

CHAPTER 225

AN ACT concerning health care services funded by a public employer for its employees and their dependents and supplementing Title 17B of the New Jersey Statutes.

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

C.26:2H-170 Health care provider, medical home, public employees, dependents, management.

1. Notwithstanding any provision of law or regulation to the contrary, a health care provider that is managing a medical home, pursuant to a contract with a public employer, for public 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 by the public employer 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 public 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 shall not exceed the amount of the payments received by the health care provider from the health benefits program or plan for claims submitted for provider services rendered to public employees and their dependents.

No such contract shall 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.

A health care provider that has entered into such a contract shall 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 for compliance with this section. A certification that such an audit has been completed, and the results thereof, shall be provided to the Division of Consumer Affairs, in the Department of Law and Public Safety, within 30 days of completion.

Beginning January 1, 2024, a public employer that participates in the State Health Benefits Program, established pursuant to P.L.1961, c.49 (C.52:14-17.25 et seq.), or the School Employees' Health Benefits Program, established pursuant to sections 31 through 41 of P.L.2007, c.103 (C.52:14-17.46.1 through C.52:14-17.46.11), shall receive approval from the appropriate commission governing the program prior to entering into a new contract or an extension or renewal of an existing contract covered by this section.

Nothing in this section shall 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 section "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.

2. This act shall take effect immediately and shall be retroactive to July 1, 2022.

Approved January 8, 2024.