

SENATE, No. 2151

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED MARCH 16, 2020

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

SYNOPSIS

Establishes certain standards for health benefits plans with tiered network.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning certain health insurance networks and
2 supplementing P.L.1997, c.192 (C.26:2S-1 et al.).
3

4 BE IT ENACTED by the Senate and General Assembly of the State
5 of New Jersey:
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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 health benefits plans in this State, the State Health Benefits
12 Commission and the School Employees’ Health Benefits
13 Commission.

14 “Tiered network” means a managed care plan provider network
15 with more than one level or tier of in-network benefits, based on
16 different levels of cost sharing accepted by the health care providers
17 in that network.
18

19 2. In the case of a health benefits plan with a tiered network, a
20 carrier shall ensure that:

21 a. the cost sharing differences for covered persons in various
22 tiers are clearly and conspicuously stated on the carrier’s website
23 and in plan documents supplied to the subscriber, in a form and
24 manner to be prescribed by the Department of Banking and
25 Insurance; and

26 b. variations in cost sharing among provider tiers are
27 reasonable in relation to the premium charged. With respect to this
28 requirement:

29 (1) a carrier may offer more than two levels or tiers of providers
30 within the tiered network; and

31 (2) variations among each of the levels or tiers shall be
32 reasonable in relation to the premium charged.
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34 3. This act shall take effect immediately.
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37 STATEMENT
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39 This bill places certain requirements on carriers offering health
40 benefits plans with a tiered network. A tiered network is a managed
41 care plan provider network with more than one level or tier of in-
42 network benefits, based on different levels of cost sharing accepted
43 by the health care providers in that network. Carriers include an
44 insurance company, health service corporation, hospital service
45 corporation, medical service corporation, or health maintenance
46 organization authorized to issue health benefits plans in this State,
47 the State Health Benefits Commission and the School Employees’
48 Health Benefits Commission.

1 The bill requires a carrier that offers a health benefits plan with a
2 tiered network to clearly and conspicuously state on the carrier's
3 website and in plan documents supplied to the subscriber the cost
4 sharing differences for covered persons in various tiers.

5 The bill also requires a carrier, in the case of a health benefits
6 plan with a tiered network, to ensure that variations in cost sharing
7 among provider tiers are reasonable in relation to the premium
8 charged. With respect to this requirement, the bill specifies that:

9 (1) a carrier may offer more than two levels or tiers of providers
10 within the tiered network; and

11 (2) variations among each of the levels or tiers must be
12 reasonable in relation to the premium charged.