

SENATE, No. 630

STATE OF NEW JERSEY 219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Senator PAUL A. SARLO

District 36 (Bergen and Passaic)

Senator VIN GOPAL

District 11 (Monmouth)

SYNOPSIS

Requires pilot programs on both advanced imaging services and elective surgical procedures in SHBP and SEHBP.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** concerning advanced imaging services and elective
2 surgical procedures in the State Health Benefits Program and the
3 School Employees' Health Benefits Program and supplementing
4 P.L.1961, c.49 (C.52:14-17.25 et seq.).

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

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9 1. a. The State Health Benefits Commission and the School
10 Employees' Health Benefits Commission each shall establish two
11 pilot programs by awarding, in an expedited manner, a professional
12 services contract for both an advanced imaging services manager
13 and an elective surgical procedure manager for the State Health
14 Benefits Program and the School Employees' Health Benefits
15 Program. The advanced imaging services manager shall coordinate
16 the delivery of advanced imaging services, including, but not
17 limited to: magnetic resonance imaging; computed tomography;
18 positron emission tomography scans; and services related to
19 advanced imaging. The elective surgical procedure manager shall
20 coordinate the delivery of elective surgical procedures, including,
21 but not limited to: hip replacement, knee replacement, laparoscopic
22 sleeve gastrectomy, hysterectomy, rotator cuff repair, knee
23 arthroscopy, hysteroscopy, and other elective surgical procedures.

24 b. No employee or retiree, or a dependent, covered by the State
25 Health Benefits Program or the School Employees' Health Benefits
26 Program shall be required to participate in the pilot programs.
27 Participation by an employee or retiree, or dependent, shall be on a
28 voluntary basis. Each manager shall be authorized to communicate
29 with employees and retirees, and their dependents, by such means
30 as telephone, electronic mail, text message, electronic application,
31 website, and such other means as the employee or retiree, or a
32 dependent, permits. Such communications shall be in a manner that
33 complies with applicable State and federal laws.

34 c. Each manager shall be authorized to offer incentives to
35 employees and retirees, and their dependents, if they choose to
36 participate in the pilot programs. Such incentives may include a
37 monetary award equal to a portion of the total savings realized by
38 the program that covers the employee or retiree, or dependent, or
39 such other incentives as approved by the commission.

40 d. The manager shall not deny care to any employee or retiree,
41 or a dependent, based on a clinical review of the appropriateness or
42 suitability of a requested advanced imaging service or elective
43 surgical procedure for such employee or retiree, or a dependent.

44 e. The advanced imaging services or elective surgical
45 procedures to be coordinated by the manager shall be performed at
46 facilities that are under contract with the manager, but in which the
47 manager has no ownership interest or profit-sharing arrangement.

1 Each such facility shall be certified by an independent nationally-
2 recognized entity identified by the commission.

3 f. (1) Notwithstanding the provisions of any other law to the
4 contrary, for the purpose of expediting the award of the contract for
5 the advanced imaging benefits manager and elective surgical
6 procedure manager, the following provisions shall apply as
7 modifications to law or regulation that may interfere with the
8 expedited award:

9 (a) the timeframes for challenging the specifications shall be
10 modified as determined by the State Treasurer;

11 (b) in lieu of advertising in accordance with sections 2, 3, and 4
12 of P.L.1954, c.48 (C.52:34-7, C.52:34-8, and C.52:34-9,
13 respectively), the State Treasurer shall advertise the request for
14 proposals and any addenda thereto on the website of the Department
15 of the Treasury in an appropriate location;

16 (c) the period of time that the State Comptroller has to review
17 the request for proposals for compliance with applicable public
18 contracting laws, rules and regulations, pursuant to section 10 of
19 P.L.2007, c.52 (C.52:15C-10), shall be 10 business days or less if
20 practicable, as determined by the State Comptroller;

21 (d) the timeframes for submissions under section 4 of P.L.2012,
22 c.25 (C.52:32-58) and section 1 of P.L.1977, c.33 (C.52:25-24.2)
23 shall be extended to prior to the issuance of a notice of intent to
24 award; and

25 (e) the term “bids” in subparagraph (f) of subsection a. of
26 section 7 of P.L.1954, c.48 (C.52:34-12) shall not include pricing
27 which will be revealed to all responsive bidders during the
28 negotiation process.

