



STATE OF NEW YORK
EXECUTIVE CHAMBER
ALBANY 12224

APPROVAL #31
CHAPTER #647

December 19, 2025

MEMORANDUM filed with Assembly Bill A.3986-A, entitled:

“AN ACT to amend the insurance law and the public health law, in relation to the use of virtual credit cards by insurers and certain health care plans”

A P P R O V E D

This bill would prohibit insurers from paying claims for reimbursement from a health care provider using a credit card, virtual credit card, or electronic funds transfer that imposes a fee or charge unless the insurer notifies the provider of the fee or charge, offers an alternate method of payment that does not impose a fee or charge, and the insurer consents to accepting payment by credit card, virtual credit card, or electronic funds transfer.

I support this legislation, which would ensure that health care providers are not forced to accept payment of claims using methods that impose high, percentage-based fees that are sometime associated with virtual credit cards. However, the bill does not account for scenarios in which the provider fails to respond to a notice from the insurer, which could jeopardize an insurer's ability to comply with laws requiring prompt payment of complaints. The bill also contains technical inconsistencies which should be corrected.

I have reached an agreement with the Legislature to enact these changes in the upcoming legislative session. On the basis of this agreement, I am pleased to sign this bill into law.

This bill is approved.

Kathy Hochul