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SYNOPSIS
Requires health care providers, carriers, and employers to make certain disclosures regarding health care costs and allows SHBP to negotiate directly with hospitals in certain circumstances.

CURRENT VERSION OF TEXT
Introduced Pending Technical Review by Legislative Counsel.
AN ACT concerning certain health insurance networks and
supplementing P.L.1997, c.192 (C.26:2S-1 et al.) and P.L.1961,
c.49 (C.52:14-17.25 et seq.).

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

1. As used in sections 1 through 6 of this act:
“Carrier” means an entity that contracts or offers to contract to
provide, deliver, arrange for, pay for, or reimburse any of the costs
of health care services under a health benefits plan, including: an
insurance company authorized to issue health benefits plans; a
health maintenance organization; a health, hospital, or medical
service corporation; a multiple employer welfare arrangement; an
entity under contract with the State Health Benefits Program and
the School Employees’ Health Benefits Program to administer a
health benefits plan; or any other entity providing a health benefits
plan.
“Commissioner” means the Commissioner of Banking and
Insurance.
“Covered person” means a person on whose behalf a carrier is
obligated to pay health care expense benefits or provide health care
services.
“Department” means the Department of Banking and Insurance.
“Employer” means an employer with more than 50 full-time
employees, or full-time equivalent employees, that provides self-
insured health benefits coverage, including but not limited to
federally-regulated plans offered under the federal “Employee
s.1001 et seq.) or the “Labor Management Relations Act, 1947”
(Taft-Hartley Act) (29 U.S.C.141 et seq.).
“Health benefits plan” means a benefits plan which pays or
provides hospital and medical expense benefits for covered
services, and is delivered or issued for delivery in this State by or
through a carrier. For the purposes of this act, “health benefits
plan” shall not include the following plans, policies or contracts:
Medicaid, Medicare Advantage, accident only, credit, disability,
long-term care, TRICARE supplement coverage, coverage arising
out of a workers’ compensation or similar law, automobile medical
payment insurance, personal injury protection insurance issued
pursuant to P.L.1972, c.70 (C.39:6A-1 et seq.), and hospital
confinement indemnity coverage.
“Health care facility” means a health care facility licensed
pursuant to P.L.1971, c.136 (C.26:2H-1 et seq.).
“Health care professional” means an individual, acting within the
scope of his licensure or certification, who provides a covered
service defined by the health benefits plan. “Health care
professional” includes, but is not limited to, a physician or other
health care professional licensed pursuant to Title 45 of the Revised
Statutes.

“Health care provider” or “provider” means a health care
professional or health care facility.

2. a. A health care facility shall disclose to a covered person in
writing or through an internet website the health benefits plans in
which the health care facility is a participating provider prior to the
provision of non-emergency services, and verbally or in writing, at
the time of an appointment. If a health care facility does not
participate in the network of the covered person’s health benefits
plan, and the person deliberately and voluntarily elects to receive
services from the health care facility, the health care facility shall,
in terms the covered person typically understands:

(1) inform the covered person that the facility is out-of-network
and that the amount or estimated amount the health care facility will
bill the covered person for the services is available upon request;

(2) upon receipt of a request from a covered person, disclose to
the covered person the amount or estimated amount that the health
care facility will bill the covered person absent unforeseen medical
circumstances that may arise when the health care service is
provided;

(3) inform the covered person that the covered person may have
a financial responsibility applicable to health care services provided
by the facility, in excess of the covered person’s copayment,
deductible, or coinsurance, and the covered person may be
responsible for any costs in excess of those allowed by their health
benefits plan; and

(4) advise the covered person to contact the covered person’s
carrier for further consultation on those costs.

b. A health care facility shall disclose to a covered person in
writing or through an internet website the following information
relating to the physician services provided to a covered person, in
terms the covered person typically understands:

(1) inform the covered person that physician services provided
in the facility are not included in the facility’s charges;

(2) advise the covered person to check with, as applicable, the
facility-based physician groups that the facility has contracted with
to provide services including anesthesiology, pathology, or
radiology to determine the health benefits plans in which they
participate;

(3) provide to the covered person, as applicable, the name,
mailing address and telephone number of the facility-based
physician groups that the facility has contracted with to provide
services including anesthesiology, pathology, or radiology; and

(4) advise the covered person to contact the covered person’s
carrier for further consultation on physician costs.
c. The Department of Health shall specify in further detail the
design of the disclosure form and the manner in which the form
shall be provided.

