

[First Reprint]

ASSEMBLY SUBSTITUTE FOR  
**ASSEMBLY, No. 3402**

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**STATE OF NEW JERSEY**  
**217th LEGISLATURE**

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ADOPTED JUNE 16, 2016

**Sponsored by:**

**Assemblyman LOUIS D. GREENWALD**

**District 6 (Burlington and Camden)**

**Senator STEVEN V. OROHO**

**District 24 (Morris, Sussex and Warren)**

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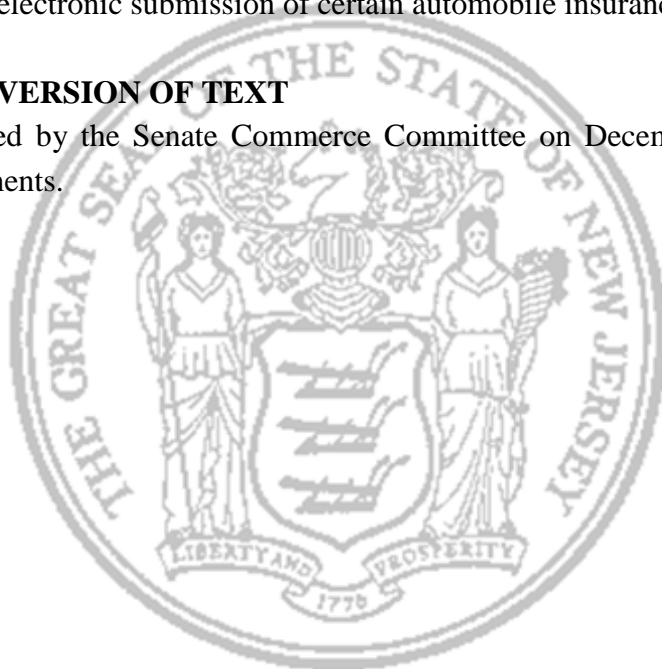
**Assemblymen Diegnan and Space**

**SYNOPSIS**

Concerns electronic submission of certain automobile insurance claims.

**CURRENT VERSION OF TEXT**

As reported by the Senate Commerce Committee on December 14, 2017,  
with amendments.



(Sponsorship Updated As Of: 1/9/2018)

1 AN ACT concerning electronic submission of certain automobile  
2 insurance claims and supplementing P.L.1972, c.70 <sup>1</sup>[(39:6A-1  
3 et seq.)] (C.39:6A-1 et seq.)<sup>1</sup> .  
4

5 BE IT ENACTED by the Senate and General Assembly of the State  
6 of New Jersey:  
7

8 1. As used in this act:

9 “Complete electronic medical bill” means a medical bill that  
10 meets all of the following criteria: (1) it is submitted in the correct  
11 uniform billing format, with the correct uniform billing code sets,  
12 transmitted in compliance with the guidelines; (2) the bill and  
13 electronic attachments provide all information required under the  
14 guidelines established by this act; and (3) the health care provider  
15 or its billing representative has provided all information that the  
16 insurance carrier or its third party administrator requested.

17 “Electronic bill” means a communication between computerized  
18 data exchange systems that complies with the guidelines  
19 enumerated; or a mutually agreed upon electronic data exchange  
20 plan established between health care providers or their billing  
21 representatives and insurance companies or their third party  
22 administrators.

23 “Guidelines” means the <sup>1</sup>[format established by the  
24 Commissioner of Banking and Insurance pursuant to this act, which  
25 shall comply with the]<sup>1</sup> current version of the <sup>1</sup>[International  
26 Association of Industrial Accident Boards and Commissions  
27 (IAIABC) Workers’ Compensation Electronic Medical Billing Rule  
28 and Companion Guide] ASC X12 005010 format<sup>1</sup>.

