

ASSEMBLY, No. 4688

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED SEPTEMBER 21, 2020

Sponsored by:

Assemblyman DANIEL R. BENSON

District 14 (Mercer and Middlesex)

Assemblyman ANTHONY S. VERRELLI

District 15 (Hunterdon and Mercer)

Assemblywoman VALERIE VAINIERI HUTTLE

District 37 (Bergen)

Co-Sponsored by:

Assemblyman Johnson, Assemblywomen Reynolds-Jackson, Dunn and Lampitt

SYNOPSIS

Codifies and establishes certain network adequacy standards for pediatric primary and specialty care in Medicaid program.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/1/2021)

1 AN ACT concerning network adequacy of pediatric providers in the
2 Medicaid program and supplementing P.L.1997, c.192 (C.26:2S-
3 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. Pursuant to section 19 of P.L.1997, c.192 (C.26:2S-18),
9 the commissioner shall only approve the network adequacy of a
10 managed care plan provided by a managed care organization
11 contracted with the Division of Medical Assistance and Health
12 Services in the Department of Human Services to provide benefits
13 under Medicaid if the plan has:

14 (1) a sufficient number of pediatric primary care physicians
15 (PCPs) to assure that:

16 (a) at least two physicians eligible as PCPs are within five miles
17 or 10 minutes driving time or public transit time, whichever is less,
18 of 90 percent of the managed care plan's pediatric enrollees who
19 live in urban counties;

20 (b) at least two physicians eligible as PCPs are within 10 miles
21 or 15 minutes driving time or public transit time, whichever is less,
22 of 90 percent of the managed care plan's pediatric enrollees who
23 live in non-urban counties; and

24 (c) 100 percent of all pediatric enrollees live no more than 30
25 minutes from at least one physician eligible as a PCP;

26 (2) a sufficient number of pediatric medical specialists to assure:

27 (a) access within 15 miles or 30 minutes driving time or public
28 transit time, whichever is less, of 90 percent of the managed care
29 plan's pediatric enrollees who live in urban counties; and

30 (b) access within 40 miles or 60 minutes driving time or public
31 transit time, whichever is less, of 90 percent of the managed care
32 plan's pediatric enrollees who live in non-urban counties;

33 (3) a sufficient number of pediatric oncologists and
34 developmental and behavioral pediatricians to assure:

35 (a) access within 10 miles or 20 minutes driving time or public
36 transit time, whichever is less, of 90 percent of the managed care
37 plan's pediatric enrollees who live in urban counties; and

38 (b) access within 30 miles or 45 minutes driving time or public
39 transit time, whichever is less, of 90 percent of the managed care
40 plan's pediatric enrollees who live in non-urban counties; and

41 (4) the following types of pediatric medical specialties
42 represented within the plan's network: adolescent medicine; allergy
43 and immunology; cardiology; developmental and behavioral
44 pediatrics; emergency medicine; endocrinology and diabetes;
45 gastroenterology and nutrition; general pediatrics; general pediatrics
46 – dermatology; hematology; human genetics and metabolism;
47 infectious disease; neonatology; nephrology; neurology; oncology;
48 ophthalmology; orthopaedics; otolaryngology; plastic surgery;

1 pulmonary medicine, including sleep medicine; radiology;
2 rehabilitative medicine; and rheumatology.

3 b. A managed care organization that violates any provision of
4 this act shall be liable for penalties described under section 16 of
5 P.L.2018, c. 32 (C. 26:2S-16).

6 c. For the purposes of this section:

7 "Medicaid" means the program established pursuant to P.L.1968,
8 c.413 (C.30:4D-1 et seq.).

9 "Network adequacy" means the adequacy the provider network
10 with respect to the scope and type of health care benefits provided
11 by the managed care plan, the geographic service area covered by
12 the provider network, and access to medical specialists pursuant to
13 the standards in the regulations promulgated pursuant to section 19
14 of P.L.1997, c.192 (C.26:2S-18) and in the existing contract
15 between a managed care organization and the Division of Medical
16 Assistance and Health Services in the Department of Human
17 Services.

18 "Non-urban county" shall mean: Hunterdon, Morris, Somerset,
19 Sussex, Warren, Atlantic, Cape May, Cumberland, Gloucester, and
20 Salem counties.

21 "Urban county" shall mean: Bergen, Hudson, and Passaic, Essex,
22 Union, Middlesex, Mercer, Burlington, Camden, Monmouth and
23 Ocean counties
24

25 2. The Commissioner of Banking and Insurance, in conjunction
26 with the Commissioner of Human Services, shall adopt rules and
27 regulations pursuant to the "Administrative Procedure Act,"
28 P.L.1968, c.410 (C.52:14B-1 et seq.) to effectuate the purposes of
29 this act.
30

31 3. This act shall take effect on the first day of the third month
32 following enactment, except that the Commissioner of Banking and
33 Insurance, in conjunction with the Commissioner of Human
34 Services, may take such anticipatory administrative action in
35 advance thereof as shall be necessary for the implementation of this
36 act.
37

38 STATEMENT

39
40 This bill codifies and establishes certain network adequacy
41 standards for pediatric primary and specialty care in the Medicaid
42 program. The bill defines network adequacy to mean the adequacy of
43 the provider network with respect to the scope and type of health care
44 benefits provided by the managed care plan, the geographic service
45 area covered by the provider network, and access to medical
46 specialists pursuant to the standards in the regulations promulgated
47 pursuant to section 19 of P.L.1997, c.192 (C.26:2S-18) and in the
48

1 existing contract between a managed care organization (MCO) and the
2 Division of Medical Assistance and Health Services (DMAHS) in the
3 Department of Human Services (DHS).

