

**ASSEMBLY, No. 1987**

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**STATE OF NEW JERSEY**

**219th LEGISLATURE**

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PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

**Sponsored by:**

**Assemblyman STERLEY S. STANLEY**

**District 18 (Middlesex)**

**SYNOPSIS**

Establishes limited medical license for retired physicians.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.



**(Sponsorship Updated As Of: 1/27/2021)**

1 AN ACT concerning licenses to practice medicine and amending  
2 P.L.1997, c.365 and supplementing Title 45 of the Revised  
3 Statutes.

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

7  
8 1. Section 1 of P.L.1997, c.365 (C.45:9-19.17) is amended to  
9 read as follows:

10 1. a. A physician who maintains a professional medical  
11 practice in this State and has responsibility for patient care is  
12 required to be covered by medical malpractice liability insurance  
13 issued by a carrier authorized to write medical malpractice liability  
14 insurance policies in this State, in the sum of \$1,000,000 per  
15 occurrence and \$3,000,000 per policy year and unless renewal  
16 coverage includes the premium retroactive date, the policy shall  
17 provide for extended reporting endorsement coverage for claims  
18 made policies, also known as "tail coverage," or, if such liability  
19 coverage is not available, by a letter of credit for at least \$500,000.

20 The physician shall notify the State Board of Medical Examiners  
21 of the name and address of the insurance carrier or the institution  
22 issuing the letter of credit, pursuant to section 7 of P.L.1989, c.300  
23 (C.45:9-19.7).

24 Notwithstanding any law, rule, or regulation to the contrary, no  
25 person holding a limited license to practice medicine and surgery  
26 pursuant to P.L. , c. (C. ) (pending before the Legislature as this  
27 bill), and practicing under the scope of that license, shall be  
28 required to be covered by medical malpractice liability insurance.

29 b. A physician who is in violation of this section is subject to  
30 disciplinary action and civil penalties pursuant to sections 8, 9 and  
31 12 of P.L.1978, c.73 (C.45:1-21 to 22 and 45:1-25).

32 c. The State Board of Medical Examiners may, pursuant to the  
33 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
34 seq.), establish by regulation, minimum amounts for medical  
35 malpractice liability insurance coverage and lines of credit in excess  
36 of those amounts required pursuant to subsection a. of this section.

37 d. The State Board of Medical Examiners shall notify all  
38 physicians licensed by the board of the requirements of this section  
39 within 30 days of the date of enactment of P.L.2004, c.17.  
40 (cf: P.L.2004, c.17, s.25)

41  
42 2. (New section) There is established a limited license to  
43 practice medicine and surgery available to retired licensees who  
44 may wish to continue the practice of medicine and surgery in a  
45 limited capacity.

**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       a. Any person desiring to obtain a limited license to practice  
2 medicine and surgery shall submit to the board an application and  
3 fee not to exceed \$300 and demonstrate that the applicant has been  
4 licensed to practice medicine in any jurisdiction in the United States  
5 for at least 10 years and intends to practice only pursuant to the  
6 restrictions of a limited license to practice medicine and surgery  
7 granted pursuant to P.L. , c. (C. ) (pending before the Legislature as  
8 this bill). A physician who is not fully retired in all jurisdictions  
9 may use a limited license to practice medicine and surgery only for  
10 uncompensated practice. Application and licensure fees shall be  
11 waived for applicants who submit a statement from the employing  
12 agency or institution stating that the applicant will not receive  
13 compensation for any service involving the practice of medicine  
14 and surgery. Any person who receives a waiver of fees for a limited  
15 license to practice medicine and surgery shall be required to pay the  
16 fees if the person receives compensation for the practice of  
17 medicine and surgery.
- 18       b. If the applicant has not practiced in more than 3 years, the  
19 health officer of the county or municipal health department, or a  
20 licensed physician approved by the board, shall supervise the  
21 applicant for a period of 6 months after the applicant is granted a  
22 limited license to practice medicine and surgery, unless the board  
23 determines that a shorter period of supervision will be sufficient to  
24 ensure that the applicant is qualified for licensure. Procedures for  
25 this supervision shall be established by the board.
- 26       c. The recipient of a limited license to practice medicine and  
27 surgery shall practice only in the employ of public agencies or  
28 institutions, or nonprofit agencies or institutions meeting the  
29 requirements of section 501(c)(3) of the Internal Revenue Code (26  
30 U.S.C. s.501(c)(3)), which agencies or institutions are located in  
31 medically underserved areas, as determined by the board.  
32 Determination of medically underserved areas shall be made by the  
33 board after consultation with the Department of Health and  
34 statewide medical organizations. The determination shall include,  
35 but not be limited to, health professional shortage areas designated  
36 by the United States Department of Health and Human Services. A  
37 licensee may work for any approved employer in any medically  
38 underserved area approved by the board.
- 39       d. The recipient of a limited license to practice medicine and  
40 surgery shall, within 30 days after accepting employment, notify the  
41 board of all approved institutions in which the licensee practices  
42 and of all approved institutions where practice privileges have been  
43 denied.
- 44       e. The board may refuse to authorize a physician otherwise  
45 qualified to practice in the employ of any agency or institution  
46 otherwise qualified if the agency or institution has caused or  
47 permitted violations of the provisions of P.L. , c. (C. ) (pending