29 “Insurance carrier” means any company underwriting personal  
30 injury protection coverage benefits payable under a standard  
31 automobile insurance policy pursuant to section 4 of P.L.1972, c.70  
32 (C.34:6A-4); a basic automobile insurance policy pursuant to  
33 section 4 of P.L.1998, c.21 (C.39:6A-3.1); or emergency care  
34 medical expense benefits payable under a special automobile  
35 insurance policy pursuant to section 45 of P.L.2003, c.89 (C.39:6A-  
36 3.3) <sup>1</sup>, and shall include any managed care organization associated  
37 with the carrier<sup>1</sup>.  
38

39 2. <sup>1</sup>[The commissioner shall adopt rules and regulations which  
40 require that:

41 a. all] a. All<sup>1</sup> healthcare providers or their billing  
42 representative shall submit electronic bills for payment which shall

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 SCM committee amendments adopted December 14, 2017.

1 be completed on standardized forms following the guidelines  
2 established pursuant to this act <sup>1</sup>[';] <sup>1</sup>.

3 b. <sup>1</sup>['insurance'] Insurance<sup>1</sup> carriers <sup>1</sup>, medical management  
4 companies,<sup>1</sup> or their third-party administrators shall accept  
5 electronic bills and shall comply with the guidelines<sup>1</sup>[';] <sup>1</sup>.

6 c. <sup>1</sup>['confidentiality'] Confidentiality<sup>1</sup> of medical information  
7 submitted on electronic bills for payment of medical services  
8 pursuant to this act <sup>1</sup>shall<sup>1</sup> be maintained<sup>1</sup>[';] <sup>1</sup>.

9 d. <sup>1</sup>['insurance'] Insurance<sup>1</sup> carriers or their third-party  
10 administrators shall acknowledge receipt of a complete electronic  
11 medical bill to the party that sent the complete electronic medical  
12 bill in compliance with the guidelines<sup>1</sup>[';] <sup>1</sup>.

13 e. <sup>1</sup>['payment'] Payment<sup>1</sup> for a complete electronic medical bill  
14 deemed compensable by the insurance carrier shall be made in <sup>1</sup>['60  
15 days or less after acknowledgement of receipt of the complete  
16 electronic bill in']<sup>1</sup> accordance with subsection g. of section 5 of  
17 P.L.1972, c.70 (C.39:6A-5)<sup>1</sup>['; and

18 f.], provided, however, that<sup>1</sup> insurance carriers or their third  
19 party administrators may <sup>1</sup>['exchange electronic data and']<sup>1</sup> establish  
20 <sup>1</sup>shorter<sup>1</sup> payment deadlines through <sup>1</sup>['PPO or IPO']<sup>1</sup> contracts or  
21 agreements with health care providers or their billing  
22 representatives in a non-prescribed format or timeline <sup>1</sup>['  
23 independent of the guidelines']<sup>1</sup>.

24  
25 <sup>1</sup>3. This act shall not apply to any provider that:

26 a. submits less than 25 medical bills per month to insurance  
27 carriers or third-party administrators;

28 b. furnishes services only outside of the United States;

29 c. experiences a disruption in electricity and communication  
30 connections that are beyond its control; or

31 d. demonstrates that a specific and unusual circumstance exists  
32 that precludes submission of electronic bills.<sup>1</sup>

33  
34 <sup>1</sup>['3.] 4.<sup>1</sup> This act shall take effect immediately, except that  
35 insurance carriers <sup>1</sup>and third party administrators<sup>1</sup> shall not be  
36 required to adopt electronic bill transmission before the first day of  
37 the <sup>1</sup>['eighteenth'] 20th<sup>1</sup> month <sup>1</sup>next<sup>1</sup> following the <sup>1</sup>['adoption of  
38 the rules by the Department of Banking and Insurance that are  
39 necessary to implement this act'] date of enactment<sup>1</sup>. Nothing in  
40 this act shall prevent insurance carriers or their third-party  
41 administrators from earlier adoption of electronic bills transmission.