§ 162. Contract for health benefits. 1. The president is hereby authorized and directed to purchase a contract or contracts to provide the benefits under the plan of health benefits determined upon in accordance with the provisions of this article. Such contract or contracts shall be purchased from one or more corporations licensed to transact accident and health insurance business in this state or subject to article forty-three of the insurance law.

(a) Alternatively, the president may provide health benefits directly to plan participants, in which case the president is hereby authorized to purchase a contract or contracts with one or more firms qualified to administer, on New York state health benefit plan's behalf, the plan of benefits required under this article.

(b) In the event the president elects to provide health benefits directly to plan participants in accordance with paragraph (a) of this subdivision:

(i) Any and all health insurance coverage mandated by any law, rule or regulation, including but not limited to coverage mandated pursuant to article forty-three of the insurance law, applicable to contracts for health insurance entered into under this section shall be provided in a manner assuring uninterrupted continuance of coverage for all covered persons. For the purposes of this paragraph "coverage" shall include but shall not be limited to all benefits, services, rights, privileges and guarantees allowed by law;

(ii) Plan participants shall be afforded all internal and external review and appeal rights as described in article forty-nine of the insurance law;

(iii) A plan participant receiving covered services rendered by a health care provider prior to the date upon which the president elects to provide health benefits directly to plan participants in accordance with paragraph (a) of this subdivision shall be permitted to continue receiving services from such health care provider after the effective date of the election at the discretion of such plan participant. Services provided by such health care provider after the effective date of the election as described in this paragraph shall be covered in a manner consistent with covered services provided directly to plan participants in accordance with paragraph (a) of this subdivision; and

(iv) Notwithstanding the provisions of this subdivision, the

president's election to provide health benefits directly to plan participants shall not constitute the doing of insurance business within the meaning of article eleven of the insurance law; provided however, the provision of direct benefits as per this subdivision shall be subject to review by the superintendent of financial services for the purposes of ensuring compliance with applicable insurance law and any and all associated insurance rules and regulations as noted in this subdivision.

(c) All of the benefits to be provided under this article may be included in one or more similar contracts, or the benefits may be classified into different types with each type included under one or more similar contracts issued by the same or different companies.

2. A reasonable time before entering into any insurance contract or contract with an administrator or administrators hereunder, the president shall invite proposals from such qualified insurers or administrators as in his or her opinion would desire to accept any part of the insurance coverage or administrative services authorized by this article.

3. The president may arrange with any corporation licensed to transact accident and health insurance business in this state or subject to article forty-three of the insurance law issuing any such contract to reinsure portions of such contract with any other such corporation which elects to be a reinsurer and is legally competent to enter into a reinsurance agreement.

4. The president may designate one or more of such corporations as the administering corporation or corporations.

5. Each employee who is covered under any such contract or contracts shall receive a certificate setting forth the benefits to which the employee and his dependents are entitled thereunder, to whom such benefits shall be payable, to whom claims should be submitted, and summarizing the provisions of the contract principally affecting the employee and his dependents. Such certificate shall be in lieu of the certificate which the corporation or corporations issuing such contract

or contracts would otherwise issue.

6. The corporations eligible to participate as reinsurers, and the amount of coverage under the contract or contracts to be allocated to each issuing corporation or reinsurer, may be redetermined by the president for and in advance of any contract year after the first year on a basis consistent with subdivision three of this section, and with any modifications thereof he deems appropriate to carry out the intent of such subdivision.

7. The president shall not purchase any contract or contracts for any period except upon the prior approval of the director of the budget.

8. The president may, on March thirty-first, nineteen hundred fifty-seven or at the end of any fiscal year thereafter, discontinue any contract or contracts he has purchased from any corporation or corporations and replace it or them with a contract or contracts in any other corporation or corporations meeting the requirements of this section.

9. (a) (i) As soon as is practicable, but no later than the first of September, two thousand fourteen, the department shall, upon request, but no more frequently than semi-annually, provide to any participating employer a standard report which contains data relating to the use of benefits by persons covered under the plan by such employer. Such report shall include: premiums paid by month for each month covered in the report and paid claims by month for the following categories of services: inpatient hospital, outpatient hospital, in network medical, out of network medical, prescription drugs, and treatment of behavioral conditions, each reported separately. To the extent allowed by state and federal privacy laws, such report shall also contain claims information for individual claimants for claims in excess of fifty thousand dollars that were paid in any of the months covered by the report.

(ii) The department shall provide such reports to any participating employer, upon request submitted on or after the first of April for data from the first of January through the thirty-first of December of the prior year, and on or after the first of September for data from the

first of June of the prior year through the thirty-first of May of the current year, within thirty days of receipt of said request. However, requests submitted in the two thousand fourteen calendar year shall be provided as soon as practicable, but no later than the first of September, two thousand fourteen, or within thirty days after said request if request is submitted on or after the first of August, two thousand fourteen.

(b) (i) As soon as practicable, but not later than December first of each year, the department shall collect and analyze health care claims data from the Empire Plan, or its successor, to develop, and make publicly available, a New York state health benefit plan hospital pricing report. Such report shall exclude optional benefit plan health care claims data and claims for Medicare primary individuals. The report shall include, but not be limited to, a comparative analysis of actual hospital in-network allowed amounts and out-of-network allowed amounts for each hospital facility located in the state of New York identified by name and CMS certification number (CCN) or successor identifier, based on the following service categories: (A) inpatient hospital, (B) outpatient hospital, (C) emergency room services, and (D) physician services provided (1) during an inpatient hospital admission and (2) as part of an outpatient visit or in connection with the provision of emergency room services, except to the extent that the department determines that the analysis of physician services is not technically feasible and explains the basis for such determination.

(ii) The report shall also include the in-network allowed amount and out-of-network allowed amount per service per hospital facility on the top twenty services by volume within each of the following service categories: (A) inpatient, (B) outpatient, (C) emergency room services, and (D) physician services provided (1) during an inpatient hospital admission and (2) as part of an outpatient visit or in connection with the provision of emergency room services, except to the extent that the department determines that the analysis of physician services is not technically feasible and explains the basis for such determination at each hospital located in the state of New York. The report shall compare, to the best of the department's ability, the in-network allowed amounts and out-of-network allowed amounts for similar services reimbursed under title eighteen of the social security act. Such report

shall also include a comprehensive analysis of the prior two years of hospital in-network allowed amounts and out-of-network allowed amounts for such services to illustrate trends in hospital prices. The report shall also include an all-plan aggregated total yearly spend by hospital facility identified by name and CMS certification number (CCN) or successor identifier. In preparing the report, the president shall take appropriate steps to ensure that individual insurer's or health plan's confidential proprietary pricing information is maintained as confidential to the extent permissible by law. Such report shall be delivered to the legislative fiscal committees, the chairs of the legislative health care committees, the chair of the senate civil service and pensions committee, and the chair of the assembly committee on governmental employees, on or before December thirty-first of each year, and such report shall be posted on the department's website no later than January first of the following calendar year. For purposes of this subdivision, "health care claims data" means any hospital claims paid by the health benefit plan, or its designee, for the service categories listed in this subdivision on form UB-04 or successor forms, with UB-04 being the billing form identified by the Centers for Medicare and Medicaid Services.