ASSEMBLY, No. 4082

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED MAY 7, 2020

Sponsored by:
Assemblyman RONALD S. DANCER
District 12 (Burlington, Middlesex, Monmouth and Ocean)

SYNOPSIS

Requires DOBI to develop system to require carriers to consult with health care providers on tiered network managed care plans.

CURRENT VERSION OF TEXT

As introduced.

AN ACT concerning tiered health insurance networks and supplementing P.L.1997, c.192 (C26:2S-1 et seq.).

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

1. a. The Commissioner of Banking and Insurance shall develop and maintain a tiered network review system to ensure that a carrier that offers a managed care plan that provides for in-network benefits and for a tiered network shall, prior to offering that plan, consults with health care providers regarding the selection standards used for tier placement in accordance with the provisions of this act.

b. As part of the tiered network review system:

(1) The commissioner, in consultation with appropriately qualified health care providers, representatives of the New Jersey Hospital Association, representatives of the New Jersey Medical Society, and members of the public with knowledge and expertise in the provision of health care services, shall arrange for and facilitate panels of health care providers and members of the public, to review and provide comments to the carrier on the carrier's proposed selection standards for placement of health care providers in a tier, for each plan that a carrier proposes to offer. The panels shall be composed, conduct their reviews, and provide comments to carriers in a manner to be determined by the commissioner.

(2) For the purposes of allowing and accepting comments on selection standards pursuant to paragraph (1) of this subsection, the carrier shall disclose in writing to the commissioner any relevant information regarding the selection standards that the carrier proposes to use for placement of health care providers in tiers, for each plan that the carrier proposes to offer, which shall include a description of:

(a) the factors that the carrier will consider in determining in which tier a health care provider is placed;

(b) the objective standards on which the factors are based;

(c) the formulas or methods that the carrier will use to determine the weight given to each factor;

(d) any quality of performance, cost-efficiency measurements, or other performance measurements used to determine the factors;

(e) any limitations on the data, methodology, or performance measures used to determine the factors; and

(f) the projected impact of the selection standards on network adequacy standards applicable to carriers as required by section 19 of P.L.1997, c.192 (C.26:2S-18) and implementing regulations.

(3) The carrier shall make the disclosures to the commissioner pursuant to subsection (2) of this subsection in a manner and in a time frame to be determined by the commissioner, but in no event less than 120 days prior to the carrier's offering of the plan.

c. For the purposes of this section, "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 the network.

d. If any person violates any provision of this act, the Commissioner of Banking and Insurance shall have the authority to assess penalties and take any other action provided for in section 16 of P.L.1997, c.192 (C.26:2S-16).

2. This act shall take effect on the 90th day after enactment and shall apply to all managed care plans that provide for in-network benefits and for a tiered network that are delivered, issued, executed or renewed, or approved for issuance or renewal in this State, on or after the effective date, but the commissioner may take anticipatory administrative action in advance thereof as shall be necessary for the implementation of the act.

STATEMENT

This bill supplements the "Health Care Quality Act," to require the Commissioner of Banking and Insurance to develop and maintain a tiered network review system to ensure that a carrier that offers a managed care plan that provides for in-network benefits and for a tiered network shall, prior to offering the plan, consult with health care providers regarding the selection standards used for tier placement in accordance with the provisions of the bill.

The bill requires that as part of the tiered network review system the commissioner, in consultation with appropriately qualified health care providers, representatives of the New Jersey Hospital Association, representatives of the New Jersey Medical Society, and members of the public with knowledge and expertise in the provision of health care services, shall arrange for and facilitate panels of health care providers and members of the public to review and provide comments to the carrier on the carrier's proposed selection standards for placement of health care providers in tiers, for each plan that a carrier proposes to offer. The panels shall be composed, conduct their reviews, and provide comments to carriers in a manner to be determined by the commissioner.

The bill also provides that, for the purposes of allowing and accepting comments on selection, the carrier shall disclose in writing to the commissioner any relevant information regarding the selection standards that the carrier proposes to use for placement of health care providers in tiers, for each plan that the carrier proposes to offer, including a description of:

- the factors that the carrier will consider in determining in which tier a health care provider is placed;

- the objective standards that the factors are based on;
- the formulas or methods that the carrier will use to determine the weight given to each factor;
- any quality of performance, cost-efficiency measurements, or other performance measurements used to determine the factors;
- any limitations on the data, methodology, or performance measures used to determine the factors; and
- the projected impact of the selection standards on network adequacy standards applicable to carriers as required by section 19 of P.L.1997, c.192 (C.26:2S-18) and implementing regulations.

The bill further provides that the carrier shall make the disclosures to the commissioner in a manner and in a time frame to be determined by the commissioner, but in no event less than 120 days prior to the carrier's offering of the plan.

For the purposes of this 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 the network.

Finally, the bill provides that if any person violates any provision of the bill, the Commissioner of Banking and Insurance shall have the authority to assess penalties and take any other action provided for in the "Health Care Quality Act," at section 16 of P.L.1997, c.192 (C.26:2S-16).