

STATE OF NEW YORK

7919

2025-2026 Regular Sessions

IN SENATE

May 14, 2025

Introduced by Sen. SKOUFIS -- 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 third-party network contracts

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

1 Section 1. The insurance law is amended by adding a new section 3217-k
2 to read as follows:

3 § 3217-k. Leased dental networks. (a) The following provisions shall
4 apply to dental provider networks:

5 (1) An insurer of dental care and services may enter into a third-par-
6 ty network contract to provide access to care services and discounted
7 rates of a provider under a provider network contract if:

8 (A) the provider in the network consents to allow the third party to
9 access the provider's services and discounted rates at the time the
10 original contract is entered into or renewed and whenever there is a
11 material modification to the third-party network contract;

12 (B) the insurer allows the provider to contract directly with the
13 third party instead of allowing the third party to access the provider's
14 services and discounted rates; and

15 (C) the third-party network contract obligates the third party to
16 comply with all applicable terms, limitations and conditions of the
17 provider network contract.

18 (2) An insurer of dental care and services may not cancel or otherwise
19 terminate a network provider contract with a provider on the grounds
20 that the provider refuses to allow access by a third party to the
21 provider's services and discounted rates.

22 (3) An insurer of dental care and services that contracts with a third
23 party to provide access to the services and discounted rates of a
24 provider under a provider network contract shall:

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

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1 (A) at the time a provider network contract is entered into, renewed
2 or extended, give to the provider, in writing and electronically, a list
3 of all third parties known by the insurer to which the insurer has or
4 will provide access to the services and discounted rates of the provider
5 under the provider network contract;

6 (B) maintain a website through which the provider may obtain a list,
7 updated at least every ninety days, of all third parties that have
8 access to the provider's care services and discounted rates under the
9 provider network contract;

10 (C) require a third party to identify on each remittance or explana-
11 tion of payment sent to a provider the source of any contractual
12 discount in rates taken by the third party under the provider network
13 contract;

14 (D) notify the provider no less than thirty days prior to the effec-
15 tive date of a new third-party network contract;

16 (E) notify each third party described under subparagraphs (A) and (B)
17 of this paragraph of the termination of the provider network contract no
18 later than ninety days prior to the effective date of such termination;

19 (F) make available to a provider within thirty days of the provider's
20 request a copy of the provider network contract currently in force that
21 was relied upon by the insurer in the adjudication of the provider's
22 claim; and

23 (G) secure the consent of the provider to any changes or new third
24 party agreement within thirty days of notification pursuant to subpara-
25 graph (D) of this paragraph.

26 (b) The notice required under subparagraphs (D) and (E) of paragraph
27 three of subsection (a) of this section shall be provided by any reason-
28 able means, including but not limited to written notice, electronic
29 communication or an update to an electronic database.

30 (c) Subject to any applicable continuity of care requirements, agree-
31 ments or contractual provisions, a third party's right to access a
32 provider's services and discounted rates under a provider network
33 contract shall terminate on the date the provider network contract is
34 terminated.

35 (d) No policy or contract issued, renewed, modified, altered or
36 amended after the effective date of this section shall contain
37 provisions allowing for waiver of the notice requirements contained in
38 this section.

39 (e) For purposes of this section, the following terms shall have the
40 following meanings:

41 (1) "Provider" shall mean a dentist or group of dentists licensed
42 pursuant to article one hundred thirty-three of the education law.

43 (2) "Consent" shall mean a written consent signed by the provider.

44 (3) "Material modification" shall mean changes to the terms or condi-
45 tions of a contract that alter reimbursement rates paid to providers,
46 fee schedules for providers, or benefits or covered procedures under a
47 plan for which a provider is a network provider but shall not include
48 adding a new third party to an existing third-party network contract
49 without any material modification to the third-party network contract.

50 (4) "Provider network contract" shall mean a contract entered into
51 between a provider and insurer of dental care and services for the
52 provision of services to enrollees in plans offered by the insurer.

53 (5) "Third party" shall mean an entity, including but not limited to a
54 payer, dental benefits administrator or a dental network leasing compa-
55 ny, that enters into a third-party network contract with an insurer of
56 dental care and services.

