§ 1121. Voucher insurance program. (a) The superintendent, in consultation with the commissioner of health, is authorized to conduct a program on a demonstration basis to the extent of funds available therefor, through contractual arrangements with approved organizations, to assist individuals and families residing in specified urban, rural or suburban areas in purchasing health care coverage through insurers, health maintenance organizations and integrated delivery systems.

(b) The superintendent shall designate the urban, rural or suburban areas to be served by the voucher insurance program. The superintendent shall determine the overall amount of funding to be allocated for vouchers issued in designated urban, rural or suburban areas.

(c) The superintendent, in consultation with the commissioner of health, shall establish guidelines for the submission of proposals by organizations for the purposes of administering the voucher insurance program including, but not limited to the following:

(1) standards for enrollment of eligible persons, including mechanisms for determining eligibility, and annual recertification;

(2) standards for monitoring the performance of insurers, health maintenance organizations and integrated delivery systems participating in the voucher program; and

(3) such other criteria which may be deemed necessary.

(d) A proposal submitted by an organization to administer the voucher program shall include the following:

(1) a designation of the geographic area to be served;

(2) an estimation of the number of persons who will be eligible for the program and the estimated number of actual participants in the program in the specified geographic area;

(3) a description of the procedures for enrollment of eligible individuals and families in the voucher program;

(4) a demonstration of the availability and accessibility of offices where individuals and families could obtain information and enroll in the voucher program;

(5) a description of the mechanisms for preventing fraudulent enrollment;

(6) a description of the procedure for issuance of the voucher and for monitoring individual and family enrollment in health maintenance organizations, integrated delivery systems and insurers participating in

the voucher program;

(7) a description of the mechanisms for monitoring the performance of health maintenance organizations, integrated delivery systems and insurers participating in the program;

(8) a description of the procedures for marketing the voucher program and the proposed community outreach activities including the identification of any subcontractor who will perform these activities;

(9) a detailed description of the estimated expenses, including personnel costs and other types of administrative expenses which will be incurred in the development and implementation of the voucher program;

(10) a demonstration of the applicant's ability to meet the data analysis and reporting requirements of the program;

(11) a demonstration of the financial feasibility of the program; and

(12) such other information as the superintendent may deem appropriate.

(e) The superintendent, in consultation with the commissioner of health, shall make a determination whether to approve, disapprove or recommend modification to the proposal of an applicant to administer the voucher program.

(f) An organization approved to administer the voucher program shall submit reports to the superintendent in such form and at times as may be required in order to facilitate evaluation of the operations and results of the voucher program.

(g) The superintendent may approve more than one organization to administer the voucher program in all or part of a geographic area.

(h) The superintendent shall determine the amount of funds to be allocated to an approved organization to administer the voucher program within such funds which are available for purposes of the voucher program.

(i) The superintendent shall review the marketing, community outreach activities and recruitment efforts of an organization administering the voucher program and may provide financial incentives if certain enrollment targets are met.

(j) An organization approved to administer the voucher program may be subject to financial penalties established by the superintendent for violating the standards of the voucher program. Organizations administering the program shall also be required to repay to the state

all voucher payments issued on account of ineligible individuals or families. An organization approved to administer the voucher program may be removed by the superintendent as an approved organization and must cooperate in the orderly transition of services to other approved organizations. The superintendent shall provide due notice and an opportunity for a hearing to an approved organization prior to implementing this subsection.

(k) Vouchers shall be issued by the organization administering the voucher program to eligible individuals and families residing in designated urban, suburban or rural areas. Individuals and families shall submit such vouchers to participating insurers, integrated delivery systems and health maintenance organizations for the purpose of obtaining insurance coverage.

(l) The superintendent shall establish, for those individuals and families eligible, the voucher amounts by regulation, and shall consider household size, gross annual income, the cost of obtaining health care coverage through a participating insurer, integrated delivery system or health maintenance organization and overall funding available for the voucher program.

(m) An insurer organized to write the kind of health insurance specified in paragraph three of subsection (a) of section one thousand one hundred thirteen of this article, and a corporation or health maintenance organization authorized pursuant to article forty-three of this chapter or a health maintenance organization or integrated delivery system certified pursuant to article forty-four of the public health law may submit a proposal for participation in the voucher program to the superintendent who shall consult with the commissioner of health. Such proposal shall include:

(1) a description of the standards for provider enrollment if applicable;

(2) a description of the geographic area to be served, an estimate of the eligible and actual enrollees in such designated area; and a demonstration of the benefits to the community;

(3) a demonstration of access to and delivery of high quality health care services and, if applicable, that any network of health care providers includes sufficient numbers of geographically accessible providers to service program participants;

(4) a demonstration of the manner in which primary and preventive care and medical treatment will be emphasized or substituted for hospital inpatient or emergency room services in order to provide more appropriate care and more cost effective use of general hospitals.

(5) a description of the procedures for marketing the program, if applicable;

(6) a description of health care provider payment methodologies;

(7) a description of the premium in relation to the benefit package;

(8) a description of the estimated expenses including personnel costs and other types of administrative expenses which will be incurred in the program;

(9) a description of the quality assurance and utilization review mechanisms to be implemented;

(10) a description of the provisions for arranging for or offering conversion coverage in the event of termination of coverage;

(11) a demonstration of an ability to meet data analysis and reporting requirements of the program; and

(12) such other information as the superintendent may deem appropriate.

