health law that contracts or offers to contract to provide, deliver, arrange, pay or reimburse any of the costs of health care services.

(b) "Health care provider" means an entity licensed or certified pursuant to article twenty-eight, thirty-six or forty of the public health law, a facility licensed pursuant to article nineteen or thirty-one of the mental hygiene law, a fiscal intermediary operating under section three hundred sixty-five of the social services law, a health care professional licensed, registered or certified pursuant to title eight of the education law, a dispenser or provider of pharmaceutical products, services or durable medical equipment, or a representative designed by such entity or person.

(c) "Indirect control" means any agreement, arrangement, contract, ownership stake, or other relationship that gives an owner or operator of a health insurance company the ability to influence or direct the operations of any health care provider in the state or means any agree-

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

LBD13902-04-6

ment, arrangement, contract, ownership stake, or other relationship that gives an owner or operator of a health care provider the ability to influence or direct the operations of any health insurance company.

2. (a) It shall be unlawful for any person to directly or indirectly own, operate, or control the whole or any part of a health insurance company and a health care provider or any combination thereof.

(b) It shall be unlawful for any person to directly or indirectly own, operate, or control the whole or any part of a health care provider and a health insurance company or any combination thereof.

3. Not later than three years after the effective date of this section, any person in violation of subdivision one of this section shall divest from such health insurance company and health care provider.

4. The attorney general may bring a civil action against any person or entity that violates this section and may recover the following:

(a) a civil penalty of ten thousand dollars per day for a violation of this section; and

(b) costs and reasonable attorneys' fees.

5. A health insurance company or health care provider found in violation of this section by the attorney general shall be ineligible to receive payment under any program authorized pursuant to article five of the social services law until such violation is deemed resolved by the attorney general.

§ 2. This act shall take effect immediately.