1 (6) "Third-party network contract" shall mean a contract entered into
2 between an insurer and a third party insurer of dental care and services
3 to gain access to services and discounted rates of a provider under the
4 original provider network contract with the provider.

5 § 2. The insurance law is amended by adding a new section 4242 to read
6 as follows:

7 § 4242. Network leasing. (a) An insurer of dental care and services
8 may enter into a third-party network contract to provide access to care
9 services and discounted rates of a provider under a provider network
10 contract if:

11 (1) the provider in the network consents to allow the third party to
12 access the provider's services and discounted rates at the time the
13 original contract is entered into or renewed and whenever there is a
14 material modification to the third-party network contract;

15 (2) the insurer allows the provider to contract directly with the
16 third party instead of allowing the third party to access the provider's
17 services and discounted rates; and

18 (3) the third-party network contract obligates the third party to
19 comply with all applicable terms, limitations and conditions of the
20 provider network contract.

21 (b) An insurer of dental care and services may not cancel or otherwise
22 terminate a network provider contract with a provider on the grounds
23 that the provider refuses to allow access by a third party to the
24 provider's services and discounted rates.

25 (c) An insurer of dental care and services that contracts with a third
26 party to provide access to the services and discounted rates of a
27 provider under a provider network contract shall:

28 (1) at the time a provider network contract is entered into, renewed
29 or extended, give to the provider, in writing and electronically, a list
30 of all third parties known by the insurer to which the insurer has or
31 will provide access to the services and discounted rates of the provider
32 under the provider network contract;

33 (2) maintain a website through which the provider may obtain a list,
34 updated at least every ninety days, of all third parties that have
35 access to the provider's care services and discounted rates under the
36 provider network contract;

37 (3) require a third party to identify on each remittance or explana-
38 tion of payment sent to a provider the source of any contractual
39 discount in rates taken by the third party under the provider network
40 contract;

41 (4) notify the provider no less than thirty days prior to the effec-
42 tive date of a new third-party network contract;

43 (5) notify each third party described under paragraphs one and two of
44 this subsection of the termination of the provider network contract no
45 later than ninety days prior to the effective date of such termination;

46 (6) make available to a provider within thirty days of the provider's
47 request a copy of the provider network contract currently in force that
48 was relied upon by the insurer in the adjudication of the provider's
49 claim; and

50 (7) secure the consent of the provider to any changes or new third
51 party agreement within thirty days of notification pursuant to paragraph
52 four of this subsection.

53 (d) The notice required under paragraphs four and five of subsection
54 (c) of this section shall be provided by any reasonable means, including
55 but not limited to written notice, electronic communication or an update
56 to an electronic database.

1 (e) Subject to any applicable continuity of care requirements, agree-
2 ments or contractual provisions, a third party's right to access a
3 provider's services and discounted rates under a provider network
4 contract shall terminate on the date the provider network contract is
5 terminated.

6 (f) No policy or contract issued, renewed, modified, altered or
7 amended after the effective date of this section shall contain
8 provisions allowing for waiver of the notice requirements contained in
9 this section.

10 (g) For purposes of this section, the following terms shall have the
11 following meanings:

12 (1) "Provider" shall mean a dentist or group of dentists licensed
13 pursuant to article one hundred thirty-three of the education law.

14 (2) "Consent" shall mean a written consent signed by the provider.

15 (3) "Material modification" shall mean changes to the terms or condi-
16 tions of a contract that alter reimbursement rates paid to providers,
17 fee schedules for providers, or benefits or covered procedures under a
18 plan for which a provider is a network provider but shall not include
19 adding a new third party to an existing third-party network contract
20 without any material modification to the third-party network contract.

21 (4) "Provider network contract" shall mean a contract entered into
22 between a provider and insurer of dental care and services for the
23 provision of services to enrollees in plans offered by the insurer.

24 (5) "Third party" shall mean an entity, including but not limited to a
25 payer, dental benefits administrator or a dental network leasing compa-
26 ny, that enters into a third-party network contract with an insurer of
27 dental care and services.

28 (6) "Third-party network contract" shall mean a contract entered into
29 between an insurer and a third party insurer of dental care and services
30 to gain access to services and discounted rates of a provider under the
31 original provider network contract with the provider.

