

[Fourth Reprint]

**SENATE, No. 3000**

---

**STATE OF NEW JERSEY**  
**219th LEGISLATURE**

---

INTRODUCED OCTOBER 8, 2020

**Sponsored by:**

**Senator LORETTA WEINBERG**

**District 37 (Bergen)**

**Senator LINDA R. GREENSTEIN**

**District 14 (Mercer and Middlesex)**

**Assemblyman DANIEL R. BENSON**

**District 14 (Mercer and Middlesex)**

**Assemblyman ANTHONY S. VERRELLI**

**District 15 (Hunterdon and Mercer)**

**Assemblywoman VALERIE VAINIERI HUTTLE**

**District 37 (Bergen)**

**Co-Sponsored by:**

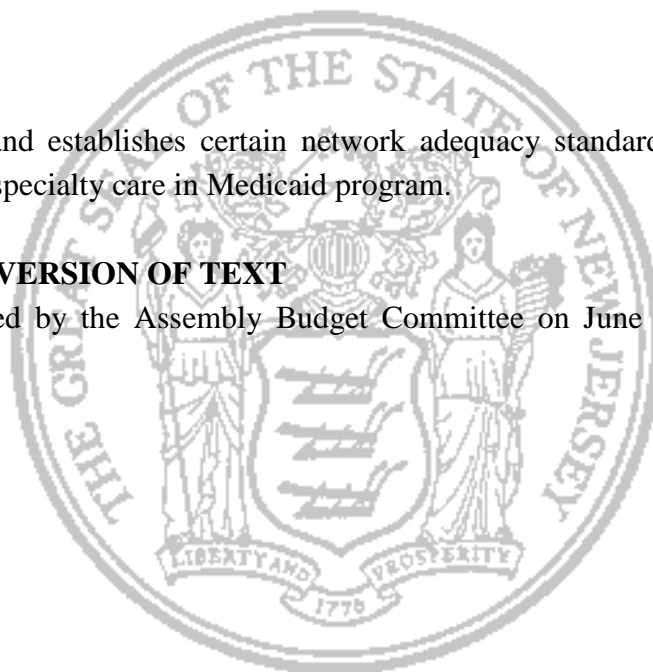
**Assemblyman Johnson, Assemblywomen Reynolds-Jackson, Dunn,  
Lampitt, Timberlake, Swain and Assemblyman Tully**

**SYNOPSIS**

Codifies and establishes certain network adequacy standards for pediatric primary and specialty care in Medicaid program.

**CURRENT VERSION OF TEXT**

As reported by the Assembly Budget Committee on June 21, 2021, with amendments.



**(Sponsorship Updated As Of: 6/24/2021)**

1 AN ACT concerning network adequacy of pediatric providers in the  
2 Medicaid program and supplementing <sup>3</sup>[P.L.1997, c.192  
3 (C.26:2S-1 et al.)] Title 30 of the Revised Statutes<sup>3</sup>.

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

7  
8 1. a. <sup>3</sup>[Pursuant to section 19 of P.L.1997, c.192 (C.26:2S-18),  
9 the commissioner shall only approve the network adequacy of a  
10 managed care plan provided by a managed care organization  
11 contracted with] At the next regular opportunity,<sup>3</sup> the Division of  
12 Medical Assistance and Health Services in the Department of  
13 Human Services <sup>3</sup>[to provide benefits under Medicaid if the plan  
14 has] shall amend the Medicaid managed care organization contract  
15 provisions on network adequacy to require<sup>3</sup>:

16 (1) a sufficient number of pediatric primary care physicians  
17 (PCPs) to assure that:

18 (a) at least two physicians eligible as PCPs are within five miles  
19 or 10 minutes driving time or public transit time, whichever is less,  
20 of 90 percent of the managed care plan's pediatric enrollees who  
21 live in urban counties;

22 (b) at least two physicians eligible as PCPs are within 10 miles  
23 or 15 minutes driving time or public transit time, whichever is less,  
24 of 90 percent of the managed care plan's pediatric enrollees who  
25 live in non-urban counties; and

26 (c) 100 percent of all pediatric enrollees live no more than 30  
27 minutes from at least one physician eligible as a PCP;

28 (2) a sufficient number of pediatric medical specialists to assure:

29 (a) access within 15 miles or 30 minutes driving time or public  
30 transit time, whichever is less, of 90 percent of the managed care  
31 plan's pediatric enrollees who live in urban counties; and