3. a. A health care professional shall disclose to a covered
person in writing or through an internet website the health benefits
plans in which the health care professional is a participating
provider and the facilities with which the health care professional is
affiliated prior to the provision of non-emergency services, and
verbally or in writing, at the time of an appointment. If a health
care professional does not participate in the network of the covered
person’s health benefits plan, and the person deliberately and
voluntarily elects to receive services from the health care
professional, the health care professional shall, in terms the covered
person typically understands:

   (1) inform the covered person that the professional is out-of-
       network and that the amount or estimated amount the health care
       professional will bill the covered person for the services is available
       upon request;
   (2) upon receipt of a request from a covered person, disclose to
       the covered person the amount or estimated amount that the health
       care professional will bill the covered person absent unforeseen
       medical circumstances that may arise when the health care service
       is provided;
   (3) inform the covered person that the covered person may have
       a financial responsibility applicable to health care services provided
       by an out-of-network professional, in excess of the covered
       person’s copayment, deductible, or coinsurance, and the covered
       person may be responsible for any costs in excess of those allowed
       by their health benefits plan; and
   (4) advise the covered person to contact the covered person’s
       carrier for further consultation on those costs.

b. A health care professional providing health care services to a
covered person requiring a scheduled facility admission or
scheduled outpatient facility service, shall provide the covered
person with the name, practice name, mailing address, and
telephone number of any other physician, if known ahead of time,
whose services will be arranged by the physician and are scheduled
at the time of the pre-admission, testing, registration, or admission
at the time the non-emergency services are scheduled, information
as to how to determine the health benefits plans in which the
physician participates, and recommend that the covered person
should contact the covered person’s carrier for further consultation
on costs associated with these services.

4. a. A carrier shall disclose to a covered person under a health
benefits plan that provides coverage for scheduled or elective
services whether the health care provider scheduled to provide a
health care service is an in-network provider and, with respect to
out-of-network coverage, disclose the approximate dollar amount
that the health benefit plan will pay for the specific out-of-network
health service. The carrier shall also inform the covered person that
such approximation is non-binding on the health benefit plan and
that the approximate amount that the health benefit plan will pay for
a specific out-of-network service may change.

b. A carrier shall update the carrier’s website within 15 days of
the addition or termination of a provider from the carrier’s network
or a change in a physician’s affiliation with a facility.

c. With respect to out-of-network services, for each health
benefits plan offered, a carrier shall, consistent with State and
federal law, provide a covered person with:
(1) a clear and understandable description of the plan’s out-of-
network health care benefits, including the methodology used by the
entity to determine reimbursement for out-of-network services;
(2) the amount the plan will reimburse under that methodology;
(3) examples of anticipated out-of-pocket costs for frequently
billed out-of-network services;
(4) information in writing and through an internet website that
reasonably permits a covered person or prospective covered person
to calculate the anticipated out-of-pocket cost for out-of-network
services in a geographical region or zip code based upon the
difference between the amount the entity will reimburse for out-of-
network services and the usual and customary cost of out-of-
network services;
(5) information in response to a covered person’s request,
concerning whether a health care provider is an in-network
provider;
(6) the approximate dollar amount that the carrier will pay for a
specific out-of-network service;
(7) such other information as the commissioner determines
appropriate and necessary to ensure that a covered person receives
sufficient information necessary to estimate their out-of-pocket cost
for an out-of-network service and make a well-informed health care
decision; and
(8) access to a telephone hotline that shall be operational 24
hours a day for consumers to call with questions about network
status and out-of-pocket costs.

d. Carriers shall utilize patient engagement programs, at least
one in every county, to raise product benefit awareness and to
provide product benefit education and counseling to employers and
employees. Patient engagement programs shall be created and
funded by carriers and administered by community based
organizations for the purpose of providing education and counseling
to employers and employees on their health care benefits in order to
prevent surprise billing to the consumer.
e. If a carrier authorizes a covered health care service to be performed by an in-network health care provider with respect to any health benefits plan, and the provider or facility status changes to out-of-network before the authorized service is performed, the carrier shall notify the covered person that the provider or facility is no longer in-network as soon as practicable. If the carrier fails to provide the notice at least 30 days prior to the authorized service being performed, the covered person’s financial responsibility shall be limited to the financial responsibility the covered person would have incurred had the provider been in-network with respect to the covered person’s health benefits plan.

f. A carrier shall provide a written notice, in a form and manner to be prescribed by the Commissioner of Banking and Insurance, to each covered person of the protections provided to covered persons pursuant to this act. The notice shall include information on how a consumer can contact the department or the appropriate regulatory agency to report and dispute an out-of-network charge. The notice required pursuant to this section shall be posted on the carrier’s website.

