



NEW YORK STATE SENATOR
Neil D. Breslin

Historic Managed Care Reform Bill Is Signed into Law by the Governor

NEIL D. BRESLIN July 30, 2009

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(Albany, New York)- New York State Senator Neil D. Breslin (D-Delmar) is pleased to announce legislation (S5472A) which he sponsored has been signed into law by Governor Paterson. This legislation further reforms the way managed care is delivered in New York State, to bring additional parity and fairness between patients, hospitals, physicians, and health plans.

Since the advent of managed care, legislative action has been essential to ensure that consumers and providers receive appropriate protection under this system of health care delivery. This legislation is the latest of such reforms. This bill provides enhanced consumer protection by:

- Requires insurers who offer comprehensive policies to offer the same grievance procedures and provide the same access to care that is required for health maintenance organizations (HMOs),
- Establishes a new external appeal standard for rare disease treatments,
- Shortening the utilization review time frame for determinations involving post-hospital home health care service, and
- Requires insurers and HMO's who fail to meet a loss-ratio requirement to make efforts to locate and pay dividends or credits to former policy holders.

This legislation also establishes providers (hospitals and physicians) with enhanced protections by instituting the following reforms:

- Requires that physicians be given notice of an adverse reimbursement change to a provider contract and an opportunity to cancel the contract,
- Permits newly licensed physicians and physicians moving to New York to be provisionally credentialed until the final credentialing determination is made by the insurer or HMO,
- Allowing providers to appeal concurrent adverse determinations through the external appeal process, and
- Prohibits insurers and HMOs from inappropriately discounting payments to participating hospitals and physicians for a patient's care if not a member of the insurance company's network of providers.

"As managed care continues to play a bigger role in our lives, these reforms were not only necessary but essential to ensure that all New Yorkers are receiving the most effective healthcare possible," said Senator Breslin. Additional reforms include establishing a new external appeal standard for rare disease treatments, extending overpayment recovery protections to all health care providers, permitting them to challenge such recoveries; and requiring insurers and HMOs to pay electronic claims promptly and limiting their ability to respond to claims by sending a coordination of benefits questionnaire.