29 (2) Each contract shall be awarded on the basis of best value and
30 with the price elements negotiated by the parties to the contract.

31 Each commission shall enter into its own contracts with a
32 manager that may, but need not be, the same manager for each pilot
33 program or for each commission.

34 The manager shall not be a carrier, or subsidiary, affiliate, or
35 related party of that carrier, or sub-contracted third party to that
36 carrier, that has contracted with either commission to provide health
37 care services under either program.

38 The contract for each manager may include provisions that
39 compensate the manager based, in whole or in part, on a percentage
40 of the total savings achieved by the program.

41 The term of each initial contract shall be no less than three years.

42 After the award of an initial contract, subsequent contracts for an
43 advanced imaging services manager and elective surgical procedure
44 manager shall be awarded in accordance with laws governing the
45 award of a public contract by a State agency.

46 g. (1) Each manager shall provide claims data and other
47 reports in compliance with applicable State and federal laws to
48 document: the cost and nature of both advanced imaging claims

1 and elective surgical procedure claims incurred through the pilot
2 programs; the nature and results of incentives under the pilot
3 programs; demographic information on the covered population;
4 emerging utilization and demographic trends relating to advanced
5 imaging services and elective surgical procedures; health care
6 outcomes; and such other information as may be appropriate and
7 requested by the commissions to assist in the governance of the
8 programs. Each manager shall report on the reaction of employees
9 and retirees, and their dependents, covered by the programs of
10 various communication methods and incentives offered.

11 (2) Each manager shall respond, in a timely manner, to any data,
12 programmatic, or informational requests from the Governor, State
13 Treasurer, Division of Pensions and Benefits, State Health Benefits
14 Commission, School Employees' Health Benefits Commission,
15 State Health Benefits Plan Design Committee, School Employees'
16 Health Benefits Plan Design Committee, President of the Senate,
17 Speaker of the General Assembly, and auditors and claim reviewers
18 of each such program.

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20 2. This act shall take effect immediately.

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STATEMENT

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25 This bill requires the State Health Benefits Commission and the
26 School Employees' Health Benefits Commission to initiate
27 innovative pilot programs for both the delivery of advanced
28 imaging services and elective surgical procedures to the employees
29 and retirees, and their dependents, covered by the State Health
30 Benefits Program and the School Employees' Health Benefits
31 Program. The advanced imaging services would include magnetic
32 resonance imaging, computed tomography, positron emission
33 tomography scans, and services related to advanced imaging
34 services. The elective surgical procedures would include hip
35 replacement, knee replacement, laparoscopic sleeve gastrectomy,
36 hysterectomy, rotator cuff repair, knee arthroscopy, hysteroscopy,
37 and other elective surgical procedures.

38 Each commission would initiate the pilot programs by awarding,
39 in an expedited manner, a contract for an advanced imaging benefits
40 manager and elective surgical procedure manager who would
41 coordinate the delivery of advanced imaging services and elective
42 surgical procedures, respectively.

43 No employee or retiree, or a dependent, would be required to
44 participate in the pilot programs. Participation would be voluntary.

45 Each manager would be authorized to offer incentives to
46 employees and retirees, and their dependents, if they choose to
47 participate in the pilot programs. Such incentives may include a
48 monetary award equal to a portion of the total savings realized by

1 the program that covers the employee or retiree, or dependent, or
2 such other incentives as approved by the commission.

3 The advanced imaging services and elective surgical procedures
4 to be coordinated by the manager would be performed at facilities
5 that are under contract with the manager, but in which the manager
6 has no ownership interest or profit-sharing arrangement.

7 The contract for each manager may include provisions that
8 compensate the manager based, in whole or in part, on a percentage
9 of the total savings achieved by the program.

10 Each manager would be required to provide claims data and
11 other reports in compliance with applicable State and federal laws
12 to document: the cost and nature of both advanced imaging and
13 elective surgical procedure claims incurred through the pilot
14 programs; the nature and results of incentives under the pilot
15 programs; demographic information on the covered population;
16 emerging utilization and demographic trends relating to advanced
17 imaging services and elective surgical procedures; health care
18 outcomes; and such other information as may be appropriate and
19 requested by the commissions to assist in the governance of the
20 programs.