

SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 3458

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 16, 2021

The Senate Commerce Committee reports favorably and with committee amendments Senate Bill No. 3458.

As amended, this bill amends the “Out-of-network Consumer Protection, Transparency, Cost Containment and Accountability Act” to revise certain aspects of the arbitration processes established in that act for claims involving health insurance carriers subject to the provisions of the act.

The bill extends the amount of time that the insurance carrier and healthcare provider have to negotiate a settlement in the event of an inadvertent use of out-of-network services from 30 to 60 days, and extends the deadline for the carrier, provider, or covered person to initiate binding arbitration in the event of a failure to reach a settlement from within 30 days of the final offer to within 90 days of the final offer. The bill provides that, in order for binding arbitration to be initiated, the difference between a carrier’s and provider’s final offers be \$1,000 or higher for a billed amount of \$2,500 or more or \$500 or higher for a billed amount of less than \$2,500.

The bill changes the certification requirement for arbitrators from a certification from the American Arbitration Association to a certification from the Department of Banking and Insurance.

Finally, the bill requires an arbitrator to include detailed written findings with each decision. The detailed written findings are to be an analysis of the decision including, but not be limited to, information concerning any databases, previous awards, or other documentation or arguments that contributed to the arbitrator’s decision.

COMMITTEE AMENDMENTS

The committee amended the bill to:

(1) provide that, if the carrier and provider cannot agree on a final offer as a reimbursement rate, the carrier, provider, or covered person, as applicable, may initiate binding arbitration within 90 days of a final offer, rather than 180 days under the bill and 30 days under current law;

(2) remove a provision of the bill adding “medical office” to the definition of “health care facility”;

(3) provide that a carrier or out-of-network health care provider may initiate binding arbitration if attempts to negotiate reimbursement for services provided by an out-of-network health care provider do not result in a resolution of the payment dispute, and the difference between the carrier's and the provider's final offers is not less than \$1,000 for a billed amount of \$2,500 or more and not less than \$500 for a billed amount of less than \$2,500; and

(4) require an arbitrator to provide detailed written findings of each decision.