

SENATE, No. 1109

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED JANUARY 30, 2020

Sponsored by:
Senator JOSEPH F. VITALE
District 19 (Middlesex)

SYNOPSIS

Establishes New Jersey Commission on Health Insurance Network Adequacy.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT establishing a commission to review and make
2 recommendations regarding health insurance network adequacy
3 regulations.

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

7
8 1. There is established the New Jersey Commission on Health
9 Insurance Network Adequacy. The purpose of this commission is
10 to review the network adequacy regulations adopted by the
11 Department of Banking and Insurance pursuant to section 19 of
12 P.L.1997, c.192 (C.26:2S-18) establishing standards for adequacy
13 of a provider network with respect to the scope and type of health
14 care benefits provided by a carrier, the geographic service area
15 covered by the provider network, and access to medical specialists.
16 The review shall evaluate the appropriateness and effectiveness of
17 those regulations in maintaining those standards and include an
18 assessment of:

19 a. the current network adequacy standards in the State;
20 examples implemented in other states; and section 5 of the National
21 Association of Insurance Commissioners' Health Benefit Plan
22 Network Access and Adequacy Model Act, which provides specific
23 provisions relating to network adequacy; and

24 b. the adequacy of access to various medical specialties in each
25 region of the State, including, but not limited to, access to
26 behavioral health care specialists and facilities.

27
28 2. a. The commission shall consist of thirteen members as
29 follows:

30 (1) the Commissioner of Banking and Insurance, or the
31 commissioner's designee, who shall serve ex officio;

32 (2) one member of the Senate, to be appointed by the President
33 of the Senate; and one member of the General Assembly, to be
34 appointed by the Speaker of the General Assembly; and

35 (3) ten public members, who shall be appointed by the Governor
36 no later than the 60th day after the effective date of this act, as
37 follows: one person representing employers and the business
38 community; one person representing general health care consumers;
39 one person representing behavioral health care consumers; one
40 person representing hospitals; one person representing safety net
41 hospitals; two people representing the insurance industry; one
42 person representing long-term care providers; one person
43 representing general health care providers; and one person
44 representing behavioral health care providers.

45 b. The commission shall organize as soon as practicable
46 following the appointment of its members and shall select a
47 chairperson and a vice-chairperson from among the members. The

1 chairperson shall appoint a secretary who need not be a member of
2 the commission.

3 c. The public members shall serve without compensation, but
4 shall be reimbursed for necessary expenses incurred in the
5 performance of their duties and within the limits of funds available
6 to the commission.

7 d. The commission shall be entitled to call to its assistance and
8 avail itself of the services of the employees of any State, county or
9 municipal department, board, bureau, commission or agency it may
10 require and as may be available to it for its purposes.

11 e. The commission may meet and hold hearings at the places it
12 designates during the sessions or recesses of the Legislature.

13 f. The Office of Legislative Services shall provide staff
14 support to the commission.

15 g. Vacancies in the membership of the commission shall be
16 filled in the same manner provided for the original appointments.

17

18 3. The commission shall report its findings and
19 recommendations as determined by a majority of the commission's
20 members to the Governor and Legislature pursuant to section 2 of
21 P.L.1991, c.164 (C.52:14-19.1) no later than 12 months after the
22 date of organization of the commission. The findings and
23 recommendations shall include any proposed modifications to any
24 department rules or regulations, and if recommended, any proposals
25 for legislation necessary to improve or maintain adequate access to
26 medical specialists, facilities, and other health care services for
27 covered persons throughout the State. Any findings and
28 recommendations determined by a minority of the commission's
29 members may be included in the report and shall be reported as
30 such.

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32 4. This act shall take effect immediately and shall expire upon
33 the issuance of the commission report.

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STATEMENT

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38 This bill establishes the New Jersey Commission on Health
39 Insurance Network Adequacy. The purpose of this commission is
40 to review the network adequacy regulations adopted by the
41 Department of Banking and Insurance pursuant to section 19 of
42 P.L.1997, c.192 (C.26:2S-18), which is part of the "Health Care
43 Quality Act." These regulations, which have remained substantially
44 unchanged since their adoption in 1999, establish standards for
45 adequacy of a provider network with respect to the scope and type
46 of health care benefits provided by a carrier, the geographic service
47 area covered by the provider network, and access to medical
48 specialists. The commission's goal is to evaluate the

1 appropriateness and effectiveness of those regulations in
2 maintaining network adequacy standards, including the assessment
3 of:

4 (1) the current network adequacy standards in the State;
5 examples implemented in other states; and section 5 of the National
6 Association of Insurance Commissioners' Health Benefit Plan
7 Network Access and Adequacy Model Act, which provides specific
8 provisions relating to network adequacy; and

9 (2) the adequacy of access to various medical specialties in each
10 region of the State, including, but not limited to, access to
11 behavioral health care specialists and facilities.

12 The commission will be comprised of thirteen members as
13 follows: the Commissioner of Banking and Insurance, or the
14 commissioner's designee; one member of the Senate appointed by
15 the President of the Senate; one member of the General Assembly
16 appointed by the Speaker of the General Assembly; and ten public
17 members appointed by the Governor. In order to provide the
18 expertise in issues relating to the work of the commission, the
19 Governor's appointees are to include one individual representing
20 each of the following: employers and the business community;
21 general health care consumers; behavioral health care consumers;
22 hospitals; safety net hospitals; long-term care providers; general
23 health care providers; and behavioral health care providers. In
24 addition, the Governor's appointees are to include two people
25 representing the insurance industry.

26 The commission is to report its findings and recommendations as
27 determined by a majority of the members to the Governor and
28 Legislature no later than 12 months after the date of organization of
29 the commission. The findings and recommendations are to include
30 any proposed modifications to any department rules or regulations,
31 and if recommended, any proposals for legislation necessary to
32 improve or maintain adequate access to medical specialists,
33 facilities, and other health care services for covered persons
34 throughout the State. Any findings and recommendations
35 determined by a minority of the commission's members may be
36 included in the report, but are required to be reported as such. The
37 commission will expire upon the issuance of its report.