32 (b) access within 40 miles or 60 minutes driving time or public  
33 transit time, whichever is less, of 90 percent of the managed care  
34 plan's pediatric enrollees who live in non-urban counties;

35 (3) a sufficient number of pediatric oncologists and  
36 developmental and behavioral pediatricians <sup>3</sup>and psychiatrists<sup>3</sup> to  
37 assure:

38 (a) access within 10 miles or 20 minutes driving time or public  
39 transit time, whichever is less, of 90 percent of the managed care  
40 plan's pediatric enrollees who live in urban counties; and

41 (b) access within 30 miles or 45 minutes driving time or public  
42 transit time, whichever is less, of 90 percent of the managed care  
43 plan's pediatric enrollees who live in non-urban counties; and

**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 thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Senate SHH committee amendments adopted January 14, 2021.

<sup>2</sup>Senate SBA committee amendments adopted March 22, 2021.

<sup>3</sup>Assembly AAP committee amendments adopted June 16, 2021.

<sup>4</sup>Assembly ABU committee amendments adopted June 21, 2021.

1 (4) the following types of pediatric medical specialties  
2 represented within the plan's network: adolescent medicine; allergy  
3 and immunology; cardiology; developmental and behavioral  
4 pediatrics; <sup>2</sup>psychiatry,<sup>2</sup> emergency medicine; endocrinology and  
5 diabetes; gastroenterology and nutrition; general pediatrics; general  
6 pediatrics – dermatology; hematology; human genetics and  
7 metabolism; infectious disease; neonatology; nephrology;  
8 neurology; oncology; ophthalmology; <sup>1</sup>[orthopaedics]  
9 orthopedics<sup>1</sup>; otolaryngology; plastic surgery; pulmonary medicine,  
10 including sleep medicine; radiology; rehabilitative medicine; and  
11 rheumatology.

12 b. <sup>4</sup>[<sup>3</sup>[A managed care organization that violates any provision  
13 of this act shall be liable for penalties described under section 16 of  
14 <sup>1</sup>[P.L.2018, c. 32] P.L.1997, c.192<sup>1</sup> (C.26:2S-16)] No out-of-state  
15 pediatric specialty hospital shall be denied the right to participate in a  
16 managed care organization network under the same terms and  
17 conditions currently applicable to all other contracting providers,  
18 provided the pediatric specialty hospital is willing to accept 125  
19 percent of its home state Medicaid fee-for-service rate and accepts the  
20 terms and conditions of the contract. Nothing in this section shall  
21 preclude any provider from negotiating a higher or lower rate for any  
22 service or set of services<sup>3</sup>.

23 c. <sup>3</sup>No out-of-state or in-state pediatric specialty provider shall be  
24 denied the right to participate in a managed care organization network  
25 under the same terms and conditions currently applicable to all other  
26 contracting providers, provided the out-of-state or in-state pediatric  
27 specialty provider is willing to accept 100 percent of the State  
28 Medicaid fee-for-service rate and accepts the terms and conditions of  
29 the contract. Nothing in this section shall preclude any provider from  
30 negotiating a higher or lower rate for any service or set of services.

31 d.]<sup>4</sup> In each reporting period, a managed care organization may  
32 seek a waiver of a specific network adequacy provision established in  
33 paragraphs (2) through (3) of subsection a. of this section from the  
34 Division of Medical Assistance and Health Services. The division  
35 shall establish a waiver process where, at a minimum, the managed  
36 care organization must demonstrate both an active, good faith effort to  
37 meet requirements for applicable specialties in each applicable county,  
38 and certify to the division which specialty or specialties, and in which  
39 counties, for which insufficient providers exist.

40 <sup>4</sup>[e.] c.<sup>4</sup> The Division of Medical Assistance and Health  
41 Services shall require each managed care organization to establish a  
42 process by which a patient or provider may submit a grievance  
43 regarding the adequacy of its provider network. This process shall  
44 include response timeframes, but no more than 30 days, and reporting  
45 defined in the managed care contract, including documentation of  
46 specific provider availability addressing each grievance.

