SENATE, No. 3463

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED FEBRUARY 17, 2021

Sponsored by:
Senator GERALD CARDINALE
District 39 (Bergen and Passaic)

SYNOPSIS

Requires reasonable and prevailing fees for medical services that are not on PIP fee schedule.

CURRENT VERSION OF TEXT

As introduced.

AN ACT concerning medical fee schedules and amending P.L.1988, c.119.

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

1. Section 10 of P.L.1988, c.119 (C.39:6A-4.6) is amended to read as follows:

10. a. The Commissioner of Banking and Insurance shall, within 90 days after the effective date of P.L.1990, c.8 (C.17:33B-1 et al.), promulgate medical fee schedules on a regional basis for the reimbursement of health care providers providing services or equipment for medical expense benefits for which payment is to be made by an automobile insurer under personal injury protection coverage pursuant to P.L.1972, c.70 (C.39:6A-1 et seq.), by an insurer under medical expense benefits coverage pursuant to section 2 of P.L.1991, c.154 (C.17:28-1.6), or for payment of unreimbursed medical expenses that are admissible as uncompensated economic loss pursuant to section 12 of P.L.1972, c.70 (C.39:6A-12). These fee schedules shall be promulgated on the basis of the type of service provided, and shall incorporate the reasonable and prevailing fees of 75% of the practitioners within the region. If, in the case of a specialist provider, there are fewer than 50 specialists within a region, the fee schedule shall incorporate the reasonable and prevailing fees of the specialist providers on a Statewide basis. The commissioner may contract with a proprietary purveyor of fee schedules for the maintenance of the fee schedule, which shall be adjusted biennially for inflation and for the addition of new medical procedures.

b. (1) The fee schedule may provide for reimbursement for appropriate services on the basis of a diagnostic-related (DRG) payment by diagnostic code where appropriate, and may establish the use of a single fee, rather than an unbundled fee, for a group of services if those services are commonly provided together. In the case of multiple procedures performed simultaneously, the fee schedule and regulations promulgated pursuant thereto may also provide for a standard fee for a primary procedure, and proportional reductions in the cost of the additional procedures.

(2) The fee schedule shall provide that, if the fee schedule does not establish a fee for a medical service, the fee for that service shall be the reasonable and prevailing fee of 75% of the practitioners within the region. If the fee for that service cannot be ascertained by the reasonable and prevailing fee of practitioners within the region, then the fee shall be the reasonable and prevailing fee of practitioners within the State or, in the alternative, the fee for the most similar procedure under the fee schedule.

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.

c. No health care provider may demand or request any payment from any person in excess of those permitted by the medical fee schedules established pursuant to this section, nor shall any person be liable to any health care provider for any amount of money which results from the charging of fees in excess of those permitted by the medical fee schedules established pursuant to this section. This subsection shall apply to unreimbursed medical expenses that are subject to the medical fee schedules and admissible as uncompensated economic loss pursuant to section 12 of P.L.1972, c.70 (C.39:6A-12).
(cf: P.L.2019, c.245, s.1)

2. This act shall take effect immediately.

STATEMENT

This bill requires reasonable and prevailing fees for a medical service that is not on the personal injury protection (PIP) fee schedule. The PIP fee schedule is used to determine reimbursement to medical providers by certain insurance carriers that provide coverage for medical services.

Under this bill, the fee for a medical service not subject to the medical fee schedule will be the reasonable and prevailing fee of 75% of the practitioners within the region. If a fee for a procedure cannot be ascertained by the reasonable and prevailing fee of practitioners within the region, then the fee will be the reasonable and prevailing fee of practitioners within the State or, in the alternative, the fee for the most similar procedure under the fee schedule.