

SENATE, No. 1753

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED FEBRUARY 13, 2020

Sponsored by:

Senator SHIRLEY K. TURNER

District 15 (Hunterdon and Mercer)

SYNOPSIS

Requires DOBI to obtain and consider certain information from Commissioner of Health concerning provider network adequacy requirements for managed care plans.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning health insurance carrier network adequacy 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:

6
7 1. Section 19 of P.L.1997, c.192 (C.26:2S-18) is amended to
8 read as follows:

9 19. The **【commissioner】** Commissioner of Banking and
10 Insurance shall enforce the provisions of this act.

11 a. **【Within six months of the effective date of this act, in**
12 **consultation with the】** The Commissioner of Banking and
13 Insurance, the commissioner shall adopt rules and regulations,
14 pursuant to the "Administrative Procedure Act," P.L.1968, c.410
15 (C.52:14B-1 et seq.), necessary to carry out the purposes of this act.
16 The regulations shall establish consumer protection and quality
17 standards governing carriers which offer a managed care plan or use
18 a utilization management system that are consistent with the
19 standards governing health maintenance organizations in the State.

20 b. The regulations adopted pursuant to subsection a. of this
21 section shall include standards for: a quality management program;
22 provider participation in a network; adequacy of the provider
23 network with respect to the scope and type of health care benefits
24 provided by the carrier, the geographic service area covered by the
25 provider network and access to medical specialists, when
26 appropriate; utilization management as required in this act; a
27 covered person complaint system; a patient appeals system as
28 required in this act; the establishment of consumer rights of covered
29 persons; carrier disclosure as required in this act; and outcomes and
30 data reporting requirements as required in this act.

31 c. With respect to a carrier's satisfaction of provider network
32 adequacy as required by subsection b. of this section and the
33 regulations adopted pursuant to that subsection, the Commissioner
34 of Banking and Insurance shall, in consultation and coordination
35 with the Commissioner of Health, implement a system for the
36 Commissioner of Health to provide to the Commissioner of
37 Banking and Insurance the following information, to the extent that
38 it may affect provider network adequacy requirements:

39 (1) any change in the delivery of a health care service by a
40 hospital or a health care facility;

41 (2) any approval of an application for a certificate of need, and
42 any change in a certificate of need, for a hospital or health care
43 facility; and

44 (3) an assessment of the financial soundness of a hospital or
45 health care facility in relation to its anticipated ability to continue to
46 provide health care services.

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.

The Commissioner of Banking and Insurance shall take into consideration the information provided pursuant to paragraphs (1), (2), and (3) of this subsection in making any decision to approve or disapprove the provider network adequacy of a managed care plan offered by a carrier.

(cf: P.L.1997, c.192, s.19)

2. This act shall take effect on the 90th day next following enactment.

STATEMENT

The bill amends the “Health Care Quality Act” to provide that, with respect to a carrier’s satisfaction of provider network adequacy as required by the act and its implementing regulations, the Commissioner of Banking and Insurance shall, in consultation and coordination with the Commissioner of Health, implement a system for the Commissioner of Health to provide to the commissioner the following information, to the extent that it may affect provider network adequacy requirements:

(1) any change in the delivery of a health care service by a hospital or a health care facility;

(2) any approval of an application for a certificate of need, and any change in a certificate of need, for a hospital or health care facility; and

(3) any assessment of the financial soundness of a hospital or health care facility in relation to its anticipated ability to continue to provide health care services.

The bill requires the Commissioner of Banking and Insurance to take this information into consideration in any decision to approve or disapprove the provider network adequacy of a managed care plan offered by a carrier.

Current law requires carriers to maintain provider networks that meet certain standards that are largely based on geographic accessibility by persons covered under the carrier's health benefits plan, to assure that covered persons are able to access services in-network and take advantage of the in-network benefits levels provided under their plan. This bill expands the factors to be considered in determinations of provider network adequacy by requiring the Commissioner of Banking and Insurance to take into consideration more specific information regarding the delivery of health care services by hospitals and health care facilities.

The bill also makes certain technical changes.