

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR SENATE, No. 2777

STATE OF NEW JERSEY

DATED: OCTOBER 5, 2026

The Senate Budget and Appropriations Committee reports favorably a Senate Committee Substitute for Senate Bill No. 2777.

This bill modifies the current process for health care providers to practice in a carrier network. Specifically, the bill provides that applications received by licensed health care professionals to practice in a carrier network are for both initial credentialing and credential renewal. A carrier is to make available on its Internet website: (1) the universal application for initial credentialing and renewal forms; and (2) an explanation of the credentialing process, including a list of all the documents required for initial credentialing and renewal, and any relevant timelines.

Additionally, the bill stipulates that upon receipt by a committee established in accordance with current law to review an application submitted by a licensed health care professional for initial credentialing or credential renewal, that committee is to: (1) deem the application approved if the information included as part of the application demonstrates the license of the health care professional as issued by the relevant State licensing board is in good standing; or (2) if the application is incomplete, notify the applicant professional, within 45 days after the submission of a hardcopy application or 30 days after the submission of an electronic application, specifying in the notice all the information that is missing. If the requested information is submitted by the applicant, the original submission date of the application is to be retained for purposes of any applicable credentialing timeline. Submission of the requested information will not restart or otherwise extend the applicable period for review of the application.

Moreover, the bill notes that no carrier is to require a licensed health care professional, who is already credentialed with the carrier and who changes employers or health care facilities within this State, to submit a new initial credentialing or renewal application to participate in the carrier's network solely on the basis that the professional changed employers or health care facilities, unless the change was the result of sanctions or other discipline issued to the professional, or the employment of the professional was terminated for cause. This stipulation is to only apply to licensed health care

professionals credentialed directly by the carrier. The bill adds that a carrier may require a licensed health care professional credentialed through a delegated credentialing entity to undergo the carrier's credentialing process upon a change in employer or health care facility.

Lastly, the bill states that a carrier which offers a managed care plan is to make available for consideration, upon request, a credentialing delegation agreement to a hospital licensed in New Jersey that is under contract with the carrier, provided that the hospital maintains an accreditation and credentialing program that meets nationally recognized standards, including, but not limited to, standards promulgated by the National Committee for Quality Assurance. However, nothing is to be construed as requiring a carrier to enter into a credentialing delegation agreement with any hospital, to delegate credentialing authority where applicable standards are not met, or to limit a carrier's ability to conduct appropriate oversight of any delegated credentialing arrangement in accordance with applicable accreditation, regulatory, or contractual requirements.

FISCAL IMPACT:

Fiscal information for this bill is currently unavailable.