



**STATE OF NEW YORK
INSURANCE DEPARTMENT**
25 BEAVER STREET
NEW YORK, NEW YORK 10004

George E. Pataki
Governor

Howard Mills
Superintendent

The Office of General Counsel issued the following opinion on July 1, 2005, representing the position of the New York State Insurance Department.

RE: No-Fault: Preferred Providers Organization (PPO)

Question Presented:

Can a No-Fault insurer contract with a preferred provider organization ("PPO") with respect to health services rendered to eligible injured persons?

Conclusion:

Yes, provided that the eligible injured person covered by the No-Fault insurer is free to choose health providers who are not affiliated with the PPO when seeking medical treatment.

Facts:

None presented.

Analysis:

There is nothing in the Insurance Law that prohibits an insurer from affiliating with a network of health care providers that may be utilized, on a voluntary basis, by eligible injured persons covered under No-Fault. An eligible injured person may choose to seek treatment from a health provider employed by the affiliated PPO when seeking health services as a result of injuries sustained in an automobile accident. However, the No-Fault insurer may not induce or require an eligible injured person to be treated by any of the health providers employed by the PPO.

No official approval is necessary for a PPO to affiliate with a No-Fault insurer to provide health related services to those injured individuals who voluntarily choose treatment from a PPO provider. This, however, does not relieve the PPO from any licensing, authorization and/or approval processes required under New York law.

For further information you may contact Supervising Attorney Lawrence M. Fuchsberg at the New York City Office.