1       <sup>4</sup>[f.] d.<sup>4</sup> In order to provide timely services to patients, when a  
2 managed care organization is notified <sup>4</sup>[by a provider of their  
3 willingness to participate under the provisions of subsections b. and  
4 c.] that care is needed for a Medicaid beneficiary in a county where a  
5 managed care organization was unable to certify that it meets, or  
6 received a waiver of, the network adequacy standards as required in  
7 subsection a.<sup>4</sup> of this section, the managed care organization shall  
8 initiate <sup>4</sup>[contracting] negotiations with non-participating providers of  
9 that service,<sup>4</sup> and <sup>4</sup>shall<sup>4</sup> provide timely authorization to ensure  
10 services can be provided to the beneficiary without delay and  
11 consistent with timeframes defined in the managed care contract for all  
12 routine and urgent services. Balance-billing of Medicaid beneficiaries  
13 shall be prohibited. Any copayments or other forms of cost-sharing  
14 imposed on services rendered under this paragraph shall be limited to  
15 the maximum amount allowed under State law for the Medicaid  
16 program. <sup>4</sup>The Commissioner of Human Services may promulgate  
17 rules or regulations to resolve in a timely manner contracting disputes  
18 that arise under this subsection.<sup>4</sup>

19       <sup>4</sup>[g.] e.<sup>4</sup> The Division of Medical Assistance and Health  
20 Services shall establish an enhanced system to assess the network  
21 adequacy of a managed care organization contracted with the division  
22 to provide benefits under Medicaid, including, but not limited to,  
23 requiring the managed care organization to certify, at a minimum on  
24 an annual basis, that the managed care organization meets the network  
25 adequacy requirements contained in their contract. The division shall  
26 enforce appropriate sanctions for non-compliance with this section,  
27 including, but not limited to, financial penalties that accrue during the  
28 period of non-compliance.

29       <sup>4</sup>[h.] f.<sup>4</sup> A managed care organization shall annually provide a  
30 report of the number of out-of-network contracts and waivers sought  
31 and granted by pediatric specialty, as listed in paragraph (4) of  
32 subsection a. of this section, and county to the Division of Medical  
33 Assistance and Health Services, who shall make that information  
34 publicly available by request.

35       <sup>4</sup>[i.] g.<sup>4</sup> <sup>3</sup> For the purposes of this section:

36       "Medicaid" means the program established pursuant to P.L.1968,  
37 c.413 (C.30:4D-1 et seq.).

38       "Network adequacy" means the adequacy <sup>1</sup>of<sup>1</sup> the provider  
39 network with respect to the scope and type of health care benefits  
40 provided by the managed care plan, the geographic service area  
41 covered by the provider network, and access to medical specialists  
42 pursuant to the standards in the regulations promulgated pursuant to  
43 section 19 of P.L.1997, c.192 (C.26:2S-18) and in the existing  
44 contract between a managed care organization and the Division of  
45 Medical Assistance and Health Services in the Department of  
46 Human Services.

1 “Non-urban county” shall mean: <sup>1</sup>【Hunterdon, Morris, Somerset,  
2 Sussex, Warren,】<sup>1</sup> Atlantic, Cape May, Cumberland, Gloucester,  
3 <sup>1</sup>【and】 Hunterdon, Morris,<sup>1</sup> Salem <sup>1</sup>, Somerset, Sussex, and  
4 Warren<sup>1</sup> counties <sup>3</sup>, or as otherwise defined for the purposes of this  
5 section by the Commissioner of Human Services<sup>3</sup>.

6 “Urban county” shall mean: Bergen, <sup>1</sup>【Hudson, and Passaic,  
7 Essex, Union, Middlesex, Mercer,】<sup>1</sup> Burlington, Camden,  
8 <sup>1</sup>【Monmouth and Ocean】 Essex, Hudson, Mercer, Middlesex,  
9 Monmouth, Ocean, Passaic, and Union<sup>1</sup> counties <sup>3</sup>, or as otherwise  
10 defined for the purposes of this section by the Commissioner of  
11 Human Services<sup>3 1 1</sup>.

12  
13 2. The <sup>3</sup>【Commissioner of Banking and Insurance, in  
14 conjunction with the】<sup>3</sup> Commissioner of Human Services <sup>3</sup>【,】<sup>3</sup>  
15 shall adopt rules and regulations pursuant to the "Administrative  
16 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) <sup>1 1</sup> to  
17 effectuate the purposes of this act.

18  
19 3. This act shall take effect on the first day of the third month  
20 following enactment, except that the <sup>3</sup>【Commissioner of Banking  
21 and Insurance, in conjunction with the】<sup>3</sup> Commissioner of Human  
22 Services <sup>3</sup>【,】<sup>3</sup> may take such anticipatory administrative action in  
23 advance thereof as shall be necessary for the implementation of this  
24 act.