STATE OF NEW YORK

7919--A

2025-2026 Regular Sessions

IN SENATE

May 14, 2025

Introduced by Sens. SKOUFIS, HARCKHAM -- read twice and ordered printed, and when printed to be committed to the Committee on Insurance -- recommitted to the Committee on Insurance in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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:

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

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

(1) An insurer of dental care and services may grant a third party access to dental care services and discounted rates of a provider under a provider network contract if:

(A) the insurer allows the provider to choose not to allow the third party to access the provider's services and discounted rates at the time the original contract is entered into or renewed and whenever there is a material modification to the third-party network contract;

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

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

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

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

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

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

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

(C) require a third party to identify on each remittance or explanation of payment sent to a provider the source of any contractual discount in rates taken by the third party under the provider network contract;

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

(E) notify each third party described under subparagraphs (A) and (B) of this paragraph of the termination of the provider network contract no later than thirty days following the effective date of such termination; and

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

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

(c) Subject to any applicable continuity of care requirements, agreements or contractual provisions, a third party's right to access a provider's services and discounted rates under a provider network contract shall terminate on the date the provider network contract is terminated. This section shall not apply if access to the network contract is granted to a dental insurer or an entity operating in accordance with the same brand licensee program as the contracting entity or to an entity that is an affiliate of the contracting entity. For purposes of this section, an "affiliate" of a contracting entity is a person that directly or indirectly controls, is controlled by, or is under common control with such contracting entity.

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

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

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

(2) "Material modification" shall mean changes to the terms or conditions of a contract that reduces reimbursement rates paid to providers, fee schedules for providers, or increases benefits or covered procedures subject to the network provider but shall not include adding a new third party to an existing third-party network contract without any material modification to the third-party network contract.

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

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

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

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

§ 4242. Network leasing. (a) An insurer of dental care and services may grant a third party access to dental care services and discounted rates of a provider under a provider network contract if:

(1) the insurer allows the provider to choose not to allow the third party to access the provider's services and discounted rates at the time the original contract is entered into or renewed and whenever there is a material modification to the third-party network contract;

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

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

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

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

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

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

(3) require a third party to identify on each remittance or explanation of payment sent to a provider the source of any contractual discount in rates taken by the third party under the provider network contract;

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

(5) notify each third party described under paragraphs one and two of this subsection of the termination of the provider network contract no later than thirty days following the effective date of such termination; and

(6) make available to a provider within thirty days of the provider's request a copy of the provider network contract currently in force that

was relied upon by the insurer in the adjudication of the provider's claim.

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

(e) Subject to any applicable continuity of care requirements, agreements or contractual provisions, a third party's right to access a provider's services and discounted rates under a provider network contract shall terminate on the date the provider network contract is terminated. This section shall not apply if access to the network contract is granted to a dental insurer or an entity operating in accordance with the same brand licensee program as the contracting entity or to an entity that is an affiliate of the contracting entity. For purposes of this section, an "affiliate" of a contracting entity is a person that directly or indirectly controls, is controlled by, or is under common control with such contracting entity.

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

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

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

(2) "Material modification" shall mean changes to the terms or conditions of a contract that reduces reimbursement rates paid to providers, fee schedules for providers, or increases benefits or covered procedures subject to the network provider but shall not include adding a new third party to an existing third-party network contract without any material modification to the third-party network contract.

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

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

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

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

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

(1) grant a third party access to dental care services and discounted rates of a provider under a provider network contract if:

(A) the corporation allows the provider to choose not to allow the third party to access the provider's services and discounted rates at the time the original contract is entered into or renewed and whenever there is a material modification to the third-party network contract;

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

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

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

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

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

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

(C) require a third party to identify on each remittance or explanation of payment sent to a provider the source of any contractual discount in rates taken by the third party under the provider network contract;

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

(E) notify each third party described under subparagraphs (A) and (B) of this paragraph of the termination of the provider network contract no later than thirty days following the effective date of such termination; and

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

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

(5) subject to any applicable continuity of care requirements, agreements or contractual provisions, shall ensure a third party's right to access a provider's services and discounted rates under a provider network contract will terminate on the date the provider network contract is terminated. This section shall not apply if access to the network contract is granted to a dental corporation or an entity operating in accordance with the same brand licensee program as the contracting entity or to an entity that is an affiliate of the contracting entity. For purposes of this section, an "affiliate" of a contracting entity is a person that directly or indirectly controls, is controlled by, or is under common control with such contracting entity; and

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

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

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

(2) "Material modification" shall mean changes to the terms or conditions of a contract that reduces reimbursement rates paid to providers, fee schedules for providers, or increases benefits or covered procedures subject to the network provider agreement but shall not include adding a new third party to an existing third-party network contract without any material modification to the third-party network contract.

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

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

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

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

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

(a) may grant a third party access to dental care services and discounted rates of a provider under a provider network contract if:

(i) the plan allows the provider to choose not to allow the third party to access the provider's services and discounted rates at the time the original contract is entered into or renewed and whenever there is a material modification to the third-party network contract;

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

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

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

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

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

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

(iii) require a third party to identify on each remittance or explanation of payment sent to a provider the source of any contractual discount in rates taken by the third party under the provider network contract;

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

(v) notify each third party described under subparagraphs (i) and (ii) of this paragraph of the termination of the provider network contract no

later than thirty days following the effective date of such termination; and

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

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

(e) subject to any applicable continuity of care requirements, agreements or contractual provisions, shall ensure that a third party's right to access a provider's services and discounted rates under a provider network contract will terminate on the date the provider network contract is terminated. This section shall not apply if access to the network contract is granted to a dental corporation or an entity operating in accordance with the same brand licensee program as the contracting entity or to an entity that is an affiliate of the contracting entity. For purposes of this section, an "affiliate" of a contracting entity is a person that directly or indirectly controls, is controlled by, or is under common control with such contracting entity; and

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

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

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

(b) "Material modification" shall mean changes to the terms or conditions of a contract that reduces reimbursement rates paid to providers, fee schedules for providers, or increases benefits or covered procedures subject to the network provider but shall not include adding a new third party to an existing third-party network contract without any material modification to the third-party network contract.

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

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

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

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

§ 5. This act shall take effect immediately and shall apply to policies and contracts issued, renewed, amended, modified or altered on or after such date.