

ASSEMBLY, No. 4207

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED JUNE 1, 2020

Sponsored by:

Assemblyman ROBERT J. KARABINCHAK

District 18 (Middlesex)

SYNOPSIS

Concerns standards for non-renewal or termination of certain health care professionals from insurance carrier's provider network.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning health care provider networks and amending
2 P.L.1997, c.192.

3

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

6

7 1. Section 8 of P.L.1997,c.192 (C.26:2S-8) is amended to read
8 as follows:

9 8. A carrier which offers a managed care plan shall establish a
10 policy governing removal of health care providers from the provider
11 network which includes the following:

12 a. The carrier shall inform a participating health care provider
13 of the carrier's removal policy at the time the carrier contracts with
14 the health care provider to participate in the provider network, and
15 at each renewal thereof.

16 b. **【If】** Except as otherwise provided in subsection d. of this
17 section, if a licensed health care professional's participation will be
18 terminated prior to the date of the termination of the contract, the
19 carrier shall provide the health care professional with 90 days'
20 written notice of the termination and notice of a right to a hearing.
21 If requested by the health care professional, the carrier shall
22 provide the reasons for the termination in writing, and shall hold a
23 hearing within 30 days of the date of the request. The hearing shall
24 be conducted by a panel appointed by the carrier, which panel shall
25 be comprised of a minimum of three persons, at least one of whom
26 is a clinical peer in the same discipline and the same or similar
27 specialty as the health care professional being reviewed. The panel
28 shall make a decision that: (1) the health care professional shall be
29 terminated, or (2) the health care professional shall be reinstated or
30 provisionally reinstated, subject to conditions set forth by the panel.
31 The panel's determination shall be in writing and shall be made in a
32 timely manner. Participation in this process shall not be deemed to
33 be an abrogation of the health care professional's legal rights.

34 The notice required and opportunity for a hearing pursuant to
35 this subsection shall not apply in those cases when the contract
36 expires and is not renewed, the termination is for breach of contract,
37 in the opinion of the medical director, the health care professional
38 represents an imminent danger to an individual patient or the public
39 health, safety or welfare, or there is a determination of fraud.

40 c. If the carrier finds that a health care professional represents
41 an imminent danger to an individual patient or to the public health,
42 safety or welfare, the medical director shall promptly notify the
43 appropriate professional State licensing board. **【Notification to the**
44 **State Board of Medical Examiners shall be subject to the provisions**
45 **of section 5 of P.L.1989, c.300 (C.45:9-19.5).】**

EXPLANATION – Matter enclosed in bold-faced brackets **【thus】 in the above bill is not enacted and is intended to be omitted in the law.**

Matter underlined thus is new matter.

(cf: P.L.1997, c.192, s.8.)

2. (New section) The Commissioner of Banking and Insurance shall adopt regulations within 180 days of the date of enactment of this act, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), necessary to carry out the purposes of this act, which shall include standards for what constitutes good cause for non-renewal or termination of a licensed health care professional.

3. This act shall take effect on the 90th day next following enactment.

STATEMENT

This bill requires carriers which offer managed care plans to establish a policy governing removal of health care providers from the provider network that provides, if a licensed health care professional has been participating in the carrier's provider network for five years or longer, the carrier may not fail to renew or terminate the professional's contract, unless the carrier:

(1) provides the health care professional and the commissioner with written notice of the non-renewal or termination one year prior to the effective date of the non-renewal or termination, which documents the cause for the professional's non-renewal or termination; and

(2) the commissioner finds that the non-renewal or termination is with good cause.

The bill requires the Commissioner of Banking and Insurance to adopt regulations within 180 days of the date of enactment of this act, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), necessary to carry out the purposes of the bill, which are to include standards for what constitutes good cause for non-renewal or termination of a licensed health care professional.