(n) The superintendent, in consultation with the commissioner of health, shall make a determination whether to approve, disapprove or recommend a modification to an insurer's, integrated delivery system's or health maintenance organization's proposal to participate in the voucher program.

(o) The superintendent, in consultation with the commissioner of health, shall ensure, to the extent possible, that the voucher program is available in designated urban, suburban or rural areas. The superintendent may approve more than one insurer, integrated delivery system or health maintenance organization to serve all or part of a geographic area.

(p) An approved insurer, integrated delivery system or health maintenance organization shall submit reports to the superintendent and to the organization administering the voucher program in such form and at times as may be reasonably required in order to evaluate the operations and results of such program.

(q) An approved insurer, integrated delivery system or health maintenance organization may be removed from participation in the

voucher program provided, however, that eligible persons shall continue to receive coverage of services until such time as the orderly transition to other approved insurers, integrated delivery systems and health maintenance organizations can be effected. The superintendent shall provide due notice and an opportunity for a hearing to an approved insurer, integrated delivery systems or health maintenance organization prior to implementing this subsection.

(r) Notwithstanding any inconsistent provision of law or regulation to the contrary, benefits under the voucher program shall be considered secondary to any other plan of insurance or benefit program under which a person may have coverage.

(s) An insurer, integrated delivery system or health maintenance organization may issue contracts approved by the superintendent, providing coverage to voucher recipients, pursuant to the following criteria:

(1) the provisions are not misleading or confusing:

(2) the provisions are consistent with the needs of the voucher program;

(3) the materials describing the contract fully and clearly state the benefits and limitations of such contract;

(4) the duration of such contracts and the extent of exposure thereunder by insurers, article forty-three corporations, integrated delivery systems or health maintenance organizations shall be determined by the superintendent;

(5) the contract is a reasonable and appropriate approach to expand the availability of health care coverage;

(6) the funding for the contract is reasonably related to the benefits provided and sufficient to support the contract;

(7) any such contracts must include the preexisting condition provisions permitted by section three thousand two hundred thirty-two and section four thousand three hundred eighteen of this chapter as applicable; and

(8) notwithstanding any provisions of this chapter to the contrary, the superintendent may waive, modify or suspend any provisions of this chapter, except as to mandatory benefits, or department regulations as applicable to the insurers, article forty-three corporations, integrated delivery systems or health maintenance organizations which issue

coverage pursuant to this section, provided such waiver, modification or suspension is based on the following:

(A) any waiver, modification or suspension of provisions of this chapter or department regulations is essential to the operation of the voucher program and to the rational development of programs to provide health care coverage or equivalent coverage mechanisms to the uninsured; and

(B) any waiver, modification or suspension of provisions of this chapter or department regulations will not impair the ability of the insurer, article forty-three corporation, integrated delivery system or health maintenance organization to satisfy its existing and anticipated contracts and other obligations, including such standards as the superintendent shall prescribe concerning adequate capital and financial requirements.

(t) The contracts issued by insurers, integrated delivery systems or health maintenance organizations and approved by the superintendent providing coverage to voucher recipients must provide for only the following covered services:

(1) Outpatient diagnostic X-ray and lab services;

(2) Outpatient surgical services including anesthesia;

(3) Mammography screening.

(4) Cervical cytology screening.

(5) Well-child care from birth.

(6) Primary and preventive care services.

(u) In order to be eligible to purchase coverage under the voucher program, the individual or family shall meet the following criteria:

(1) reside or resides in a household having a gross household income at or below two hundred twenty-two percent of the non-farm federal poverty level (as defined and annually revised by the federal office of management and budget). An applicant shall provide the necessary documentation to initially, and annually thereafter, determine eligibility for a voucher. Such documentation shall include the latest annual income tax return. If no such income tax return has been filed or if the household income has changed since the date of the return, such documentation shall also include, but not be limited to: paycheck stubs; written documentation of income from all employers; or other documentation of income (earned or unearned) as determined by the

superintendent, provided however, such documentation shall set forth the source of such income;

(2) is not eligible for medical assistance under title eleven of article five of the social services law or for medicare pursuant to title eighteen of the federal social security act;

(3) does not have equivalent health care coverage as defined by the superintendent. The applicant shall attest to the source and nature of health care coverage available;

(4) is a resident of a designated urban, suburban or rural area in New York state. Such residency shall be demonstrated by adequate proof of a New York state street address or if the individual or family has no street address, then by other such proof;

(5) has not had equivalent health care coverage within the twelve month period prior to application for a voucher. This limitation shall not apply to persons who became ineligible for medical assistance or whose insurance terminated as a result of loss of employment within such period;

(6) the individual or family shall notify the organization administering the voucher program within sixty days, of any changes in income, health care coverage or residency that may make them ineligible for the voucher program; and

(7) any individual or family who, with the intent to obtain benefits, willfully misstates income or residence or other health care coverage to establish eligibility or willfully fails to notify an organization administering the voucher program of an increase in income or change in residence or health care coverage which may disqualify the individual or family for benefits shall repay such subsidy. Individuals seeking to enroll in the voucher program shall be informed that such willfull misstatement or failure to notify shall result in such liability.

(v) Nothing in this section shall be construed to provide a right or entitlement to insurance coverage, or a cause of action or right of action to eligible individuals and families, approved organizations, or providers of health care services for the provision of or payment for such services relating to the availability or implementation of insurance coverage under this section.

(w) The superintendent shall implement such requirements or procedures as necessary to prevent, detect and deter fraud and abuse in the voucher

insurance program.