

STATE OF NEW YORK

9192

IN SENATE

February 12, 2026

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

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:

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

3 § 5-339. Prohibition on overlapping ownership of health insurance
4 companies and health care providers. 1. As used in this section:

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

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

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

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

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

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

7 3. Not later than three years after the effective date of this
8 section, any person in violation of subdivision one of this section
9 shall divest from such health insurance company and health care provid-
10 er.

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

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

15 (b) costs and reasonable attorneys' fees.

16 § 2. This act shall take effect immediately.