

STATE OF NEW YORK

10067

IN ASSEMBLY

January 30, 2026

Introduced by M. of A. JENSEN -- read once and referred to the Committee on Health

AN ACT to amend the public health law, in relation to directing the commissioner of health to integrate blockchain technology into its New York state of health marketplace and statewide health information network for New York and improve interoperability of these two platforms

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

1 Section 1. Legislative findings and intent. Fragmented medical records
2 impose substantial operational, administrative, and compliance costs on
3 patients, providers, and insurers across the state. Inefficient health
4 record management delays care, increases costs, and limits interoperability
5 among healthcare providers. One study found that unnecessary administrative
6 spending costs the U.S. government \$265 billion a year.

7 To mitigate these challenges, New York should modernize its healthcare
8 data infrastructure by implementing a secure, interoperable, blockchain-enabled
9 digital health identification system administered by the
10 New York State Department of Health (DOH). Such a system would improve
11 portability of records, enable real-time access for authorized providers,
12 and reduce reliance on manual record transfers between clinics and
13 healthcare facilities.

14 New York already operates foundational digital health systems. The
15 Affordable Care Act established the New York State of Health Marketplace,
16 which allows individuals, families, and small businesses to
17 enroll in private insurance plans with tax credits, as well as public
18 programs including Medicaid and the Essential Plan. In addition, the
19 Statewide Health Information Network for New York (SHIN-NY) enables
20 healthcare providers to securely exchange patient health records statewide.
21 Both programs are overseen by the New York State Department of
22 Health.

23 However, these systems currently lack full interoperability and
24 unified patient identity infrastructure. Integrating blockchain-based
25 digital health IDs into the New York State of Health Platform, while

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

LBD14566-01-6

1 building upon the existing SHIN-NY framework, would allow for a unified,
2 secure health account for each patient, improving coordination across
3 providers and payers. A digital health ID also provides individuals with
4 sovereign control over access to personal records, secures data from
5 fraud and identify theft, and ensures the health industry cannot profit
6 from selling your data.

7 To build on this modernization effort, the Department of Health should
8 also explore the integration of smart contracts into the state's health
9 insurance marketplace. Smart contracts are self-executing digital agree-
10 ments that release funds only when predefined conditions are met. Their
11 use in insurance administration has the potential to reduce fraud, mini-
12 mize human error, and accelerate claims processing.

13 Healthcare fraud frequently occurs through practices such as upcoding,
14 in which providers bill for more expensive services than were delivered,
15 and unbundling, in which services that should be billed as a single
16 visit are instead billed separately. Smart contract-based claims proc-
17 essing can help prevent these practices by ensuring claims are paid only
18 when validated conditions are satisfied, thereby reducing improper
19 payments and administrative inefficiencies.

20 Integrating digital ID and smart contracts into New York's healthcare
21 framework will increase efficiency and interoperability, resulting in
22 cost savings for the state's hospital systems and patients.

23 § 2. Section 206 of the public health law is amended by adding a new
24 subdivision 32 to read as follows:

25 32. (a) The commissioner shall conduct a comprehensive study on the
26 integration of blockchain technology into the NY state of health, estab-
27 lished under title seven of this article, and the statewide health
28 information network of New York. Such study shall include, but not be
29 limited to:

30 (i) the use of digital health identification accounts;

31 (ii) the application of smart contracts in insurance administration;
32 and

33 (iii) the interoperability between the NY state of health platform and
34 the statewide health information network of New York.

35 (b) One year after the effective date of this subdivision, the commis-
36 sioner shall publish a report based on the study conducted under para-
37 graph (a) of this subdivision and a draft implementation plan for such
38 integration of blockchain technology into the NY state of health and the
39 statewide health information network of New York based on the findings
40 of such study. The commissioner shall provide for public comments on
41 such report and draft implementation plan for no less than two months.

42 (c) The commissioner shall publish a finalized implementation plan for
43 the integration of blockchain technology into the NY state of health and
44 the statewide health information network of New York within three months
45 of the end of the public comment period. The commissioner shall consider
46 all public comments made during such public comment period when produc-
47 ing such finalized implementation plan. The commissioner shall direct
48 the department and all subdivisions thereof to carry out any actions
49 necessary to implement such plan.

50 § 3. This act shall take effect immediately.