5. a. With respect to out-of-network services, for each health benefits plan offered, an employer shall, during each open enrollment period, provide a covered person with:

1. a clear and understandable description of the plan’s out-of-network health care benefits, if offered, including the methodology used by the plan to determine reimbursement for out-of-network services;

2. examples of anticipated out-of-pocket costs for frequently billed out-of-network services;

3. information in writing and through an internet website that reasonably permits a covered person or prospective covered person to calculate the anticipated out-of-pocket cost for out-of-network services in a geographical region or zip code based upon the difference between the amount the plan will reimburse for out-of-network services and the usual and customary cost of out-of-network services;

4. access to a telephone hotline that shall be operational 24 hours a day for employees to call with questions about network status and out-of-pocket costs; and

5. such other information as the commissioner determines appropriate and necessary to ensure that a covered person receives sufficient information necessary to estimate their out-of-pocket cost for an out-of-network service and make a well-informed health care decision.

b. Upon the request of the employee, the employer shall provide the approximate dollar amount that the plan will pay for a specific out-of-network service.
c. Employers shall utilize patient engagement programs, at least once a year, during open enrollment, to raise product benefit awareness and to provide product benefit education and counseling to employees in order to prevent surprise billing to the consumer.

d. An employer shall provide a written notice, in a form and manner to be prescribed by the commissioner, to each employee of the protections provided to employees of an employer pursuant to this act. The notice shall include information on how an employee can contact the department or the appropriate regulatory agency to report and dispute an out-of-network charge. The notice required pursuant to this section shall be included in open enrollment materials and made available upon request.

6. The commissioner shall provide a notice on the department’s website containing information for consumers relating to the protections provided by this act and information on how consumers can report and file complaints with the department or the appropriate regulatory agency relating to any out-of-network charges.

7. Notwithstanding any contract provision or law to the contrary, during any cooling-off period, including one initiated pursuant to section 2 of P.L.1989, c.321 (C.26:2J-11.1), involving a carrier contracted with the State Health Benefits Commission pursuant to section 4 of P.L.1961, c.49, (C.52:14-17.28), in which the carrier is unable to agree on the terms of a new contract with a general hospital, the commission shall be permitted to negotiate directly with the general hospital to continue hospital services for State employees at the general hospital. The commission shall be permitted to negotiate directly with the general hospital to provide services to State employees as a participating provider and establish reimbursement rates that will remain in effect after the expiration of the cooling-off period between the carrier and the general hospital. The carrier contracted with the commission shall remain responsible for administering the agreement negotiated directly between the commission and the general hospital. If an agreement is directly negotiated between the commission and a general hospital pursuant to this section, the commission and the carrier shall ensure that the general hospital is treated the same, as it relates to the information and benefits provided to State employees, as any other participating hospital under the plan. If the carrier agrees to new terms of a contract with the general hospital, the commission shall have the option of continuing under the terms of the agreement negotiated directly between the commission and the general hospital or accepting the terms negotiated by the carrier with the general hospital.
8. This act shall take effect on the 90th day after enactment.

STATEMENT

This bill, which, in part, supplements the “Health Care Quality Act,” requires health care facilities, health care professionals, certain employers, and health insurance carriers to make certain disclosures regarding health insurance network status. The bill also permits the State Health Benefits Plan (SHBP) to negotiate directly with hospitals when a carrier administering a plan on behalf of the SHBP cannot reach an agreement with the hospital and a cooling off period between the carrier and the hospital is triggered.

With regard to health care facilities, the bill requires that they disclose to a covered person in writing or through an internet website the health benefits plans in which the health care facility is a participating provider prior to the provision of non-emergency services, and verbally or in writing, at the time of an appointment.

