

ARTICLE 10-A.
PREFERRED PROVIDER ORGANIZATIONS

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§ 350. Short title

This article may be known and shall be cited as the "preferred provider organization act".

§ 351. Preferred provider organizations; contracts

The state insurance fund, any stock corporation, mutual corporation or reciprocal insurer authorized to transact the business of workers' compensation insurance in this state or self-insurer may contract with a preferred provider organization to deliver all medical services mandated by this chapter, provided such contract takes effect on or after January first, nineteen hundred ninety-seven and the insurer or the employer has no financial interest in the preferred provider organization. Where there is a duty to collectively bargain, an employer shall collectively bargain the use and implementation of a preferred provider organization with the authorized collective bargaining agent of its employees.

§ 352. Preferred provider organizations; defined

As used in this article, the term "preferred provider organization" or "P.P.O." shall mean a plan licensed pursuant to section three hundred fifty-three of this article owned, operated or administered by an entity that provides for the delivery of all services required by this chapter to all persons covered by such plan.

§ 353. Preferred provider organizations; licensing

To be licensed as a preferred provider organization any entity, except any organization which provides limited health care services, shall make an application to the commissioner of health and shall submit therewith an application fee of five hundred dollars. Such application shall be accompanied by the information prescribed in regulation. Such information shall include but not be limited to the following:

1. the standards by which the providers participating in the preferred provider organization shall be selected;
2. the names and credentials of all individuals and organizations that will provide service under the preferred provider organization, together with appropriate evidence of compliance with all licensing or certification requirements for such individuals or organizations to practice in this state;
3. a description of any final disposition of professional misconduct charges against any of the individuals or organizations which will provide medical or other health care services under the preferred provider organization program;

4. the names and professional qualifications of providers licensed by the board in each medical specialty;
5. the names and certifications of hospitals from which employees may choose in the event that hospitalization is necessary;
6. a description of the times, places and manner of providing services under the preferred providers organization;
7. a detailed description of procedures to be followed by the preferred providers organization for ongoing quality assurance, utilization review and dispute resolution.

Each preferred provider organization formed pursuant to this article shall comply with the provisions of sections forty-four hundred eight, forty-four hundred eight-a, forty-four hundred six-c, forty-four hundred six-d, subdivisions five and six of section forty-four hundred three and article forty-nine of the public health law. The commissioner of health, in consultation with the chair of the workers' compensation board may waive or modify the application of these provisions to such organizations where appropriate.

§ 354. Preferred provider organizations; medical treatment

1. Each preferred provider organization shall provide at least two providers in every medical specialty from which the employee may choose and at least two hospitals from which the employee may choose in the event that hospitalization is necessary. The commissioner of health may waive such numerical requirements upon a finding that the geographical area in which the preferred provider organization is located cannot meet the requirements.
2. An employee may seek medical treatment from outside the preferred provider organization thirty days after his or her first visit to a preferred provider organization provider. In the event that such employee seeks medical treatment outside the preferred provider organization the employer may require a second opinion from a provider within the preferred provider organization.
3. An employee may seek a second opinion with respect to such medical treatment from another provider within the preferred provider organization at any time.

§ 355. Preferred provider organizations; medical fee schedules

The medical fee schedules authorized pursuant to section thirteen of this chapter shall not apply to any medical services provided by a preferred provider organization pursuant to the provisions of this article.