

ASSEMBLY FINANCIAL INSTITUTIONS AND INSURANCE
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 5658

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 11, 2023

The Assembly Financial Institutions and Insurance Committee reports favorably and with committee amendments Assembly Bill No. 5658.

As amended, this bill provides that a health care provider that is managing a medical home, pursuant to a contract with a public employer, for its employees and their dependents, who are covered by the employer's health benefits program or plan may:

(a) provide a credit to the public employer toward the cost of the contract awarded to the health care provider to manage a medical home model for health care services for the public employees and their dependents; and

(b) refer covered employees and their dependents, who receive services through the medical home model to other providers with whom the health care provider has a contractual relationship.

If provided, the amount of the credit permitted toward the cost of the contract must not exceed the amount of the payments received by the health care provider from the health care benefits program or plan for claims submitted for provider services.

A contract pursuant to the bill is not permitted to include any provision conditioning the retention, renewal, or continued validity of the contract on the ability of any party to the contract to pay or receive referral fees for services covered by the contract.

Nothing in this bill will preclude the provider from billing the health benefits program or plan on a fee-for-service basis when such payments by the health benefits program or plan are used to apply a credit toward the cost of the contract.

As used in this bill, "medical home" means on-site physicians, nurses, and pharmacy and laboratory services, provided at no cost to public employees, and their dependents, when the medical staff receive salaries and services are not provided on a fee-for-service basis and when primary care, care coordination through the use of health information technology and chronic disease registries, and referrals for specialist care are provided.

The provisions of this bill will apply retroactively to July 1, 2022.

As amended and reported by the committee, Assembly Bill No. 5658 is identical to Senate Bill No. 3969, as also amended and reported by the committee on this date.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

(1) prohibit a health care provider and a public employer from including, in a contract for the management of a medical home, any provision that would condition the validity of the contract on the ability of either party to pay or receive referral fees for services covered by the contract;

(2) require that a health care provider who enters into a contract covered by this bill will retain an independent accounting firm, at their expense, to conduct an annual audit of all financial records for compliance with this bill. A certification that this audit has been completed, and results of the audit, must be provided to the Division of Consumer Affairs, in the Department of Law and Public Safety, within 30 days of completion; and

(3) require a public employer who participates in the State Health Benefits Program or the School Employees' Health Benefits Program to receive approval from the relevant commission prior to entering into a contract with a health care provider to manage a medical home.