

SENATE LABOR COMMITTEE

STATEMENT TO

ASSEMBLY SUBSTITUTE FOR **ASSEMBLY, No. 3401**

with committee amendments

STATE OF NEW JERSEY

DATED: SEPTEMBER 8, 2016

The Senate Labor Committee reports favorably, and with committee amendments, for Assembly Bill, No. 3401 AS.

As amended by the committee, this bill concerns the electronic submission of workers' compensation bills. Specifically, the bill requires the Commissioner of Labor and Workforce Development to adopt rules and regulations, in consultation with the Department of Banking and Insurance, which:

(1) ensure that all healthcare providers, their billing representatives, or any company that purchases rights to pursue their bills, submit complete electronic medical bills for payment on standardized forms following guidelines established by the Commissioner of Labor and Workforce Development in consultation with the Commissioner of Banking and Insurance;

(2) require employers, workers' compensation insurance carriers and third-party administrators to comply with the guidelines and accept electronic bills for the payment of medical services;

(3) ensure confidentiality of medical information submitted on electronic bills pursuant to the "Workers' Compensation Medical Information Confidentiality Act," sections 5 through 9 of P.L.2001, c.326 (C.34:15-128.1 et seq.);

(4) require that employers, workers' compensation insurance carriers and third-party administrators acknowledge receipt of a complete electronic medical bill to the party that sent the bill;

(5) provide that payment of a medical bill deemed to be compensable by the employer, insurance carrier, or third-party administrator shall be paid within 60 days or less, and that exclusive jurisdiction for all overdue payments be vested in the Division of Workers' Compensation; and

(6) ensure that employers, workers' compensation insurance carriers and third party administrators may exchange electronic data and establish payment deadlines through PPO or IPA contracts with health care providers or their billing representatives in a non-prescribed format or timeline, independent of the guidelines.

Under the bill, “complete electronic medical bill” means a medical bill meeting all of the following criteria: (1) it is submitted in the correct uniform billing format in compliance with the guidelines; (2) the bill and electronic attachments provide all required information; and (3) the health care provider, its billing representative, or any company that has purchased rights to pursue its bills, has provided all information that the employer, employer’s insurance carrier, or workers’ compensation third party administrator requested.

“Guidelines” means the format established by the Commissioner of Labor and Workforce Development, in consultation with the Commissioner of Banking and Insurance, based upon the International Association of Industrial Accident Boards and Commissions (IAIABC) Workers’ Compensation Electronic Medical Billing Rule and Companion Guide.

The bill does not apply to any medical provider who submits less than 25 workers’ compensation-related medical bills per month, furnishes services only outside of the United States, experiences a disruption in electricity and communication connections beyond its control; or demonstrates that an unusual circumstance exists that precludes submission of claims electronically.

COMMITTEE AMENDMENTS:

The committee adopted amendments which:

1. Clarify the parties that are subject to the requirements of the bill.
2. Make the Commissioner of Labor and Workforce Development, in consultation with the Commissioner of Banking and Insurance, responsible for establishing the format for the electronic filings required by the bill.
3. Eliminate the provision of the bill that per day interest be charged for noncompliance with the bill.
4. Exempt from the requirements of the bill any medical provider who submits less than 25 workers’ compensation-related medical bills per month, furnishes services only outside of the United States, experiences a disruption in electricity and communication connections beyond its control; or demonstrates that an unusual circumstance exists that precludes submission of claims electronically.
5. Delay the time when the bill’s electronic filing requirements must be met to 18 months after regulations are adopted.

With the proposed committee amendments, the bill will be identical to the Senate Committee Substitute for S2136.