

ASSEMBLY FINANCIAL INSTITUTIONS AND INSURANCE
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3817

STATE OF NEW JERSEY

DATED: JULY 9, 2020

The Assembly Financial Institutions and Insurance Committee reports favorably Assembly Bill No. 3817.

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

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

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