

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:

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

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

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

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

LBD14172-01-5