

**Statement of Reasons for the Emergency Measure
New 23 NYCRR Part 400**

Long sought and much needed legislation to address the issue of unexpected and sometimes excessive bills for emergency services and surprise bills was enacted as Part H of Chapter 60 of the New York Laws of 2014, which was signed into law by the Governor on March 31, 2014. Part H of Chapter 60 will take effect on March 31, 2015.

The Department has been aware for several years that consumers, who did their best to stay in-network, nonetheless received large bills for unexpected out-of-network services. In 2012, the Department released “An Unwelcome Surprise,” a report detailing the issues that lead to consumers receiving unexpected medical bills from out-of-network providers. The report stated that unexpected and sometimes excessive medical bills from out-of-network providers contribute to the growing problem of consumer medical debt, which continues to be a significant cause of personal bankruptcy. Chapter 60 of the Laws of 2014 added a new Article 6 to the Financial Services Law to address this problem. Article 6 provides that consumers must be held harmless for out-of-network emergency bills and surprise bills, and directs the provider and the health plan to work out payment for these bills. Article 6 establishes an independent dispute resolution process, by which a dispute involving a bill for emergency services or a surprise bill may be resolved.

The Department has worked diligently with stakeholders to develop the rule necessary to implement the independent dispute resolution process. A proposed rule was published in the State Register on December 31, 2014. Extensive comments were received from many stakeholders, which the Department considered in formulating this rulemaking being promulgated on an emergency basis. The Department intends to publish a revised proposed regulation, which will again permit stakeholders to submit comments, before the regulation is finalized.

It is critical for the protection of the public that the appropriate regulations are in place on and after the effective date of Chapter 60 to allow health plans, providers, and as applicable, patients, to dispute payments for emergency services or surprise bills. Therefore, it is necessary to promulgate the rule on an emergency basis for the furtherance of the general welfare.



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Dated: March 12, 2015