If a health care facility does not participate in the network of the covered person’s health benefits plan, and the person deliberately and voluntarily elects to receive services from the health care facility, the health care facility shall, in terms the covered person typically understands:

(1) inform the covered person that the facility is out-of-network and that the amount or estimated amount the health care facility will bill the covered person for the services is available upon request;
(2) upon receipt of a request from a covered person, disclose to the covered person the amount or estimated amount that the health care facility will bill the covered person absent unforeseen medical circumstances that may arise when the health care service is provided;
(3) inform the covered person that the covered person may have a financial responsibility applicable to health care services provided by the facility, in excess of the covered person’s copayment, deductible, or coinsurance, and the covered person may be responsible for any costs in excess of those allowed by their health benefits plan; and
(4) advise the covered person to contact the covered person’s carrier for further consultation on those costs.

Under the bill, a health care facility shall also disclose to a covered person in writing or through an internet website the following information relating to the physician services provided to a covered person, in terms the covered person typically understands:

(1) inform the covered person that physician services provided in the facility are not included in the facility’s charges;
(2) advise the covered person to check with, as applicable, the facility-based physician groups that the facility has contracted with
to provide services including anesthesiology, pathology, or radiology to determine the health benefits plans in which they participate;

(3) provide to the covered person, as applicable, the name, mailing address and telephone number of the facility-based physician groups that the facility has contracted with to provide services including anesthesiology, pathology, or radiology; and

(4) advise the covered person to contact the covered person’s carrier for further consultation on physician costs.

With regard to health care professionals, the bill requires that they disclose to covered persons in writing or through an internet website the health benefits plans in which the health care professional is a participating provider and the facilities with which the health care professional is affiliated prior to the provision of non-emergency services, and verbally or in writing, at the time of an appointment. If a health care professional does not participate in the network of the covered person’s health benefits plan, and the person deliberately and voluntarily elects to receive services from the health care professional, the health care professional shall, in terms the covered person typically understands:

(1) inform the covered person that the professional is out-of-network and that the amount or estimated amount the health care professional will bill the covered person for the services is available upon request;

(2) upon receipt of a request from a covered person, disclose to the covered person the amount or estimated amount that the health care professional will bill the covered person absent unforeseen medical circumstances that may arise when the health care service is provided;

(3) inform the covered person that the covered person may have a financial responsibility applicable to health care services provided by an out-of-network professional, in excess of the covered person’s copayment, deductible, or coinsurance, and the covered person may be responsible for any costs in excess of those allowed by their health benefits plan; and

(4) advise the covered person to contact the covered person’s carrier for further consultation on those costs.

A health care professional providing health care services to a covered person requiring a scheduled facility admission or scheduled outpatient facility service, is required to provide the covered person with the name, practice name, mailing address, and telephone number of any other physician, if known ahead of time, whose services will be arranged by the physician and are scheduled at the time of the pre-admission, testing, registration, or admission at the time the non-emergency services are scheduled, information as to how to determine the health benefits plans in which the physician participates, and recommend that the covered person
should contact the covered person’s carrier for further consultation on costs associated with these services.

With regard to carriers, they must disclose to a covered person under a health benefits plan that provides coverage for scheduled or elective services whether the health care provider scheduled to provide a health care service is an in-network provider and with respect to out-of-network coverage, disclose the approximate dollar amount that the health benefit plan will pay for the specific out-of-network health service. The carrier shall also inform the covered person that such approximation is non-binding on the health benefit plan and that the approximate amount that the health benefit plan will pay for a specific out-of-network service may change.

A carrier is required to also update the carrier’s website within 15 days of the addition or termination of a provider from the carrier’s network or a change in a physician’s affiliation with a facility.

With respect to out-of-network services, for each health benefits plan offered, a carrier must, consistent with State and federal law, provide a covered person with:

1. a clear and understandable description of the plan’s out-of-network health care benefits, including the methodology used by the entity to determine reimbursement for out-of-network services;
2. the amount the plan will reimburse under that methodology;
3. examples of anticipated out-of-pocket costs for frequently billed out-of-network services;
4. information in writing and through an internet website that reasonably permits a covered person or prospective covered person to calculate the anticipated out-of-pocket cost for out-of-network services in a geographical region or zip code based upon the difference between the amount the entity will reimburse for out-of-network services and the usual and customary cost of out-of-network services;
5. information in response to a covered person’s request, concerning whether a health care provider is an in-network provider;
6. the approximate dollar amount that the carrier will pay for a specific out-of-network service;
7. such other information as the commissioner determines appropriate and necessary to ensure that a covered person receives sufficient information necessary to estimate their out-of-pocket cost for an out-of-network service and make a well-informed health care decision; and
8. access to a telephone hotline that shall be operational 24 hours a day for consumers to call with questions about network status and out-of-pocket costs.

