

[First Reprint]

ASSEMBLY SUBSTITUTE FOR
ASSEMBLY, No. 3402

STATE OF NEW JERSEY
217th LEGISLATURE

ADOPTED JUNE 16, 2016

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District 6 (Burlington and Camden)

Senator STEVEN V. OROHO

District 24 (Morris, Sussex and Warren)

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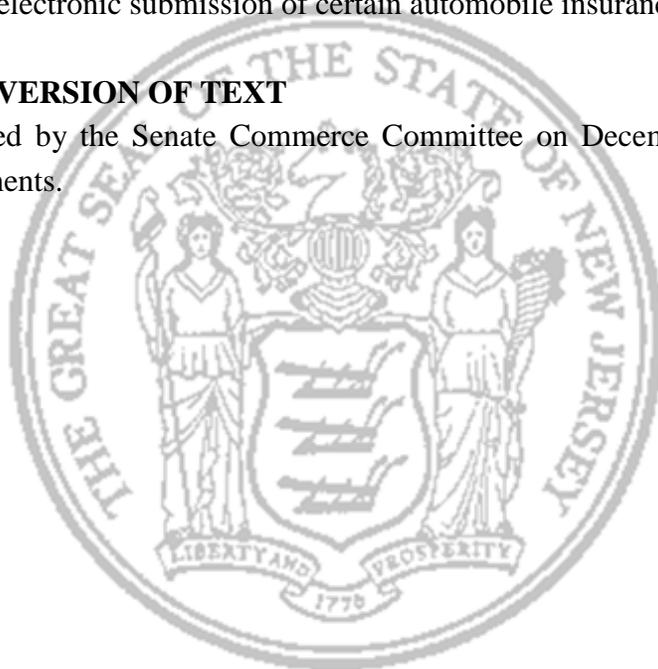
Assemblymen Diegnan and Space

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 ¹[(39:6A-1
3 et seq.)] (C.39:6A-1 et seq.)¹ .
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 ¹[format established by the
24 Commissioner of Banking and Insurance pursuant to this act, which
25 shall comply with the]¹ current version of the ¹[International
26 Association of Industrial Accident Boards and Commissions
27 (IAIABC) Workers’ Compensation Electronic Medical Billing Rule
28 and Companion Guide] ASC X12 005010 format¹.

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) ¹, and shall include any managed care organization associated
37 with the carrier¹ .
38

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

41 a. all] a. All¹ 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:

¹ Senate SCM committee amendments adopted December 14, 2017.

- 1 be completed on standardized forms following the guidelines
2 established pursuant to this act ¹【;】¹.
- 3 b. ¹【insurance】 Insurance¹ carriers ¹, medical management
4 companies,¹ or their third-party administrators shall accept
5 electronic bills and shall comply with the guidelines¹【;】¹.
- 6 c. ¹【confidentiality】 Confidentiality¹ of medical information
7 submitted on electronic bills for payment of medical services
8 pursuant to this act ¹shall¹ be maintained¹【;】¹.
- 9 d. ¹【insurance】 Insurance¹ 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 guidelines¹【;】¹.
- 13 e. ¹【payment】 Payment¹ for a complete electronic medical bill
14 deemed compensable by the insurance carrier shall be made in ¹【60
15 days or less after acknowledgement of receipt of the complete
16 electronic bill in】¹ accordance with subsection g. of section 5 of
17 P.L.1972, c.70 (C.39:6A-5)¹【; and
- 18 f.】, provided, however, that¹ insurance carriers or their third
19 party administrators may ¹【exchange electronic data and】¹ establish
20 ¹shorter¹ payment deadlines through ¹【PPO or IPO】¹ contracts or
21 agreements with health care providers or their billing
22 representatives in a non-prescribed format or timeline ¹【,
23 independent of the guidelines】¹.
- 24
- 25 ¹3. 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.¹
- 33
- 34 ¹【3.】4.¹ This act shall take effect immediately, except that
35 insurance carriers ¹and third party administrators¹ shall not be
36 required to adopt electronic bill transmission before the first day of
37 the ¹【eighteenth】 20th¹ month ¹next¹ following the ¹【adoption of
38 the rules by the Department of Banking and Insurance that are
39 necessary to implement this act】 date of enactment¹. Nothing in
40 this act shall prevent insurance carriers or their third-party
41 administrators from earlier adoption of electronic bills transmission.