

ASSEMBLY, No. 3523

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED FEBRUARY 25, 2020

Sponsored by:

Assemblywoman VALERIE VAINIERI HUTTLE

District 37 (Bergen)

SYNOPSIS

Requires health insurance carriers to comply with certain network adequacy requirements.

CURRENT VERSION OF TEXT

As introduced.



1 **AN ACT** concerning health insurance carrier network adequacy and
2 supplementing P.L.1997, c.192 (C.26:2S-1 et al.).

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6
7 1. Pursuant to section 19 of P.L.1997, c.192 (C.26:2S-18), the
8 commissioner shall only approve the network adequacy of a managed
9 care plan if the following requirements are met:

10 a. The carrier has demonstrated that the provider network or, in
11 the case of a tiered network, the preferred tier of the tiered network,
12 meets all requirements for network adequacy. The commissioner
13 shall not approve any provider network or tiered network on a
14 conditional or prospective basis.

15 b. In the case of a managed care plan that provides a tiered
16 network, the preferred tier of the tiered network shall separately meet
17 all requirements for network adequacy.

18 c. Each health care provider that is used to meet network
19 adequacy requirements shall be in the carrier's network or, in the case
20 of a tiered network, in the same tier of the tiered network, for all
21 covered services provided by that provider.

22 d. As used in this section:

23 "Health care provider" means an individual or entity which, acting
24 within the scope of its licensure or certification, provides a covered
25 service defined by the health benefits plan. Health care provider
26 includes, but is not limited to, a physician and other health care
27 professionals licensed pursuant to Title 45 of the Revised Statutes,
28 and a hospital and other health care facilities licensed pursuant to
29 Title 26 of the Revised Statutes.

30 "Network adequacy" means the adequacy of the provider network
31 with respect to the scope and type of health care benefits provided by
32 the carrier, the geographic service area covered by the provider
33 network, and access to medical specialists pursuant to the standards
34 in the regulations promulgated pursuant to section 19 of P.L.1997,
35 c.192 (C.26:2S-18).

36 "Preferred tier" means the level or tier of a tiered network that
37 provides the level of cost sharing that is most favorable to a covered
38 person under that managed care plan.

39 "Tiered network" means a managed care plan provider network
40 with more than one level or tier of in-network benefits, based on
41 different levels of reimbursement and cost sharing accepted by the
42 health care providers in that network.

43
44 2. This act shall take effect immediately.

STATEMENT

This bill requires health insurance carriers to comply with certain network adequacy requirements.

The bill prohibits the Commissioner of Banking and Insurance from issuing conditional approval of provider network adequacy. The bill provides that in the case of a carrier seeking approval for a tiered network, the preferred tier of the network must separately meet all requirements for provider network adequacy.

The bill also provides that each health care provider that is used to meet provider network adequacy requirements shall be in the carrier's network or, in the case of a tiered network, in the same tier of the tiered network, for all covered services provided by that provider.

Under the bill, "tiered network" means a managed care plan provider network with more than one level or tier of in-network benefits, based on different levels of reimbursement and cost sharing accepted by the health care providers in that network. "Network adequacy" means the adequacy of the provider network with respect to the scope and type of health care benefits provided by the carrier, the geographic service area covered by the provider network, and access to medical specialists pursuant to the standards in the regulations promulgated pursuant to section 19 of P.L.1997, c.192 (C.26:2S-18).