

STATE OF NEW YORK

7577

2025-2026 Regular Sessions

IN SENATE

April 22, 2025

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

AN ACT to amend the insurance law and the public health law, in relation to prohibiting certain requirements in insurance contracts

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

1 Section 1. Section 3217-b of the insurance law is amended by adding a
2 new subsection (p) to read as follows:

3 (p)(1) No insurer that offers a managed care product or a comprehen-
4 sive policy that utilizes a network of providers shall enter into a
5 contract, written policy, written procedure or agreement with any health
6 care provider that:

7 (A) Requires an insurer to include all members of a provider group,
8 including medical practice groups and facilities, in its network of
9 participating providers;

10 (B) Requires an insurer to place all members of a provider group,
11 including medical practice groups and facilities, in the same network
12 tier;

13 (C) Requires an insurer to include all members of a provider group,
14 including medical practice groups and facilities, in all products
15 offered by the insurer;

16 (D) Prohibits insurers from using benefit designs to encourage members
17 to seek services from higher-value health care providers;

18 (E) Contains a most-favored-nation provision; provided, however, noth-
19 ing in this section shall be construed to prohibit a health insurer and
20 a provider from negotiating payment rates and performance-based contract
21 terms that would result in the insurer receiving a rate that is as
22 favorable, or more favorable, than the rates negotiated between a health
23 care provider and another entity; and

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

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1 (F) Limits the ability of the insurer or health care provider from
2 disclosing fees for services or the allowed amounts to an insured or
3 insured's health care provider.

4 (2) After January first, two thousand twenty-six, any contract, writ-
5 ten policy, written procedure or agreement that contains a clause
6 contrary to the provisions set forth in this section shall be null and
7 void; provided, however, the remaining clauses of the contract shall
8 remain in effect for the duration of the contract term.

9 § 2. Section 4406 of the public health law is amended by adding a new
10 subdivision 6 to read as follows:

11 6. (a) No health maintenance organization that offers a managed care
12 product or a comprehensive policy that utilizes a network of providers
13 shall enter into a contract, written policy, written procedure or agree-
14 ment with any health care provider that:

15 (i) Requires an insurer to include all members of a provider group,
16 including medical practice groups and facilities, in its network of
17 participating providers;

18 (ii) Requires an insurer to place all members of a provider group,
19 including medical practice groups and facilities, in the same network
20 tier;

21 (iii) Requires an insurer to include all members of a provider group,
22 including medical practice groups and facilities, in all products
23 offered by the insurer;

24 (iv) Prohibits insurers from using benefit designs to encourage
25 members to seek services from higher-value health care providers;

26 (v) Contains a most-favored-nation provision; provided, however, noth-
27 ing in this section shall be construed to prohibit a health insurer and
28 a provider from negotiating payment rates and performance-based contract
29 terms that would result in the insurer receiving a rate that is as
30 favorable, or more favorable, than the rates negotiated between a health
31 care provider and another entity; and

32 (vi) Limits the ability of the insurer or health care provider from
33 disclosing fees for services or the allowed amounts to an insured or
34 insured's health care provider.

35 (b) After January first, two thousand twenty-six, any contract, writ-
36 ten policy, written procedure or agreement that contains a clause
37 contrary to the provisions set forth in this section shall be null and
38 void; provided, however, the remaining clauses of the contract shall
39 remain in effect for the duration of the contract term.

40 § 3. This act shall take effect January 1, 2026.