

ASSEMBLY, No. 3627

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED MARCH 5, 2020

Sponsored by:

Assemblywoman AURA K. DUNN

District 25 (Morris and Somerset)

Assemblywoman VALERIE VAINIERI HUTTLE

District 37 (Bergen)

SYNOPSIS

Requires cost disclosures by health care providers under certain circumstances; applies certain restrictions to charges for medical supplies.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 3/5/2020)

1 **AN ACT** concerning certain health care costs and supplementing
2 Title 26 of the Revised Statutes.

3

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

6

7 1. As used in this act:

8 “Health benefits plan” means a benefits plan which pays or
9 provides hospital and medical expenses or dental benefits for
10 covered services.

11 “Health care facility” means a hospital or other health care
12 facility licensed pursuant to P.L.1971, c.136 (C.26:2H-1 et seq.).

13 “Health care professional” means a person licensed or otherwise
14 authorized to practice in a health care profession pursuant to Title
15 45 or Title 52 of the Revised Statutes.

16 “Health care service” means any service for the diagnosis
17 prevention, treatment, cure, or relief of a health condition, illness,
18 injury, or disease, except for services related to the treatment of an
19 emergency medical condition.

20 “Medical supplies” means items or equipment used for a course
21 of medical treatment.

22

23 2. a. A health care facility shall not bill, charge, or attempt to
24 collect any amount from a person for any health care service
25 provided while the person is hospitalized or treated at the health
26 care facility unless the health care facility, prior to providing the
27 health care service, has disclosed in writing to the person:

28 (1) a description of the health care service;

29 (2) the anticipated total costs to be charged by that facility for
30 the service and related medical supplies before any applicable
31 contractual adjustment pursuant to coverage under a health benefits
32 plan is applied;

33 (3) an explanation of the unusual circumstances or medical
34 complications which may cause the actual costs to exceed the
35 anticipated total costs; and

36 (4) for persons covered under a health benefits plan, a notice
37 that the person may contact the plan for information about any
38 applicable coverage that may affect the person’s actual payment for
39 the costs of the health care service and related medical supplies.

40 b. A health care facility shall not bill, charge, or attempt to
41 collect any amount from a person for any medical supplies in excess
42 of the amount originally paid by the health care facility for the
43 medical supplies.

44 c. A health care facility that fails to comply with this section
45 shall be liable for action by the Department of Health pursuant to
46 section 13 of P.L.1971, c.136 (C.26:2H-13).

47 d. The Commissioner of Health shall adopt, pursuant to the
48 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et

1 seq.), rules and regulations necessary to effectuate the purposes of
2 this section, including the manner in which the disclosures required
3 by subsection a. of this section shall be provided.

4
5 3. a. A health care professional shall not bill, charge, or
6 attempt to collect any amount from a person for any health care
7 service unless the health care professional, prior to providing the
8 health care service, has disclosed in writing to the person:

9 (1) a description of the health care service;

10 (2) the anticipated total costs to be charged by that health care
11 professional for the service and related medical supplies before any
12 applicable contractual adjustment pursuant to coverage under a
13 health benefits plan is applied;

14 (3) an explanation of the unusual circumstances or medical
15 complications which may cause the actual costs to exceed the
16 anticipated total costs; and

17 (4) for persons covered under a health benefits plan, a notice
18 that the person may contact the plan for information about any
19 applicable coverage that may affect the person's actual payment for
20 the costs of the health care services and related medical supplies.

21 b. A health care professional shall not bill, charge, or attempt
22 to collect any amount from a person for any medical supplies in
23 excess of the amount originally paid by the health care professional
24 for the medical supplies.

25 c. A health care professional who fails to comply with this
26 section shall be liable for action by the licensing board that governs
27 the licensing of that health care profession.

28 d. The Director of the Division of Consumer Affairs, in
29 consultation with appropriate licensing boards, shall pursuant to the
30 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
31 seq.), adopt rules and regulations necessary to effectuate the
32 purposes of this section, including the manner in which the
33 disclosures required by subsection a. of this section shall be
34 provided.

35
36 4. This act shall take effect on the 90th day next following
37 enactment but the Commissioner of Health and the Director of the
38 Division of Consumer Affairs may take such anticipatory
39 administrative action in advance thereof as shall be necessary for
40 the implementation of this act.

41 42 43 STATEMENT

44
45 This bill prohibits health care facilities and health care
46 professionals from charging any amount for: (1) a health care
47 service unless certain disclosures have been provided to the health
48 care consumer prior to providing the service; and (2) medical

1 supplies in excess of the amount originally paid by the facility or
2 professional for the supplies.

3 The bill provides that a health care facility and a health care
4 professional must disclose in writing to the person to be treated,
5 prior to providing a non-emergency health care service:

6 (1) a description of the health care service;

7 (2) the anticipated total costs to be charged for the service and
8 related medical supplies before any applicable contractual
9 adjustment pursuant to coverage under a health benefits plan is
10 applied;

11 (3) an explanation of the unusual circumstances or medical
12 complications which may cause the actual costs to exceed the
13 anticipated total costs; and

14 (4) for persons covered under a health benefits plan, a notice
15 that the person may contact the plan for information about any
16 applicable coverage that may affect the person's actual payment for
17 the costs of the health care service and related medical supplies.

18 A health care facility or health care professional that fails to
19 make the disclosure is prohibited from billing, charging, or
20 attempting to collect any amount for the service.

21 The bill also provides that health care facilities and health care
22 professionals shall not bill, charge, or attempt to collect any amount
23 from a person for any medical supplies in excess of the amount
24 originally paid by the facility or professional for the medical
25 supplies.

26 A health care facility that fails to comply with the bill's
27 provisions is liable for action by the Department of Health. A health
28 care professional who fails to comply with the bill's provisions is
29 liable for action by the licensing board that governs the licensing of
30 that health care profession.

31 Finally, the bill provides that the Commissioner of Health and
32 the Director of the Division of Consumer Affairs shall, as to health
33 care facilities and health care professionals, respectively, adopt
34 rules and regulations necessary to effectuate the purposes of the
35 bill, pursuant to the "Administrative Procedure Act," P.L.1968,
36 c.410 (C.52:14B-1 et seq.).