

SENATE, No. 2146

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED MARCH 16, 2020

Sponsored by:

Senator JOSEPH F. VITALE

District 19 (Middlesex)

SYNOPSIS

Establishes Center for the Study of Health Care Billing Data.

CURRENT VERSION OF TEXT

As introduced.



1 **AN ACT** concerning health care data and supplementing chapter 30
2 of Title 17B of the New Jersey Statutes.

3

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

6

7 1. As used in this act:

8 “Carrier” means an insurance company, health service
9 corporation, hospital service corporation, medical service
10 corporation, or health maintenance organization, authorized to issue
11 any health benefits plan in this State.

12 “Center” means the Center for the Study of Health Care Billing
13 Data established pursuant to section 2 of this act.

14 “Health benefits plan” means a benefits plan which pays or
15 provides hospital and medical expense benefits for covered
16 services, and is delivered or issued for delivery in this State by or
17 through a carrier. Health benefits plan includes, but is not limited
18 to, Medicare supplement coverage and Medicare Advantage
19 contracts to the extent not otherwise prohibited by federal law. For
20 the purposes of sections 3 through 7 of P.L.2005, c.352 (C.17B:30-
21 50 through C.17B:30-54), health benefits plan shall not include the
22 following plans, policies or contracts: accident only, credit,
23 disability, long-term care, TRICARE supplement coverage,
24 coverage arising out of a workers’ compensation or similar law,
25 automobile medical payment insurance, personal injury protection
26 insurance issued pursuant to P.L.1972, c.70 (C.39:6A-1 et seq.) or
27 hospital confinement indemnity coverage.

28 “Health care provider” means an individual or entity which,
29 acting within the scope of the individual’s or entity’s licensure or
30 certification provides a covered service defined by a health benefits
31 plan. Health care provider includes a physician licensed pursuant to
32 Title 45 of the Revised Statutes and any health care facility licensed
33 pursuant to Title 26 of the Revised Statutes.

34

35 2. a. The Secretary of Higher Education, in consultation with
36 the Commissioner of Banking and Insurance, shall establish a
37 Center for the Study of Health Care Billing Data, at one of the four
38 year institutions of higher education in the State. The Center shall
39 be incorporated as a New Jersey nonprofit corporation pursuant to
40 N.J.S.15A:1-1 et seq. and organized and operated so as to be
41 eligible under applicable federal law for tax-exempt status and for
42 the receipt of tax-deductible contributions, and shall be authorized
43 to sue and to be sued as a legal entity separate from the State of
44 New Jersey.

45 b. The secretary, in selecting the institution of higher
46 education, shall select an institution that:

47 (1) has a nationally recognized program for health policy and
48 statistical research;

1 (2) has no conflicts of interest that could influence the Center
2 for the Study of Health Care Billing Data, including any existing
3 financial relationships with: insurers or health care facilities or any
4 of their affiliates or subsidiaries, or any organizations representing
5 insurers, health care facilities or health care providers; and

6 (3) has demonstrated proficiency and competency in providing
7 security for proprietary or confidential data in its general
8 operations.

9 c. The secretary shall review the operations of the Center
10 initially appointed pursuant to this act, and shall, on a biannual
11 basis, commencing in the second calendar year after the enactment
12 of this act:

13 (1) assess the Center's performance in relation to the
14 responsibilities set forth in this act; and

15 (2) prescribe a process by regulation for certifying the
16 institution of higher education as the location for the Center for the
17 Study of Health Care Billing Data, or for selecting another
18 institution to certify as the location for the Center, depending upon
19 the results of the commission's review.
20

21 3. Within 60 days of establishment of the Center pursuant to
22 section 2 of this act, a carrier shall submit to the Center all health
23 care provider billing data processed by the carrier in connection
24 with health benefits plans offered in this State, for the years 2014
25 through 2019, inclusive. The data shall include billing reference
26 number; geozip; current procedural terminology code; amount
27 billed; amount allowed; amount paid; reasons for amount allowed
28 and paid; modifier; product line; in-network or out-of-network
29 designation; physician or other provider designation; physician
30 specialty; date of provision of service; and date processed. The data
31 shall be segregated by year in the submission. An appropriate code
32 list shall be provided with the data that permits identification of the
33 foregoing. The carrier, in its submission, shall identify a contact
34 person who is responsible within the carrier's organization for
35 verifying the accuracy of the submission.
36

37 4. Within 60 days of the end of each calendar quarter
38 thereafter, each carrier shall submit to the Center all health care
39 provider billing data processed by the carrier in connection with
40 health benefits plans offered in the State, for each calendar year
41 beginning with 2020. The data shall include billing reference
42 number; geozip; current procedural terminology code; amount
43 billed; amount allowed; amount paid; reasons for amount allowed
44 and paid; modifier; product line; in-network or out-of-network
45 designation; physician or other provider designation; physician
46 specialty; date of provision of service; and date processed. An
47 appropriate code list shall be provided with the data that permits
48 identification of the foregoing. The carrier, in its submission, shall

1 identify a contact person who is responsible within the carrier's
2 organization for verifying the accuracy of the submission.

