STATE OF NEW YORK

10512

IN SENATE

May 15, 2026

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

AN ACT to amend the insurance law, in relation to payments to medical services providers

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

Section 1. Section 3224-a of the insurance law is amended by adding a new subsection (m) to read as follows:

(m) Payments to nonparticipating or nonpreferred providers licensed under the public health law or the education law. (1) Whenever an insurer or an organization, or corporation licensed or certified pursuant to article forty-three or forty-seven of this chapter or article forty-four of the public health law provides that any health care claims submitted under contracts or agreements issued or entered into pursuant to this article or article forty-two, forty-three or forty-seven of this chapter and article forty-four of the public health law are payable to a participating or preferred provider for services rendered, the insurer, organization, or corporation licensed or certified pursuant to article forty-three or forty-seven of this chapter or article forty-four of the public health law shall be required to pay such benefits either directly to any similarly licensed nonparticipating or nonpreferred provider at the usual and customary charge, which shall not be excessive or unreasonable, when the provider has rendered such services, has on file a duly executed assignment of benefits, and has caused notice of such assignment to be given to the insurer, organization, or corporation licensed or certified pursuant to article forty-three or forty-seven of this chapter or article forty-four of the public health law or jointly to such nonparticipating or nonpreferred provider and to the insured, subscriber, or other covered person; provided, however, that in either case the insurer, organization, or corporation licensed or certified pursuant to article forty-three or forty-seven of this chapter or article forty-four of the public health law shall be required to send such benefit payments directly to the provider who has the assignment on file. When payment is made directly to a provider as authorized by this

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

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section, the insurer, organization, or corporation licensed or certified pursuant to article forty-three or forty-seven of this chapter or article forty-four of the public health law shall give written notice of such payment to the insured, subscriber, or other covered person.

(2) An insurer shall provide reimbursement for those services prescribed by this section at rates negotiated between the insurer and the provider of such services. In the absence of agreed upon rates, an insurer shall pay for such services at the usual and customary charge, which shall not be excessive or unreasonable.

(3) A nonparticipating or nonpreferred provider shall not seek advance payment, deposits, or full payment for covered services from an insured, subscriber, or other covered person unless and until the provider has first submitted a claim to the applicable insurer and the claim has been adjudicated. Nothing contained in this section shall be deemed to prohibit the payment of different levels of benefits or from having differences in coinsurance percentages applicable to benefit levels for services provided by participating or preferred providers and nonparticipating or nonpreferred providers.

§ 2. This act shall take effect January 1, 2027 and shall apply to health care claims submitted for payment after such date.