32 § 3. The insurance law is amended by adding a new section 4325-a to
33 read as follows:

34 § 4325-a. Leased networks. (a) A corporation organized under this
35 title:

36 (1) may enter into a third-party network contract to provide access to
37 care services and discounted rates of a provider under a provider
38 network contract if:

39 (A) the provider in the network consents to allow the third party to
40 access the provider's services and discounted rates at the time the
41 original contract is entered into or renewed and whenever there is a
42 material modification to the third-party network contract;

43 (B) the corporation allows the provider to contract directly with the
44 third party instead of allowing the third party to access the provider's
45 services and discounted rates; and

46 (C) the third-party network contract obligates the third party to
47 comply with all applicable terms, limitations and conditions of the
48 provider network contract;

49 (2) may not cancel or otherwise terminate a network provider contract
50 with a provider on the grounds that the provider refuses to allow access
51 by a third party to the provider's services and discounted rates;

52 (3) where the corporation contracts with a third party to provide
53 access to the services and discounted rates of a provider under a
54 provider network contract, shall:

55 (A) at the time a provider network contract is entered into, renewed
56 or extended, give to the provider, in writing and electronically, a list

1 of all third parties known by the corporation to which the insurer has
2 or will provide access to the services and discounted rates of the
3 provider under the provider network contract;

4 (B) maintain a website through which the provider may obtain a list,
5 updated at least every ninety days, of all third parties that have
6 access to the provider's care services and discounted rates under the
7 provider network contract;

8 (C) require a third party to identify on each remittance or explana-
9 tion of payment sent to a provider the source of any contractual
10 discount in rates taken by the third party under the provider network
11 contract;

12 (D) notify the provider no less than thirty days prior to the effec-
13 tive date of a new third-party network contract;

14 (E) notify each third party described under subparagraphs (A) and (B)
15 of this paragraph of the termination of the provider network contract no
16 later than ninety days prior to the effective date of such termination;

17 (F) make available to a provider within thirty days of the provider's
18 request a copy of the provider network contract currently in force that
19 was relied upon by the corporation in the adjudication of the provider's
20 claim; and

21 (G) secure the consent of the provider to any changes or new third-
22 party agreement within thirty days of notification pursuant to subpara-
23 graph (D) of this paragraph;

24 (4) provide the notice required under subparagraphs (D) and (E) of
25 paragraph three of this subsection by any reasonable means, including
26 but not limited to written notice, electronic communication or an update
27 to an electronic database;

28 (5) subject to any applicable continuity of care requirements, agree-
29 ments or contractual provisions, shall ensure a third party's right to
30 access a provider's services and discounted rates under a provider
31 network contract will terminate on the date the provider network
32 contract is terminated; and

33 (6) shall not issue, renew, modify, alter or amend any policy or
34 contract after the effective date of this section to contain provisions
35 allowing for waiver of the notice requirements contained in this
36 section.

37 (b) For purposes of this section, the following terms shall have the
38 following meanings:

39 (1) "Provider" shall mean a dentist or group of dentists licensed
40 pursuant to article one hundred thirty-three of the education law.

41 (2) "Consent" shall mean a written consent signed by the provider.

42 (3) "Material modification" shall mean changes to the terms or condi-
43 tions of a contract that alter reimbursement rates paid to providers,
44 fee schedules for providers, or benefits or covered procedures under a
45 plan for which a provider is a network provider but shall not include
46 adding a new third party to an existing third-party network contract
47 without any material modification to the third-party network contract.

48 (4) "Provider network contract" shall mean a contract entered into
49 between a provider and insurer of dental care and services for the
50 provision of services to enrollees in plans offered by the insurer.

51 (5) "Third party" shall mean an entity, including but not limited to a
52 payer, dental benefits administrator or a dental network leasing compa-
53 ny, that enters into a third-party network contract with an insurer of
54 dental care and services.

55 (6) "Third-party network contract" shall mean a contract entered into
56 between an insurer and a third party insurer of dental care and services

1 to gain access to services and discounted rates of a provider under the
2 original provider network contract with the provider.