3
4 5. a. The Center shall analyze the health care provider billing
5 data received from carriers pursuant to sections 3 and 4 of this act,
6 and, based on that analysis, shall develop and maintain, on at least
7 an annual basis, beginning with calendar year 2020, a database of
8 health care charges that accurately reflects the usual and customary
9 charges for services provided by health care providers in the State.
10 The database, shall organize the charges by not less than eight
11 geographical regions within the State, and shall be suitable for use
12 by carriers in determining appropriate reimbursement amounts to
13 out-of-network providers who do not participate in a carrier's
14 managed care plan network of health care providers. The Center
15 shall make the database available to members of the public and to
16 carriers, who provide health benefits plans to residents of this State
17 through a network of health care providers, and the Center may
18 charge a reasonable fee for providing the database.

19 b. A carrier that provides for both in-network and out-of-
20 network benefits in a managed care plan offered to individuals or
21 employers in this State, shall utilize the database to determine its
22 responsibility for an insured's out-of-network charges, and shall
23 include provisions in its plan documents describing the use of the
24 database for that purpose.

25
26 6. The Secretary of Higher Education, in consultation with the
27 Commissioner of Banking and Insurance, may adopt, pursuant to
28 the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1
29 et seq.) rules and regulations necessary to effectuate the purposes of
30 this act.

31
32 7. This act shall take effect immediately.

33 34 35 STATEMENT

36
37 This bill establishes a Center for the Study of Health Care
38 Billing Data (hereinafter, the "Center"), whose purpose is to analyze
39 the health care provider billing data that is to be provided to the
40 Center by carriers offering health benefits plans in the State, and to
41 develop and maintain a database of health care provider billing data
42 that accurately reflect the usual and customary charges of health
43 care providers in the State.

44 The Secretary of Higher Education, in consultation with the
45 Commissioner of Banking and Insurance, shall establish the Center
46 at one of the four-year institutions of higher education in the State.
47 The Center shall be incorporated as a New Jersey nonprofit
48 corporation pursuant to N.J.S. 15A:1-1 et seq. and organized and

1 operated in such manner as to be eligible under applicable federal
2 law for tax-exempt status and for the receipt of tax-deductible
3 contributions.

4 The bill provides that the secretary, in selecting the institution of
5 higher education, shall select an institution that:

6 (1) has a nationally recognized program for health policy and
7 statistical research;

8 (2) has no conflicts of interest that could influence the Center,
9 including any existing financial relationships with: insurers or
10 health care facilities or any of their affiliates or subsidiaries, or any
11 organizations representing insurers, health care facilities or health
12 care providers; and

13 (3) has demonstrated proficiency and competency in providing
14 security for proprietary or confidential data in its general
15 operations.

16 The secretary shall review the operations of the Center initially
17 appointed pursuant to the bill's provisions, and shall, on a biannual
18 basis, commencing in the second calendar year after the enactment
19 of the bill:

20 (1) assess the Center's performance in relation to the Center's
21 responsibilities; and

22 (2) prescribe a process by regulation for certifying the
23 institution of higher education as the location for the Center for the
24 Study of Health Care Billing Data, or for selecting another
25 institution to certify as the location for the Center, depending upon
26 the results of the commission's review.

27 The bill requires a carrier to submit to the Center all health care
28 provider billing data processed by the carrier in connection with
29 health benefits plans offered in the State for the years 2014-2019,
30 within 60 days of the establishment of the Center. The data is to
31 include certain details with respect to the amounts billed, as
32 specified in the bill. Beginning with the year 2020, the bill requires
33 carriers to submit to the Center, by calendar quarter, all health care
34 provider billing data processed by the carrier on an annual, ongoing
35 basis.

36 The bill requires that the Center analyze the health care provider
37 billing data received from the carriers and provide, on at least an
38 annual basis, a database of health care charges that accurately
39 reflects the usual and customary charges of health care providers in
40 the State, suitable for use by carriers in determining appropriate
41 reimbursement amounts to out-of-network providers who do not
42 participate in that particular carrier's managed care plan network of
43 health care providers. The Center shall make the database available
44 to members of the public and to carriers who provide managed care
45 plans to residents of this State and the Center may charge a
46 reasonable fee for providing the database.

47 Further, the bill provides that a carrier that provides for both in-
48 network and out-of-network benefits in a managed care plan offered

1 to individuals or employers in this State, shall utilize the database to
2 determine its responsibility for an insured's out-of-network charges,
3 and shall include provisions in its plan documents describing the
4 use of the database for that purpose.

5 Finally, the Secretary of Higher Education, in consultation with
6 the Commissioner of Banking and Insurance, may adopt, pursuant
7 to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-
8 1 et seq.) rules and regulations necessary to effectuate the bill's
9 provisions.