Carriers must also create, fund, and utilize patient engagement programs, at least one in every county, to raise product benefit
awareness and to provide product benefit education and counseling to employers and employees.

If a carrier authorizes a covered health care service to be performed by an in-network health care provider with respect to any health benefits plan, and the provider or facility status changes to out-of-network before the authorized service is performed, the carrier shall notify the covered person that the provider or facility is no longer in-network as soon as practicable. If the carrier fails to provide the notice at least 30 days prior to the authorized service being performed, the covered person’s financial responsibility shall be limited to the financial responsibility the covered person would have incurred had the provider been in-network with respect to the covered person’s health benefits plan.

A carrier must provide a written notice to each covered person of the protections provided to covered persons pursuant to the bill’s provisions. The Commissioner of Banking and Insurance is also required to provide a notice on the department’s website containing information for consumers relating to the protections provided by the bill’s provisions and information on how consumers can report and file complaints with the department or the appropriate regulatory agency relating to any out-of-network charges.

The bill also requires certain self-insured large employers to make certain disclosures. Under the bill, an “employer” means an employer with more than 50-full-time employees, or full-time equivalent employees, that provides self-insured health coverage, including but not limited to federally-regulated plans offered under the federal “Employee Retirement Income Security Act of 1974” (ERISA) or the “Labor Management Relations Act, 1947” (Taft-Hartley Act).

With respect to out-of-network services and for each health benefits plan offered, during each open enrollment period, the bill requires these employers to provide a covered person with:

1. a clear and understandable description of the plan’s out-of-network health care benefits, if offered, including the methodology used by the plan to determine reimbursement for out-of-network services;
2. examples of anticipated out-of-pocket costs for frequently billed out-of-network services;
3. information in writing and through an internet website that reasonably permits a covered person or prospective covered person to calculate the anticipated out-of-pocket cost for out-of-network services in a geographical region or zip code based upon the difference between the amount the plan will reimburse for out-of-network services and the usual and customary cost of out-of-network services;
4. access to a telephone hotline that shall be operational 24 hours a day for employees to call with questions about network status and out-of-pocket costs; and
such other information as the commissioner determines appropriate and necessary to ensure that a covered person receives sufficient information necessary to estimate their out-of-pocket cost for an out-of-network service and make a well-informed health care decision. Additionally, the bill requires the employer to provide, upon the request of the employee, the approximate dollar amount that the plan will pay for a specific out-of-network service. Employers must utilize patient engagement programs, at least once a year, during open enrollment, to raise product benefit awareness and to provide product benefit education and counseling to employees in order to prevent surprise billing to the consumer. Finally, an employer must also provide a written notice, in a form and manner to be prescribed by the commissioner, to each employee of the protections provided to employees pursuant to this bill. The bill also provides that, during any cooling-off period, including one initiated pursuant to section 2 of P.L. 1989, c.321 (C.26:2J-11.1), involving a carrier contracted with the State Health Benefits Commission, in which the carrier is unable to agree on the terms of a new contract with a general hospital, the State Health Benefits Commission shall be permitted to negotiate directly with the general hospital to continue hospital services for State employees at the general hospital. Under the bill, the commission may negotiate directly with the general hospital to provide services to State employees as a participating provider and establish reimbursement rates that will remain in effect after the expiration of the cooling-off period between the carrier and the general hospital. The carrier contracted with the commission will remain responsible for administering the agreement negotiated directly between the commission and the general hospital. If an agreement is directly negotiated between the commission and a general hospital pursuant to the bill, the commission and the carrier shall ensure that the general hospital is treated the same, as it relates to the information and benefits provided to State employees, as any other participating hospital under the plan. If the carrier agrees to new terms of a contract with the general hospital, the commission will have the option of continuing under the terms of the agreement negotiated directly between the commission and the general hospital or accepting the terms negotiated by the carrier with the general hospital.