

# ALBANY REPORT

Legislative developments impacting the New York medical  
and dental professional liability insurance marketplace

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## NEW YORK 2025 REGULAR LEGISLATIVE SESSION CONCLUDES

### Grieving Families Act Passes Again

With the New York State Assembly adjourning on June 18, almost a week after the State Senate adjourned for the year, the regular session of the New York Legislature has concluded. While there is a possibility the two houses will come back in the fall to address major state budget shortfalls caused by any federal legislation that significantly cuts federal aid to state programs, for now, there are no plans for the Legislature to return prior to early January of 2026.

In Albany's version of "Groundhog Day," both houses again passed the 2025 version of the Grieving Families Act (GFA). The current version of the GFA, [SB 4423/AB/6063](#), is virtually identical to the bill that the Governor vetoed last year, with the only difference being this year's bill contains a retroactive date of January 1, 2022 for applicability of the proposed expanded wrongful death provisions. Last year's bill contained a retroactive applicability date of January 1, 2021.

MLMIC will renew its collaboration with our healthcare partners to urge Governor Hochul to veto this very harmful legislation for a fourth time, since the bill still unreasonably expands liability without any counterbalancing reforms of the medical liability system in New York.

### New "Deceptive Acts and Practices" and "Third Party Defendant" Legislation Passed

Unfortunately, the Legislature passed two bills that would significantly increase liability for healthcare providers, hospitals, and medical groups. The first is entitled by the Assembly and Senate bill sponsors as the "fostering affordability and integrity through reasonable (FAIR) business practices act." This bill ([SB 8416/AB 8427A](#)) would expand the current New York General Business Law prohibition against deceptive acts and practices by any New York business (which includes any physician, hospital, or healthcare provider) to also include a prohibition against any such business' use of "unfair" or "abusive" acts and practices.

Given the vagueness of these new terms, this bill would, if signed by the Governor, expand the liability of all healthcare entities who are sued by customers of their services for any practice the customers feel were deceptive, abusive, or unfair. MLMIC will be seeking a veto of this legislation or, at a minimum, chapter amendments to make the bill less harmful.

The second liability-expanding bill passed by both houses is [SB 5170/AB 3351](#). This bill would permit a plaintiff to recover directly against a third party defendant (a defendant who is brought into a lawsuit by the main defendant). Under current law, a defendant healthcare provider is required to satisfy

the plaintiff's judgment (i.e., pay the person or entity who successfully sued) before seeking contribution or indemnification from a third party, who may bear some or all liability for the injury to the plaintiff.

Maintaining a barrier between plaintiffs and third party defendants helps ensure that the parties will defend their conduct on the merits and not focus on the finances of other parties not sued by the plaintiff. An identical bill to this measure was vetoed in 2019 by Governor Cuomo. MLMIC will again urge a veto of this legislation.

## Peer Review and Confidentiality Protections

MLMIC continues to support legislation that would reduce the risks involved with practicing medicine and thereby allow healthcare practitioners to provide the best possible care to their patients. One of these legislative proposals is medical malpractice peer review and quality improvement programs for qualifying medical group practices, **SB 1916**. MLMIC continued its longtime advocacy of these programs with our support of this bill and its provisions for strong confidentiality and immunity protections under New York law. Due to support from MLMIC and the Medical Society of the State of New York (MSSNY), the bill was favorably reported by the Senate Health Committee to the Senate floor but never received a vote.

Another bill that would reform an important part of the New York medical liability system is

**SB 3242/AB 6835**. This measure would extend the confidentiality protections in quality assurance proceedings to all participants, including medical liability defendants.

MLMIC will continue to seek sensible tort reform to balance the extremely unlevel playing field in New York when it comes to medical liability lawsuits.

## Possible Special Legislative Session

While the Legislature does not intend to be back in session until early January of next year, the looming specter of potential federal funding cuts to healthcare programs such as Medicaid and the Affordable Care Act may result in the Legislature coming back into session. The purpose of such a special session, which, if necessary, would most likely occur in the fall, would be to address federal funding cuts by modifying the current New York State fiscal year 2025-26 budget.

MLMIC will closely monitor the Legislature if they do come back for a special session. Two budgetary areas we will be scrutinizing are the Section 18 excess medical malpractice insurance program and the Medical Indemnity Fund (MIF). MLMIC will continue to support both of these programs, with Section 18 and the MIF constituting the only two medical liability tort reform mechanisms in state law.



## Questions?

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