

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 2465

STATE OF NEW JERSEY
219th LEGISLATURE

DATED: JULY 6, 2020

SUMMARY

Synopsis: “New Jersey Health Care Transparency Act.”

Type of Impact: Annual State revenue and expenditure increases.

Agencies Affected: Department of Law and Public Safety, Division of Consumer Affairs.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost Increase		Indeterminate	
State Revenue Increase		Indeterminate	

- The Office of Legislative Services (OLS) finds that the bill may cause indeterminate increases in annual State revenues and expenditures. The OLS, however, cannot assess the direction of the net effect of the two increases given the absence of information on the future cost of regulating licensed or certified health care professionals and potential penalty collections.
- The OLS anticipates that the State may annually collect indeterminate fine and penalty payments from violators of statutory and regulatory requirements applicable to the bill’s provisions. Pursuant to current State law, a violator may receive a civil penalty of \$10,000 for an initial violation and \$20,000 for any subsequent violations.

BILL DESCRIPTION

This bill, which is designated as the “New Jersey Health Care Transparency Act,” requires any advertisement for a health care professional licensed or certified to practice under State law to include the type of licensure the professional was issued. Advertisements are to exclude deceptive or misleading information relating to the health care professional, including, but not limited to, any affirmative communication or representation that misstates, falsely describes, holds out, or

falsely details the professional's skills, training, expertise, education, public or private board certification, or licensure.

The bill makes it unlawful for a health care professional to knowingly aid, abet, permit, advise, or procure an unlicensed person or entity to practice or engage in acts contrary to the profession practiced by the health care professional; delegate or contract for the performance of health care services by a health care professional when the individual delegating or contracting for performance knows, or has reason to know, that the individual does not have the required authority under a professional license to delegate or contract for performance; or otherwise fail to comply with the bill's provisions.

Under the bill, each day during which a health care professional fails to comply with the requirements of the bill constitutes a separate and punishable offense. Any fees or billings charged to a patient by a health care professional in violation of the bill are to be rescinded or refunded, including fees or billings charged to a patient by a third party contracted to collect fees on behalf of a health care professional, the health care professional's employer, or other entity contracting with the health care professional.

Any imposition of professional sanctions, administrative fees, or other disciplinary action taken by the appropriate State entity shall be publicly reported in means determined by that State entity.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS finds that the bill may cause indeterminate increases in annual State revenues and expenditures. The OLS, however, cannot assess the direction of the net effect of the two increases given the absence of information on the future cost of regulating licensed or certified health care professionals and potential penalty collections.

The OLS anticipates that the State may annually collect indeterminate fine and penalty payments from violators of statutory and regulatory requirements applicable to the bill's provisions. Pursuant to the provisions of section 12 of P.L.1978, c.73 (C.45:1-25), a violator may receive a civil penalty of \$10,000 for an initial violation and \$20,000 for any subsequent violations. In addition, in any action brought pursuant to this provision, a board or the court may order the payment of costs for the use of the State, including, but not limited to, costs of investigation, expert witness fees and costs, attorney fees and costs, and transcript costs.

It is unknown if the bill's provisions will result in an increased workload for the Division of Consumer Affairs in the Department of Law and Public Safety, which currently regulates and enforces these certifications and licenses.

Section: Law and Public Safety

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This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).