3 § 4. The public health law is amended by adding a new section 4406-j
4 to read as follows:

5 § 4406-j. Leased networks. 1. A health care plan:

6 (a) may enter into a third-party network contract to provide access to
7 care services and discounted rates of a provider under a provider
8 network contract if:

9 (i) the provider in the network consents to allow the third party to
10 access the provider's services and discounted rates at the time the
11 original contract is entered into or renewed and whenever there is a
12 material modification to the third-party network contract;

13 (ii) the health care plan allows the provider to contract directly
14 with the third party instead of allowing the third party to access the
15 provider's services and discounted rates; and

16 (iii) the third-party network contract obligates the third party to
17 comply with all applicable terms, limitations and conditions of the
18 provider network contract;

19 (b) may not cancel or otherwise terminate a network provider contract
20 with a provider on the grounds that the provider refuses to allow access
21 by a third party to the provider's services and discounted rates;

22 (c) where the health care plan contracts with a third party to provide
23 access to the services and discounted rates of a provider under a
24 provider network contract, shall:

25 (i) at the time a provider network contract is entered into, renewed
26 or extended, give to the provider, in writing and electronically, a list
27 of all third parties known by the health care plan to which the insurer
28 has or will provide access to the services and discounted rates of the
29 provider under the provider network contract;

30 (ii) maintain a website through which the provider may obtain a list,
31 updated at least every ninety days, of all third parties that have
32 access to the provider's care services and discounted rates under the
33 provider network contract;

34 (iii) require a third party to identify on each remittance or explana-
35 tion of payment sent to a provider the source of any contractual
36 discount in rates taken by the third party under the provider network
37 contract;

38 (iv) notify the provider no less than thirty days prior to the effec-
39 tive date of a new third-party network contract;

40 (v) notify each third party described under subparagraphs (i) and (ii)
41 of this paragraph of the termination of the provider network contract no
42 later than ninety days prior to the effective date of such termination;

43 (vi) make available to a provider within thirty days of the provider's
44 request a copy of the provider network contract currently in force that
45 was relied upon by the health care plan in the adjudication of the
46 provider's claim; and

47 (vii) secure the consent of the provider to any changes or new third
48 party agreement within thirty days of notification pursuant to subpara-
49 graph (iv) of this paragraph;

50 (d) shall provide the notice required under subparagraphs (iv) and (v)
51 of paragraph (c) of this subdivision by any reasonable means, including
52 but not limited to written notice, electronic communication or an update
53 to an electronic database;

54 (e) subject to any applicable continuity of care requirements, agree-
55 ments or contractual provisions, shall ensure that a third party's right
56 to access a provider's services and discounted rates under a provider

1 network contract will terminate on the date the provider network
2 contract is terminated; and

3 (f) shall not issue, renew, modify, alter or amend any policy or
4 contract after the effective date of this section to contain provisions
5 allowing for waiver of the notice requirements contained in this
6 section.

7 2. For purposes of this section, the following terms shall have the
8 following meanings:

9 (a) "Provider" shall mean a dentist or group of dentists licensed
10 pursuant to article one hundred thirty-three of the education law.

11 (b) "Consent" shall mean a written consent signed by the provider.

12 (c) "Material modification" shall mean changes to the terms or condi-
13 tions of a contract that alter reimbursement rates paid to providers,
14 fee schedules for providers, or benefits or covered procedures under a
15 plan for which a provider is a network provider but shall not include
16 adding a new third party to an existing third-party network contract
17 without any material modification to the third-party network contract.

18 (d) "Provider network contract" shall mean a contract entered into
19 between a provider and insurer of dental care and services for the
20 provision of services to enrollees in plans offered by the insurer.

21 (e) "Third party" shall mean an entity, including but not limited to a
22 payer, dental benefits administrator or a dental network leasing compa-
23 ny, that enters into a third-party network contract with an insurer of
24 dental care and services.

25 (f) "Third-party network contract" shall mean a contract entered into
26 between an insurer and a third party insurer of dental care and services
27 to gain access to services and discounted rates of a provider under the
28 original provider network contract with the provider.

29 (g) "Health care plan" shall mean a health maintenance organization
30 licensed pursuant to article forty-three of the insurance law or certi-
31 fied pursuant to this article or an independent practice association
32 certified or recognized pursuant to this article or a medical group.

33 § 5. This act shall take effect immediately and shall apply to poli-
34 cies and contracts issued, renewed, amended, modified or altered on or
35 after such date.