

ASSEMBLY FINANCIAL INSTITUTIONS AND INSURANCE
COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 5317

STATE OF NEW JERSEY

DATED: SEPTEMBER 17, 2026

The Assembly Financial Institutions and Insurance Committee reports favorably an Assembly Committee Substitute for Assembly Bill No. 5317.

This bill amends current law by requiring a health insurance carrier (a hospital service corporation, medical service corporation, group and individual insurers, and a health maintenance organization) to extend the same opportunity currently allowing pharmacies and pharmacists to participate as a preferred provider or contracting provider in a health benefits plan to clinical laboratories and laboratory services providers.

Additionally, under the bill, a carrier that offers a managed care plan, or an organized delivery system contracting with a carrier, is prohibited from discriminating against or excluding a willing pharmacy practice site, pharmacist, clinical laboratory, or laboratory services provider on the basis of corporate structure, size, location, or affiliation, provided that the provider meets the carrier's credentialing standards and agrees to the reimbursement schedule and performance criteria applicable to participating providers. A carrier, upon request, is to provide written notice of provider participation requirements, credentialing criteria, reimbursement terms, and application procedures to a pharmacy practice site, pharmacist, clinical laboratory, or laboratory services provider. A carrier is to respond to a completed application for participation within 60 days of receipt. A carrier that denies participation to a provider is to issue a written notice of denial stating the specific criteria that were not satisfied and informing the provider of the process for reconsideration. Nothing in the bill is to be construed as prohibiting a carrier from establishing quality, safety, utilization, or performance standards for participation in its network, provided that the standards are applied in a uniform and nondiscriminatory manner.

The bill also provides that a carrier that offers managed care plans, and contracts entered into by managed care organizations under the State Medicaid program, must provide payment for laboratory services to clinical laboratories regardless of whether the laboratory is a participating provider with the managed care plan or organization. The bill requires payment for the laboratory services to be at the same

rate that would be paid to a participating clinical laboratory for comparable services. Carriers and managed care organizations will retain the right to review the services for medical necessity.

Finally, the bill prohibits the Division of Medical Assistance and Health Services in the Department of Humans Services from requiring a clinical laboratory to participate in the managed care delivery system in order to receive reimbursement under Medicaid or to transition from the fee-for-service delivery system to the managed care delivery system in order to receive reimbursement under Medicaid.