1 before the Legislature as this bill) which it was aware or should  
2 have been aware were occurring.

3 f. The board shall notify the health officer of the county or  
4 municipal health department of any county in which a licensee  
5 intends to practice under the provisions of P.L. , c. (C. ) (pending  
6 before the Legislature as this bill). The county or municipal health  
7 officer shall assist in the supervision of any licensee within the  
8 county or municipality and shall notify the board if the health  
9 officer becomes aware of any actions by the licensee which would  
10 be grounds for revocation of the limited license to practice medicine  
11 and surgery. The board shall establish procedures for the  
12 supervision of licensees.

13 g. The board shall review the practice of each licensee  
14 biennially to verify compliance with the provisions established in  
15 P.L. , c. (C. ) (pending before the Legislature as this bill).

16 h. Any person holding an active license to practice medicine  
17 and surgery in this State may convert that license to a limited  
18 license to practice medicine and surgery for the purpose of  
19 providing volunteer, uncompensated care for low-income residents  
20 of New Jersey. The applicant must submit a statement from the  
21 employing agency or institution stating that the applicant will not  
22 receive compensation for any service involving the practice of  
23 medicine and surgery. The application and all licensure fees shall  
24 be waived.

25  
26 3. This act shall take effect on the first day of the seventh  
27 month next following the date of enactment, but the board may take  
28 such anticipatory administrative action in advance thereof as shall  
29 be necessary for the implementation of this act.

### 30 31 32 STATEMENT

33  
34 This bill establishes a limited license to practice for physicians.  
35 Under the bill, physicians who retire may continue to practice in  
36 certain situations. Physicians who choose to use the limited license  
37 will not be required to carry medical malpractice insurance.

38 In order to receive a limited medical license, an applicant must  
39 submit to the board an application and fee and demonstrate that he  
40 or she has been licensed to practice medicine in any jurisdiction in  
41 the United States for at least 10 years and intends to practice only  
42 pursuant to the restrictions of a limited license to practice medicine  
43 and surgery. If the applicant has not practiced in more than 3 years,  
44 the health officer of the county or municipality health department or  
45 a licensed physician, approved by the board, shall supervise the  
46 applicant for a period of 6 months after he or she is granted a  
47 limited license to practice medicine and surgery, unless the board

1 determines that a shorter period of supervision will be sufficient to  
2 ensure that the applicant is qualified for licensure.

3 The recipient of a limited license to practice medicine and  
4 surgery shall practice only in the employ of public agencies or  
5 institutions, or nonprofit agencies or institutions meeting the  
6 requirements of s.501(c)(3) of the Internal Revenue Code, which  
7 agencies or institutions are located in medically underserved areas,  
8 as determined by the board. Determination of medically  
9 underserved areas shall be made by the board after consultation  
10 with the Department of Health and statewide medical organizations;  
11 however, the determination shall include, but not be limited to,  
12 health professional shortage areas designated by the United States  
13 Department of Health and Human Services. A licensee may work  
14 for any approved employer in any medically underserved area  
15 approved by the board.