[First Reprint]

SENATE, No. 2089

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED MARCH 16, 2020

Sponsored by:
Senator JOSEPH P. CRYAN
District 20 (Union)

SYNOPSIS

Prohibits insurers, SHBP, and SEHBP from charging fee for paper bills and notices.

CURRENT VERSION OF TEXT

As reported by the Senate Commerce Committee on May 13, 2021, with amendments.

AN ACT concerning insurance billing practices and supplementing various parts of the statutory law.

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

1. a. As used in this section:

"Commissioner" means the Commissioner of Banking and Insurance.

"Insurer" means:

(1) Any corporation, association, partnership, reciprocal exchange, interinsurer, Lloyd's insurer, fraternal benefit society, or other person engaged in the business of insurance pursuant to Subtitle 3 of Title 17 of the Revised Statutes or Subtitle 3 of Title 17B of the New Jersey Statutes;

(2) Any medical service corporation operating pursuant to P.L.1940, c.74 (C.17:48A-1 et seq.);

(3) Any hospital service corporation operating pursuant to P.L.1938, c.366 (C.17:48-1 et seq.);

(4) Any health service corporation operating pursuant to P.L.1985, c.236 (C.17:48E-1 et seq.);

(5) Any health maintenance organization established pursuant to the provisions of P.L.1973, c.337 (C.26:2J-1 et seq.);

(6) Any insurance plan operating pursuant to P.L.1970, c.215 (C.17:29D-1);

(7) The New Jersey Insurance Underwriting Association operating pursuant to P.L.1968, c.129 (C.17:37A-1 et seq.).

b. No insurer shall charge a fee to furnish tangible printed or paper bills or notices, with respect to any insurance policy, to an insured or other owner of that policy.

c. If the commissioner finds, after notice and hearing, that an insurer has a pattern and practice of charging a fee prohibited by this section, the commissioner may, after notice and hearing, order the payment of a penalty not to exceed $1,000 for each offense. Each instance of a fee prohibited by this section that is charged to an insured or other owner of that policy shall be a separate offense and subject to assessment of a separate penalty. Penalties assessed pursuant to this section shall be collected by the commissioner pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).

[1]<u>d. Nothing in this section shall prohibit an insurer from offering a discount, credit or other incentive to an insured for selecting a specific billing, payment or notification option.</u>[1]

2. The State Health Benefits Commission shall not charge a fee

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 <u>thus</u> is new matter.
Matter enclosed in superscript numerals has been adopted as follows:
[1]Senate SCM committee amendments adopted May 13, 2021.

to furnish tangible printed or paper bills or notices, with respect to any health plan included in the State Health Benefits Program to any member of the State Health Benefits Program.

3. The School Employees' Health Benefits Commission shall not charge a fee to furnish tangible printed or paper bills or notices, with respect to any health plan included in the School Employees' Health Benefits Program to any member of the School Employees' Health Benefits Program.

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