

ASSEMBLY HEALTH COMMITTEE

STATEMENT TO

ASSEMBLY, No. 5645

with committee amendments

STATE OF NEW JERSEY

DATED: NOVEMBER 15, 2021

The Assembly Health Committee reports favorably and with committee amendments Assembly Bill No. 5645.

As amended by the committee, this bill requires certain health care practitioner referrals to be made in accordance with certain professional standards.

Under current law, a health care practitioner generally is not to refer a patient or direct an employee of the practitioner to refer a patient to a health care service in which the practitioner, the practitioner's immediate family, or the practitioner in combination with the practitioner's immediate family, has a significant beneficial interest.

However, there are exceptions to this general rule. One exception pertains to referrals a health care practitioner makes to a health care service in which the referring practitioner has a significant beneficial interest, when participants in an alternative payment model registered with the Department of Health make a bona fide determination that the significant beneficial interest is reasonably related to the alternative payment model standards filed with the Department of Health, provided that the determination is documented and retained for a period of 10 years.

This bill narrows the above exception to the general rule by also requiring that the referral be made in accordance with alternative payment model standards and the professional standards applicable to the health care service in which the referring practitioner has a significant beneficial interest.

In addition, the bill adds an exception to the general rule by providing that restrictions on referrals of patients are not to apply to a value-based arrangement made in accordance with 42 C.F.R. 411.357(aa), a payment model authorized under a Medicare shared savings program pursuant to 42 U.S.C. s.1395jjj, or a demonstration operated by the Center for Medicare and Medicaid Innovation established pursuant to at 42 U.S.C. s.1315a.

As reported by the committee, Assembly Bill No. 5645 is identical to Senate Bill No. 3632 (1R) which was reported by the committee on this date.

COMMITTEE AMENDMENTS:

The committee amendments make technical changes and provide that restrictions on referrals of patients are not to apply to a value-based arrangement made in accordance with 42 C.F.R. 411.357(aa), a payment model authorized under a Medicare shared savings program pursuant to 42 U.S.C. s.1395jjj, or a demonstration operated by the Center for Medicare and Medicaid Innovation established pursuant to 42 U.S.C. s.1315a. The amendments update the synopsis of the bill to reflect these changes.