

# ASSEMBLY, No. 5466

## STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED MARCH 15, 2021

**Sponsored by:**

**Assemblyman HERB CONAWAY, JR.**

**District 7 (Burlington)**

**Assemblyman ANTHONY S. VERRELLI**

**District 15 (Hunterdon and Mercer)**

**SYNOPSIS**

Requires health benefits plans and carriers to meet certain requirements concerning network adequacy.

**CURRENT VERSION OF TEXT**

As introduced.



(Sponsorship Updated As Of: 3/15/2021)

1 AN ACT concerning network adequacy and supplementing  
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. As used in this act:

8 "Carrier" means an insurance company, health service  
9 corporation, hospital service corporation, medical service  
10 corporation, or health maintenance organization authorized to issue  
11 health benefits plans in this State, and shall include the State Health  
12 Benefits Program, the School Employees' Health Benefits Program,  
13 the Medicaid program, and a Medicaid managed care organization.

14 "Covered person" means a person on whose behalf a carrier  
15 offering the plan is obligated to pay benefits or provide services  
16 pursuant to the health benefits plan.

17 "Health benefits plan" means a benefits plan which pays or  
18 provides hospital and medical expense benefits for covered  
19 services, and is delivered or issued for delivery in this State by or  
20 through a carrier. Health benefits plan includes, but is not limited  
21 to, Medicare supplement coverage and risk contracts to the extent  
22 not otherwise prohibited by federal law. For the purposes of this  
23 act, health benefits plan shall not include the following plans,  
24 policies, or contracts: accident only, credit, disability, long-term  
25 care, CHAMPUS supplement coverage, coverage arising out of a  
26 workers' compensation or similar law, automobile medical payment  
27 insurance, personal injury protection insurance issued pursuant to  
28 P.L.1972, c.70 (C.39:6A-1 et seq.), or hospital confinement  
29 indemnity coverage.

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

32 "Network adequacy" means the adequacy of the provider  
33 network with respect to the scope and type of health care benefits  
34 provided by a carrier, the geographic service area covered by the  
35 provider network, and access to hospital based and medical  
36 specialists pursuant to the standards in the regulations promulgated  
37 pursuant to section 19 of P.L.1997, c.192 (C.26:2S-18) and in the  
38 existing contract between a managed care organization and the  
39 Division of Medical Assistance and Health Services in the  
40 Department of Human Services.

41 "Primary care provider" means a physician with a specialty  
42 designation of family medicine, general internal medicine, geriatric  
43 medicine, or general pediatric medicine.

44

45 2. a. The Commissioner of Banking and Insurance or the  
46 Commissioner of Human Services, as appropriate, shall, in  
47 determining the adequacy of a proposed provider network or the

1 ongoing adequacy of an in force provider network, approve a  
2 network for a health benefits plan only if the plan has:

3 (1) a sufficient number of providers, including, but not limited  
4 to, hospital based medical specialties and primary care physicians,  
5 to ensure that:

6 (a) 100 percent of the covered persons reside no more than a 30  
7 minute drive from at least one physician within the geographic  
8 boundaries of the State that is eligible as a primary care physician;  
9 and

10 (b) 90 percent of the covered persons have access to in network  
11 medical care within 15 miles or 30 minutes driving time or public  
12 transit time within the geographic boundaries of the State;

13 (2) a sufficient number of hospital based medical specialties  
14 located at in network hospitals and facilities, including, but not  
15 limited to, radiologists, pathologists, neurosurgeons,  
16 anesthesiologists, and emergency room physicians, within the  
17 geographic boundaries of the State; and

18 (3) the following types of adult and pediatric medical  
19 specialties represented within the plan's network: family medicine;  
20 general internal medicine; adolescent medicine; allergy and  
21 immunology; cardiology; developmental and behavioral pediatrics;  
22 emergency medicine; endocrinology and diabetes; gastroenterology  
23 and nutrition; general pediatrics; general pediatrics; dermatology;  
24 hematology; human genetics and metabolism; infectious disease;  
25 neonatology; nephrology; neurology; obstetrics and gynecology,  
26 oncology; ophthalmology; orthopedics; otolaryngology; plastic  
27 surgery; podiatric medicine; pulmonary medicine, including sleep  
28 medicine; radiology; oncologists; psychiatrists; developmental and  
29 behavioral professionals; rehabilitative medicine; and  
30 rheumatology.

