

ASSEMBLY, No. 506

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:
Assemblyman JAY WEBBER
District 26 (Essex, Morris and Passaic)

SYNOPSIS

“Medical Philanthropy Act”; provides physicians who provide uncompensated care with \$250,000 cap on noneconomic damages in actions alleging medical malpractice.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** concerning physicians and medical malpractice liability
2 and supplementing Title 2A of the New Jersey Statutes.

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

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7 1. This act shall be known and may be cited as the “Medical
8 Philanthropy Act.”

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10 2. a. A physician licensed to practice medicine and surgery in
11 this State who provides care or treatment to at least 10 percent of
12 the physician’s patients in a calendar year without receiving any
13 compensation for that care or treatment, shall not be liable in any
14 action for noneconomic damages alleging medical malpractice
15 against that physician in an amount that exceeds \$250,000. The
16 \$250,000 limit shall apply to cases arising out of care or treatment
17 provided by the physician during the calendar year following the year
18 the uncompensated care described in this subsection was provided.

19 b. The State Board of Medical Examiners shall adopt rules and
20 regulations, pursuant to the “Administrative Procedure Act,”
21 P.L.1968, c.410 (C.52:14B-1 et seq.), that establish procedures for:

22 (1) physicians to report, document, and certify the
23 uncompensated care and treatment provided in a calendar year and
24 the total number of patients who received care and treatment from
25 the physician during that year;

26 (2) the board to verify that the reported uncompensated care and
27 treatment was provided to more than 10 percent of the physician’s
28 patients; and

29 (3) the board to notify the physician and the Department of
30 Banking and Insurance that the physician qualifies for the medical
31 malpractice insurance limit.

32 c. Upon receipt of notification pursuant to subsection b. of this
33 section, the physician may submit the notification to the physician’s
34 medical malpractice insurer and inform the insurer that the
35 physician is subject to a limit of \$250,000 in noneconomic damages
36 for the calendar year.

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38 3. This act shall take effect on January 1 next following the
39 date of enactment.

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STATEMENT

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44 This bill, which is designated the “Medical Philanthropy Act,”
45 seeks to encourage physicians to provide their professional services
46 without receiving compensation to more than 10 percent of their
47 patients. In return for the provision of uncompensated care and
48 treatment, the bill establishes a \$250,000 cap on noneconomic

1 damages for a physician's entire professional medical practice.
2 With a limited malpractice liability risk, the physician will be
3 subject to a reduced medical malpractice insurance premium.

4 Specifically, the bill provides that a physician licensed to
5 practice in this State who provides care or treatment to at least 10
6 percent of the physician's patients in a calendar year without
7 receiving any compensation for that care or treatment, shall not be
8 liable in any action for noneconomic damages alleging medical
9 malpractice against that physician in an amount that exceeds
10 \$250,000. The \$250,000 limit shall apply to cases arising out of
11 care or treatment provided by the physician during the calendar year
12 for which the physician qualifies for the \$250,000 limit.

13 The Board of Medical Examiners is directed to adopt rules and
14 regulations that establish procedures for:

15 -- physicians to report, document, and certify the uncompensated
16 care and treatment provided in a calendar year and the total number
17 of patients who received care and treatment from the physician
18 during that year;

19 -- the board to verify that the reported uncompensated care and
20 treatment was provided to more than 10 percent of the physician's
21 patients; and

22 -- the board to notify the physician and the Department of
23 Banking and Insurance that the physician qualifies for the medical
24 malpractice insurance limit.

25 Upon receipt of notification from the board, the physician may
26 submit the notification to the physician's medical malpractice
27 insurer and inform the insurer that the physician is subject to a limit
28 of \$250,000 in noneconomic damages for the calendar year.

29 The bill takes effect on January 1 next following the date of
30 enactment.