

SENATE, No. 1108

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED JANUARY 30, 2020

Sponsored by:

Senator JOSEPH F. VITALE

District 19 (Middlesex)

SYNOPSIS

Prohibits anti-tiering clauses in managed care health benefits plans.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning managed care health benefits plans and
2 amending P.L.1997, c.192.

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

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7 1. Section 9 of P.L.1997, c.192 (C.26:2S-9) is amended to read
8 as follows:

9 9. The contract between a participating health care provider
10 and a carrier which offers a managed care plan:

11 a. Shall state that the health care provider shall not be
12 penalized or the contract terminated by the carrier because the
13 health care provider acts as an advocate for the patient in seeking
14 appropriate, medically necessary health care services;

15 b. Shall not provide financial incentives to the health care
16 provider for withholding covered health care services that are
17 medically necessary as determined in accordance with section 6 of
18 this act, except that nothing in this subsection shall be construed to
19 limit the use of capitated payment arrangements between a carrier
20 and a health care provider; **and**

21 c. Shall protect the ability of a health care provider to
22 communicate openly with a patient about all appropriate diagnostic
23 testing and treatment options ; and

24 d. Shall not contain any provision, commonly referred to as an
25 “anti-tiering clause,” that prohibits or limits a carrier’s right to use a
26 tiered-network plan in which health care providers are tiered and
27 cost sharing for covered persons is determined by the tier placement
28 of the provider. Any such provision in a contract shall be null and
29 void.

30 (cf: P.L.1997, c.192, s.9)

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32 2. This act shall take effect on the 90th day following enactment
33 and shall apply to contracts issued or renewed on or after the
34 effective date.

35
36 STATEMENT

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38 This bill, which amends the “Health Care Quality Act,” provides
39 that a contract between a participating health care provider and a
40 carrier which offers a managed care plan shall not contain any
41 provision, commonly referred to as an “anti-tiering clause,” that
42 prohibits or limits a carrier’s right to use a tiered-network plan in
43 which health care providers are tiered and cost sharing for covered
44 persons is determined by the tier placement of the provider. The bill
45 provides that any such provision in a contract shall be null and void.

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.