

LEGISLATIVE FISCAL ESTIMATE
[Third Reprint]
SENATE, No. 2465
STATE OF NEW JERSEY
219th LEGISLATURE

DATED: OCTOBER 30, 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 professional license and professional degree 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.

Under the bill, it is unlawful for a healthcare professional to fail to comply with certain provisions of this bill. Additionally, nothing in this bill limits a licensing board, principal department of the Executive Branch of State government, or any entity within any department or any other entity created to regulate a health care profession to adopt standards that are more stringent for licensees.

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 collect indeterminate fine and penalty payments annually 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. 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 resources, 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
Analyst: Kristin Brunner Santos
Senior Fiscal Analyst
Approved: Frank W. Haines III
Legislative Budget and Finance Officer

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.).