31 b. An entity providing or administering a self-funded health  
32 benefits plan which is subject to the "Employee Retirement Income  
33 Security Act of 1974" (29 U.S.C. s.1001 et seq.) may elect to meet  
34 the requirements of this act.

35  
36 3. a. The Commissioner of Banking and Insurance or the  
37 Commissioner of Human Services, as appropriate, shall investigate  
38 and determine whether a carrier has contracted with a sufficient  
39 number of health care providers to ensure that a health benefits  
40 plan's network:

41 (1) is adequate to meet the health needs of covered persons;

42 (2) provides an appropriate choice of providers sufficient to  
43 render services covered by the health benefits plan; and

44 (3) reasonably ensures enrollees have timely in-network access  
45 for covered benefits and in network facilities.

46 b. A carrier shall submit a network access plan annually to the  
47 Commissioner of Banking and Insurance or the Commissioner of  
48 Human Services, as appropriate, with information documenting

1 compliance with this act, including, for each in-network hospital,  
2 the percentage of physicians participating in network for each of the  
3 specialties of emergency medicine; anesthesiology; radiology and  
4 radiation oncology; oncology and pediatric oncology; pathology;  
5 and hospital based medicine, including critical care, to ensure that  
6 enrollees have reasonable and timely access to in network  
7 physicians services. The network access plan shall not include  
8 services provided by telemedicine. The Commissioner of Banking  
9 and Insurance or the Commissioner of Human Services, as  
10 appropriate, shall provide the network access plans to the  
11 Legislature annually.

12

13 4. A carrier that violates any provision of this act shall be liable  
14 for the penalties provided pursuant to section 16 of P.L.1997, c.192  
15 (C.26:2S-16).

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17 5. The Commissioner of Banking and Insurance, in conjunction  
18 with the Commissioner of Human Services, shall adopt rules and  
19 regulations pursuant to the "Administrative Procedure Act,"  
20 P.L.1968, c.410 (C.52:14B-1 et seq.) to effectuate the purposes of  
21 this act.

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23 6. This act shall take effect on the first day of the third month  
24 next following the date of enactment, except that the Commissioner  
25 of Banking and Insurance and the Commissioner of Human  
26 Services may take such anticipatory administrative action in  
27 advance thereof as shall be necessary for the implementation of this  
28 act.

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#### STATEMENT

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33 This bill requires carriers to take certain action to ensure that  
34 health benefits plans meet certain network adequacy requirements.  
35 Under the bill, "carrier" means an insurance company, health  
36 service corporation, hospital service corporation, medical service  
37 corporation, or health maintenance organization authorized to issue  
38 health benefits plans in this State, and shall include the State Health  
39 Benefits Program, the School Employees' Health Benefits Program,  
40 the Medicaid program, and a Medicaid managed care organization.

41 The bill requires the Commissioner of Banking and Insurance or  
42 the Commissioner of Human Services, as appropriate, to approve a  
43 network for a health benefits plan only if the plan meets certain  
44 requirements concerning the number of providers in the network  
45 and the medical specialties and geographic proximity of those  
46 providers.

47 The bill also requires the Commissioner of Banking and  
48 Insurance or the Commissioner of Human Services, as appropriate,

1 to investigate and determine whether a carrier has contracted with a  
2 sufficient number of health care providers to ensure that a health  
3 benefits plan's network:

4 (1) is adequate to meet the health needs of covered persons;

5 (2) provides an appropriate choice of providers sufficient to  
6 render services covered by the health benefits plan; and

7 (3) reasonably ensures enrollees have timely in-network access  
8 for covered benefits and in network facilities.

9 Pursuant to the bill, a carrier is to submit a network access plan  
10 annually to the Commissioner of Banking and Insurance or the  
11 Commissioner of Human Services, as appropriate, with information  
12 documenting compliance with the bill, including, for each in-  
13 network hospital, the percentage of physicians participating in  
14 network for each of the specialties of emergency medicine;  
15 anesthesiology; radiology and radiation oncology; oncology and  
16 pediatric oncology; pathology; and hospital based medicine,  
17 including critical care, to ensure that enrollees have reasonable and  
18 timely access to in network physicians services. The Commissioner  
19 of Banking and Insurance or the Commissioner of Human Services,  
20 as appropriate, shall provide the network access plans to the  
21 Legislature annually.