STATE OF NEW YORK

8949

IN SENATE

January 20, 2026

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

AN ACT to amend the public health law, in relation to the audit and review of medical assistance program funds by the Medicaid inspector general

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

Section 1. The public health law is amended by adding a new section 37 to read as follows:

§ 37. Audit and review of medical assistance program funds. Where the inspector determines an overpayment of funds has occurred due to a provider's submission of supporting records in a form, format, or method of transmission that is not in accordance with program requirements in effect at the time of the claim, but, due to intervening changes to program requirements, including changes to state agency guidelines, regulations, or other guidance, is in accordance with the requirements in effect at the time of the inspector's review or determination or any administrative reviews and other court proceedings related to the inspector's review or determination, then, in the absence of fraud or evidence the provider received reimbursement for items or services that were not provided to the beneficiary, or the beneficiary was not eligible for the items or services, recoupment for such claim disallowances shall be limited to the reimbursement amount of the claims actually reviewed by the inspector without extrapolation, and the inspector shall not initiate new or additional reviews against the provider on the same basis.

§ 2. This act shall take effect immediately and shall apply to audits commenced on or after such effective date, audits pending as of such date, and audits that the Medicaid inspector general has concluded but which are under administrative review or other properly filed judicial review or appeal.

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

LBD14172-01-5