

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.



1 AN ACT concerning tiered health insurance networks and
2 supplementing P.L.1997, c.192 (C26:2S-1 et seq.).
3

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

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

14 b. As part of the tiered network review system:

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

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

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

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

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

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

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

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

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

1 c. For the purposes of this section, “tiered network” means a
2 managed care plan provider network with more than one level or
3 tier of in-network benefits, based on different levels of
4 reimbursement and cost sharing accepted by the health care
5 providers in the network.

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

10
11 2. This act shall take effect on the 90th day after enactment and
12 shall apply to all managed care plans that provide for in-network
13 benefits and for a tiered network that are delivered, issued, executed
14 or renewed, or approved for issuance or renewal in this State, on or
15 after the effective date, but the commissioner may take anticipatory
16 administrative action in advance thereof as shall be necessary for
17 the implementation of the act.

18 19 20 STATEMENT

21
22 This bill supplements the “Health Care Quality Act,” to require
23 the Commissioner of Banking and Insurance to develop and
24 maintain a tiered network review system to ensure that a carrier that
25 offers a managed care plan that provides for in-network benefits
26 and for a tiered network shall, prior to offering the plan, consult
27 with health care providers regarding the selection standards used for
28 tier placement in accordance with the provisions of the bill.

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

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

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

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

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

17 For the purposes of this bill, "tiered network" means a managed
18 care plan provider network with more than one level or tier of in-
19 network benefits, based on different levels of reimbursement and
20 cost sharing accepted by the health care providers in the network.

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