

Spotlight on State: New York

This is part of a [series of summaries](#) that highlight notable legislation and initiatives in health policy and reform of all 50 states. Check back on The Source as we roll out additional states each week.

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New York is a leader in healthcare price transparency initiatives. The state passed legislation in 2011 that enables the creation of an all-payer claims database and has operated its [all-payer database](#) (APD) since 2016. The APD collects data from public and private insurance carriers, health plans, third-party administrators, and pharmacy benefit managers, as well as Medicaid and Medicare, with the goal to provide a data and analytical resource for policymakers and researchers.

New York provides comprehensive protections against surprise or balanced billing in both emergency and non-emergency situations, requiring insurers to cover services inadvertently received from out-of-network providers and ensure cost-sharing parity. The state also provides coverage parity and cost-sharing parity for covered telehealth services.

In healthcare provider markets, the state's merger review authority mandates that any merger involving a not-for-profit hospital must provide notice and obtain approval with the court district in which the corporation is located or through the Attorney General. New York also requires a Certificate of Need for acquisition or change of ownership of health care facilities.

New York's Department of Health administers its [Certificate of Need](#) process, which governs establishment, construction, renovation and major medical equipment acquisitions of health care facilities, such as hospitals, nursing homes, home care agencies, and diagnostic and treatment centers. As explained

by the DOH: “The objectives of the CON process are to promote delivery of high quality health care and ensure that services are aligned with community need. CON provides the Department of Health oversight in limiting investment in duplicate beds, services and medical equipment which, in turn, limits associated health care costs.

Additionally, the Legislature has made attempts to address anticompetitive contract clauses in provider and insurer contracts. New York law provides that when a contract between a managed care organization and a provider includes either a most-favored nation or exclusivity clause, it must be approved by the insurance commissioner. In recent sessions, the legislature also proposed a stricter, comprehensive ban of most-favored nation, all-or-nothing, and anti-tiering and anti-steering provisions in provider contracts.

In recent sessions, the Legislature also considered legislation to address pharmaceutical pricing, including one that would prohibit drug tiers based on the expense of disease category and charging cost-sharing percentages for prescriptions. Another legislation requires pharmacy benefit managers (PBMs) to disclose information such as the aggregate amount in rebates they receive. In the 2020 State of the State, Governor Andrew M. Cuomo presented a [three-part plan](#) to combat rising prescription drug prices, which would 1) introduce legislation to cap co-payments for insulin, 2) empower the State Department of Financial Services to investigate skyrocketing prescription drug prices, and 3) establish Commission to study the feasibility and benefits of Canadian Drug Importation Program.