

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 5658

STATE OF NEW JERSEY 220th LEGISLATURE

DATED: DECEMBER 27, 2023

SUMMARY

- Synopsis:** Allows for credit against contract cost for primary care services managed by health care provider for public employees and their dependents; allows referrals to other providers that have contractual relationship with such health care provider.
- Type of Impact:** Annual revenue increase for local governments.
- Agencies Affected:** Local governments; Department of Law and Public Safety.

Office of Legislative Services Estimate

Annual Fiscal Impact	
Local Government Revenue Increase	Indeterminate

- The Office of Legislative Services (OLS) estimates that the bill will result in an indeterminate annual revenue increase for local governments in the State that operate medical homes and are part of the State Health Benefits Program or the School Employees' Health Benefits Program.

BILL DESCRIPTION

The bill allows a health benefits company that is managing a medical home under contract with a public employer to provide a credit to that public employer toward the cost of the contract for health care services provided by its providers to its public employees and their dependents. The credits would be derived from medical reimbursements to the providers with whom a health insurance carrier also has a contractual relationship. If provided, the amount of the credit permitted toward the cost of the contract shall not exceed the amount of the payments received by the health benefits company from payments from insurance carriers for claims submitted for provider services rendered to public employees and their dependents.

The bill also requires that the health care provider retain an independent, third-party accounting firm, at the provider's expense, to conduct an annual audit of all financial records related to billing and receipt of payments from the applicable health benefits program or plan received by the provider and credited to the public employer. A certification of the completed audit along with

the results shall be provided to the Division of Consumer Affairs, in the Department of Law and Public Safety, within 30 days of completion.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that the bill will result in an indeterminate annual revenue increase for local governments in the State that engage in the medical home model and are part of the State Health Benefits Program or the School Employees' Health Benefits program.

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This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).