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Insurance
Reimbursement

Nurse Services Bill ^{BEN} 12-22-8 Is Signed by Cuomo

By DAVE ERNST
News Albany Bureau

ALBANY — Gov. Cuomo announced Friday he has signed legislation requiring insurance companies to offer optional coverage for the services of nurses.

The bill applies only to services provided outside of hospitals, nursing homes and doctors' offices and thus will encourage broader use of less expensive health care alternatives, the governor said.

The bill requires a physician's authorization before an insurance company can pay for the care. The governor earlier this year vetoed a similar bill because of objections to the criteria for sums of its coverage.

The governor also signed a bill sponsored by Assemblyman Robin Schimminger, D-Kenmore, establishing a schedule of fees to be paid by clinical laboratories to cover the cost of their inspections by state health officials. The fees will be based on each laboratory's gross receipts. The plan replaces another fee schedule that the Health Department announced last spring. Mr. Schimminger and some of the smaller labs said the Health Department schedule was "regressive" and might drive some labs out of business.

The governor vetoed a bill that would have provided somewhat lower auto insurance rates for some drivers. It would have set the motorist's age as the age he attains during the policy period, rather than his age at the beginning of the policy period as the present Insurance Law provides.

While some motorists would

benefit because it would be to their advantage to be considered older, others would be hurt because they benefit by being considered younger, the governor noted. Therefore the bill merely shift the financial burden from one class of motorists to another. He noted also that the majority of policies written for six months and any disparities in premium rates due to the driver's age is corrected the next time the policy is renewed.

Insurance
Reimbursement

Martha L. Orr, MN, RN
Executive Director



Constituent of The American
Nurses Association

NEW YORK STATE NURSES ASSOCIATION
2113 Western Avenue, Guilderland, N.Y. 12084, (518) 456-5371

**INFORMATION CONCERNING IMPLEMENTATION OF CHAPTER 996
OF THE LAWS OF 1984:
INSURANCE REIMBURSEMENT FOR REGISTERED PROFESSIONAL NURSES**

Chapter 996 of the Laws of 1984, effective April 1, 1985, amends Sections 3221 and 4303 of the New York Insurance Law and provides that every insurer issuing a group policy for delivery in this state, and every health service or medical expense indemnity corporation issuing a group contract or a group remittance contract, must make available coverage for services of a duly licensed registered professional nurse acting within the lawful scope of his/her practice if the services are reimbursable under the contract.

The Insurance Department of the State of New York has the legal responsibility for implementation and oversight of the Insurance Laws.

In keeping with that responsibility, the Insurance Department has issued interpretive information (Circular Letter #8 (1985) dated 3/15/85) to New York State insurance carriers about the new law. That interpretive information has been used to prepare the following questions and answers to assist nurses in New York State in understanding the law.

1. *QUESTION: What types of health services performed by RNs will be covered under health insurance contracts?*

ANSWER: Home and office visits, often included in comprehensive coverage such as major medical insurance, are covered by this legislation. Under a contract providing coverage for home and office visits, insureds would be entitled to coverage for services provided by RNs in the home or in a nurse's office as long as the service is within the lawful scope of practice of the nurse and covered under the contract. Chapter 996 is a freedom of choice provision which is not intended to add any benefits to the basic coverage.

2. *QUESTION: Can RNs providing care through home or office visits expect reimbursement beginning April 1?*

ANSWER: Although the law goes into effect April 1, 1985 the nurse coverage is a "make available" mandate. That means that the coverage is available as an option for inclusion in group policies. Inclusion of the rider will occur over time as it is requested by group policyholders.

3. *QUESTION: May insurance carriers elect to reimburse the nurse for home or office visits without the rider in the contract?*

ANSWER: Yes. Insurance carriers have occasionally reimbursed professional nurses prior to the new law. Submission of legitimate claims should continue.

(OVER)



4. **QUESTION:** *What effect does the new law (Chapter 996) have on current law which covers home care (Sections 3221 and 4303 of the Insurance Law)?*

ANSWER: The home care mandate found in the Insurance Law requires that the home care must be provided by a certified home health agency possessing a valid certificate of approval issued pursuant to Article 36 of the Public Health Law. In addition, the Plan covering the home health service must be established and approved in writing by a physician. Independent nurse home and office visits would be covered under the new law (see Question 1).

5. **QUESTION:** *When this "make available" nursing benefit has been added to group coverage, will the nursing service provided require physician certification or recommendation?*

ANSWER: No. Chapter 996 allows an RN to be reimbursed for services, if covered under the contract, which are within the lawful scope of practice of the RN. An insurer cannot limit this reimbursement by making coverage for the services provided by the nurse available only upon the certification or the recommendation of a physician of the need for the nursing services. Insurers may, of course, contest the necessity for any services rendered by an RN, or any other health provider.

6. **QUESTION:** *What is the appropriate level of reimbursement at which RNs should be paid under Chapter 996?*

ANSWER: The level of reimbursement for nursing services is not specified in the legislation. RNs should be reimbursed at a payment level which takes into account the experience and education of the RN as well as the amount of reimbursement made to other providers.

7. **QUESTION:** *What is a proper premium for this "make available" benefit?*

ANSWER: Rates for the nursing coverage may vary depending upon the existing benefits of any given contract to which the "make available" nursing benefit rider may be attached.

8. **QUESTION:** *What deductible and coinsurance amounts may be imposed on this "make available" coverage?*

ANSWER: Only deductibles and coinsurance amounts which are consistent with those imposed on a given policy will be approved as in compliance with Chapter 996. Consistency shall be based upon the deductible and coinsurance amounts in the base coverage which apply to the majority of benefits.

Further questions regarding the 1985 law for the reimbursement of professional nurses should be directed to the New York State Nurses Association.

MLO/JPM/lm
3/25/85

Martha L. Orr, MN, RN
Executive Director



Constituent of The American
Nurses Association

NEW YORK STATE NURSES ASSOCIATION
2113 Western Avenue, Guilderland, N.Y. 12084, (518) 458-5371

March 25, 1985

TO: NYSNA Members

FROM: Martha L. Orr, Executive Director

RE: Chapter 996 of the Laws of 1984: Insurance Reimbursement
for Registered Professional Nurses

Enclosed for your information is an explanatory memorandum regarding the implementation of the Third Party Reimbursement Law.

Nurses who wish to bill for their services under the provision of this law are encouraged to become familiar with the law itself and with the interpretive statements enclosed. In particular, it should be clearly recognized that the law requires only that insurers make this coverage available through group insurance contracts. Policyholders may choose to purchase this coverage, but it is not mandatory that they do so. Nurses may wish to suggest to their clients that they request the additional coverage.

Since implementation of the law will require group policyholders to request the coverage, nurses are encouraged to assist in this effort by requesting such coverage for themselves as consumers.

The Association recognizes that it will be some months before experience with the law permits an evaluation of its implementation. Members who do bill for their independent services are encouraged to inform the Association of their experiences so that we may keep abreast of any problems with the implementation.

MLO/lm

