

ASSEMBLY, No. 3817

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED MARCH 16, 2020

Sponsored by:

Assemblyman GARY S. SCHAER

District 36 (Bergen and Passaic)

Assemblywoman VERLINA REYNOLDS-JACKSON

District 15 (Hunterdon and Mercer)

SYNOPSIS

Requires health care provider participating in carrier network to give notice to covered person of provider's referral to out-of-network provider.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 7/16/2020)

1 AN ACT concerning certain notifications under managed care plans
2 providing out-of-network benefits, and supplementing P.L.1997,
3 c.192 (C.26:2S-1 et al.).
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:
7

8 1. a. Any health care provider participating in a carrier's
9 network of providers under a managed care plan that provides for
10 both in-network and out-of-network benefits, other than a point-of-
11 service plan as set forth in section 10 of P.L.1997, c.192 (C.26:2S-
12 10), shall, at the time of offering a covered person a referral to
13 another health care provider in accordance with the terms of the
14 managed care plan, present to that covered person a written notice
15 concerning the referral, whenever that referral is to any out-of-
16 network provider.

17 b. The written notice provided by the health care provider for
18 the out-of-network referral shall include:

19 (1) a disclosure, prepared by the health care provider, that is
20 consistent with the provisions of section 4 of P.L.1997, c.192
21 (C.26:2S-4), explaining the financial responsibility of the covered
22 person concerning any applicable deductibles, copayments, and
23 coinsurance for the receipt of out-of-network health care services,
24 and include a comparison with the covered person's financial
25 responsibility for receipt of services in-network; and

26 (2) a list, prepared by the health care provider, of in-network
27 health care providers, if any, that are available to the covered person
28 within a reasonable geographic area that provide the same health
29 care service or range of services as the out-of-network provider to
30 which the provider is referring the covered person.
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32 2. This act shall take effect on the first day of the fourth month
33 next following enactment.
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35

36 STATEMENT 37

38 This bill requires a health care provider, under a managed care
39 plan that provide for both in-network and out-of-network benefits,
40 to give written notice to a covered person whenever that provider
41 refers the covered person to any out-of-network provider. Under
42 the bill, which supplements the "Health Care Quality Act,"
43 P.L.1997, c.192 (C.26:2S-1 et al.), a "health care provider"
44 includes, but is not limited to, any physician or other health care
45 professional licensed pursuant to Title 45 of the Revised Statutes, or
46 any hospital or other health care facility licensed pursuant to Title
47 26 of the Revised Statutes.

1 The written notice by the health care provider to the covered
2 person for the out-of-network referral shall include: (1) a disclosure
3 explaining the financial responsibility of the covered person
4 concerning any applicable deductibles, copayments, and
5 coinsurance for the receipt of out-of-network health care services,
6 and include a comparison with the covered person's financial
7 responsibility for receipt of services in-network; and (2) a list of in-
8 network health care providers, if any, that are available to the
9 covered person within a reasonable geographic area that provide the
10 same health care service or range of services as the out-of-network
11 provider to which the provider is referring the covered person.

12 This written notice requirement as to out-of-network providers
13 shall not apply to health care providers when providing services to
14 covered persons under a point-of-service plan, as set forth under
15 section 10 of P.L.1997, c.192 (C.26:2S-10), as a point-of-service
16 plan does not require any form of referral or prior authorization in
17 order for a covered person to access an out-of-network provider.