4 Currently, pursuant to the contract between Medicaid MCOs and
5 the DMAHS, all MCO networks are required to ensure that 90 percent
6 of the enrollees must be within six miles of two primary care
7 physicians (PCPs) in urban counties, and that 85 percent of enrollees
8 must be within 15 miles of two PCPs in non-urban counties. Under
9 the contract, no enrollee is to be more than 30 minutes from a PCP.

10 The existing network adequacy requirements for medical
11 specialists are outlined under State regulation at N.J.A.C.11:24-6 et
12 seq. Specifically, all Medicaid MCO networks are required to ensure
13 that 90 percent of enrollees must be within 60 minutes or 45 miles of
14 each type of medical specialist.

15 This bill enhances these existing network adequacy standards for
16 pediatric primary and specialty care in the Medicaid program by
17 incorporating certain federal network adequacy standards for the
18 Medicare Advantage program. It is the sponsor's intent that this bill
19 will improve the access to care for children within the Medicaid
20 program.

21 Under the bill, the Commissioner of Banking and Insurance,
22 pursuant to section 19 of P.L.1997, c.192 (C.26:2S-18), is required to
23 only approve the network adequacy of a managed care plan provided
24 by a MCO contracted with the DMAHS to provide benefits under
25 Medicaid if the plan has:

26 1) a sufficient number of pediatric PCPs to assure that: (a) at
27 least two physicians eligible as PCPs are within five miles or 10
28 minutes driving time or public transit time, whichever is less, of 90
29 percent of the managed care plan's pediatric enrollees who live in
30 urban counties; (b) at least two physicians eligible as PCPs are
31 within 10 miles or 15 minutes driving time or public transit time,
32 whichever is less, of 90 percent of the managed care plan's
33 pediatric enrollees who live in non-urban counties; and (c)
34 100 percent of all pediatric enrollees live no more than 30
35 minutes from at least one physician eligible as a PCP;

36 (2) a sufficient number of pediatric medical specialists to assure:
37 (a) access within 15 miles or 30 minutes driving time or public
38 transit time, whichever is less, of 90 percent of the managed care
39 plan's pediatric enrollees who live in urban counties; and (b) access
40 within 40 miles or 60 minutes driving time or public transit time,
41 whichever is less, of 90 percent of the managed care plan's
42 pediatric enrollees who live in non-urban counties;

43 (3) a sufficient number of pediatric oncologists and
44 developmental and behavioral pediatricians to assure: (a) access
45 within 10 miles or 20 minutes driving time or public transit time,
46 whichever is less, of 90 percent of the managed care plan's
47 pediatric enrollees who live in urban counties; and (b) access within
48 30 miles or 45 minutes driving time or public transit time,

1 whichever is less, of 90 percent of the managed care plan's
2 pediatric enrollees who live in non-urban counties; and

3 (4) the following types of pediatric medical specialties
4 represented within the plan's network: adolescent medicine; allergy
5 and immunology; cardiology; developmental and behavioral
6 pediatrics; emergency medicine; endocrinology and diabetes;
7 gastroenterology and nutrition; general pediatrics; general pediatrics
8 – dermatology; hematology; human genetics and metabolism;
9 infectious disease; neonatology; nephrology; neurology; oncology;
10 ophthalmology; orthopaedics; otolaryngology; plastic surgery;
11 pulmonary medicine, including sleep medicine; radiology;
12 rehabilitative medicine; and rheumatology.

13 Under the bill, "urban county" means: Bergen, Hudson, and
14 Passaic, Essex, Union, Middlesex, Mercer, Burlington, Camden,
15 Monmouth and Ocean counties. "Non-urban county" means:
16 Hunterdon, Morris, Somerset, Sussex, Warren, Atlantic, Cape May,
17 Cumberland, Gloucester, and Salem counties. These definitions
18 reflect the definitions in the existing MCO contract.

19 Any MCO that violates any provision of the bill is liable for
20 penalties described under section 16 of P.L.2018, c. 32 (C.26:2S-
21 16). These penalties include a civil penalty of not less than \$250
22 and not greater than \$10,000 for each day that the MCO is in
23 violation of the bill if reasonable notice in writing is given of the
24 intent to levy the penalty and, at the discretion of the commissioner,
25 the MCO has 30 days, or such additional time as the commissioner
26 shall determine to be reasonable, to remedy the condition which
27 gave rise to the violation, and fails to do so within the time allowed.
28 The Commissioner of Banking and Insurance may also issue an
29 order directing a MCO to cease and desist from engaging in any act
30 or practice in violation of the provisions of the bill.

31 The bill is to take effect on the first day of the third month
32 following enactment, except that the Commissioner of Banking and
33 Insurance, in conjunction with the Commissioner of Human
34 Services, may take such anticipatory administrative action in
35 advance thereof as shall be necessary for the implementation of the
36 bill.