

# SENATE, No. 362

## STATE OF NEW JERSEY 214th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2010 SESSION

**Sponsored by:**

**Senator LORETTA WEINBERG**

**District 37 (Bergen)**

**SYNOPSIS**

Requires managed care plans to pay health care claims based on assignment of benefits.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel

WITHDRAWN



S362 WEINBERG

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1 AN ACT concerning assignment of health benefits under managed  
2 care plans and amending P.L.2001, c.367.

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

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7 1. Section 2 of P.L.2001, c.367 (C.26:2S-6.1) is amended to  
8 read as follows:

9 2. a. With respect to a carrier which offers a managed care  
10 plan that provides for both in-network and out-of-network benefits,  
11 in the event that:

12 (1) a covered person is admitted by an out-of-network health  
13 care provider to an in-network health care facility for covered,  
14 medically necessary health care services~~[,]~~; or

15 (2) the covered person receives covered, medically necessary  
16 health care services from an out-of-network health care provider  
17 while the covered person is a patient at an in-network health care  
18 facility and was admitted to the health care facility by an in-  
19 network provider, the carrier shall reimburse the health care facility  
20 for the services provided by the facility at the carrier's full  
21 contracted rate without any penalty for the patient's selection of an  
22 out-of-network provider, in accordance with the in-network policies  
23 and in-network copayment, coinsurance or deductible requirements  
24 of the managed care plan.

25 b. ~~The provisions of subsection a. of this section shall apply~~  
26 ~~only if the covered person complies with the preauthorization or~~  
27 ~~review requirements of the health benefits plan regarding the~~  
28 ~~determination of medical necessity to access in-network inpatient~~  
29 ~~benefits, as set forth in writing pursuant to section 5 of P.L.1997,~~  
30 ~~c.192 (C.26:2S-5).~~

31 c. With respect to a carrier which offers a managed care plan  
32 that provides for both in-network and out-of-network benefits, in  
33 the event that the covered person assigns, through an assignment of  
34 benefits, his right to receive reimbursement for medically necessary  
35 health care services to an out-of-network health care provider, the  
36 carrier shall remit payment for the reimbursement directly to the  
37 health care provider in accordance with the provisions of this  
38 section and P.L.1999, c.154 (C.17B:30-23 et al.). Any payment  
39 made to the covered person rather than the health care provider  
40 under these circumstances shall be considered unpaid, and unless  
41 remitted to the health care provider within the time frames  
42 established by P.L.1999, c.154 (C.17B:30-23 et al.), shall be  
43 considered overdue and subject to an interest charge as provided in  
44 that act.

45 (cf: P.L.2001, c.367, s.2)

**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.

1       2. This act shall take effect on the 90th day next following  
2 enactment and shall apply to any health benefits plan in which the  
3 carrier has reserved the right to change the premium which is  
4 delivered, issued, executed or renewed on or after the effective date.

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STATEMENT

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9       This bill provides that a carrier which issues a managed care plan  
10 with an out-of-network benefit shall remit payment for  
11 reimbursement of a health care service directly to an out-of-  
12 network provider if that provider has been issued an assignment of  
13 benefits by the covered person. Payment shall be remitted pursuant  
14 to the provisions of the "Health Care Quality Act," P.L.1997, c.192  
15 (C.26:25-1 et seq.) and P.L.1999, c.154 (C.17B:30-23 et al.),  
16 commonly referred to as the "prompt pay law." Any payment  
17 remitted to a covered person rather than the out-of-network provider  
18 under these circumstances shall be considered unpaid under the  
19 prompt pay law and, unless remitted to the health care provider  
20 within the time frames established under the prompt pay law, shall  
21 be considered overdue and subject to an interest charge as provided  
22 in that law.

WITHDRAWN