

ASSEMBLY, No. 114

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblyman JONES and Assemblywoman GILL

1 AN ACT concerning the regulation of physicians and supplementing  
2 Titles 30 and 45 of the Revised Statutes.

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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. a. A physician licensed pursuant to the provisions of Title 45 of  
8 the Revised Statutes who provides medical services to a beneficiary of  
9 the Medicare program established pursuant to Title XVIII of the  
10 federal Social Security Act, Pub.L.89-97 (42 U.S.C. §1395 et seq.)  
11 whose annual income is less than the limits provided for such  
12 beneficiary's eligibility for "Pharmaceutical Assistance to the Aged and  
13 Disabled" pursuant to section 2 of P.L.1975, c.194 (C.30:4D-21) shall  
14 not charge or collect from the beneficiary any amount in excess of the  
15 reasonable charge for that service as determined by the United States  
16 Secretary of Health and Human Services.

17 b. A beneficiary of the Medicare program shall present an  
18 identification card, issued by the Department of Human Services  
19 pursuant to subsection b. of section 3 of P.L. , c. (C. )(now  
20 pending before the Legislature as this bill) to the physician at the time  
21 that services are rendered, in order to be eligible for benefits under the  
22 provisions of this act.

23 c. The State Board of Medical Examiners shall assess a civil  
24 penalty pursuant to section 12 of P.L.1978, c.73 (C.45:1-25) of up to  
25 \$2,500 for a first offense and up to \$5,000 for each subsequent offense  
26 against a physician who knowingly and willingly charged the  
27 beneficiary in a manner not in compliance with the provisions of this  
28 act.

29 d. In addition to any civil penalties the board shall assess, the board  
30 shall order a physician who is not in compliance with this act to repay  
31 the victim the amount of excess payments made and received, plus  
32 interest on that amount at the maximum legal rate from the date  
33 payment was made until the date repayment is made. The board shall  
34 also issue a letter of reprimand to a physician who is not in compliance  
35 with the provisions of this act.

- 1       2. A physician who treats beneficiaries of the Medicare program  
2 established pursuant to Title XVIII of the Social Security Act, Pub.  
3 L.89-97 (42 U.S.C.§1395 et seq.) shall post a sign in his office which  
4 sets forth the following:
- 5       a. The rights of Medicare patients pursuant to section 1 of this act.  
6       b. The address and telephone number of the Department of Human  
7 Services, which is the State agency designated to receive patients'  
8 complaints relating to overcharges prohibited under this act.  
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- 10       3. a. The Commissioner of Human Services shall establish  
11 procedures for the printing and distribution of the sign which is  
12 required to be posted by a physician who treats beneficiaries of the  
13 Medicare program established pursuant to Title XVIII of the Social  
14 Security Act, Pub.L.89-97 (42 U.S.C.§1395 et seq.) under section 2  
15 of P.L. , c. (C. )(now pending before the Legislature as this bill).  
16       b. The commissioner shall establish procedures for the  
17 determination of eligibility and the issuance of an identification card,  
18 in coordination with the "Pharmaceutical Assistance for the Aged and  
19 Disabled" program (PAAD), established pursuant to P.L.1975, c.194  
20 (C.30:4D-20 et seq.), for beneficiaries of the Medicare program who  
21 meet the income eligibility requirements of section 1 of P.L. , c. (C.  
22 )(now pending before the Legislature as this bill). The identification  
23 card shall be valid for two years. A beneficiary of the PAAD program  
24 shall use his pharmaceutical identification card for this purpose.  
25       c. The commissioner shall promptly report all patient complaints  
26 relating to overcharges to the State Board of Medical Examiners  
27 pursuant to section 2 of P.L. , c. (C. )(now pending before the  
28 Legislature as this bill) which are received by the Department of  
29 Human Services.  
30       d. The commissioner, in cooperation with the Director of the  
31 Division on Aging in the Department of Community Affairs, shall  
32 disseminate information about the provisions of P.L. , c. (C. ) (now  
33 pending before the Legislature as this bill) and applications for  
34 identification cards to hospitals, physicians and senior citizens through  
35 the county offices on aging.  
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- 37       4. a. All penalties collected pursuant to P.L. ,c. (C. )(now  
38 pending before the Legislature as this bill) shall be deposited in a  
39 special non-lapsing fund in the Department of Human Services which  
40 is designated as the "Senior Citizen Balance Billing Fund." The fund  
41 shall be dedicated for use by the Commissioner of Human Services to  
42 offset any administrative costs incurred by the department in  
43 determining eligibility and issuing identification cards for beneficiaries  
44 of the Medicare program established pursuant to Title XVIII of the  
45 Social Security Act, Pub. L.89-97 (42 U.S.C. § 1395 et seq.) who are  
46 eligible for participation under the provisions of P.L. , c. (C. )

1 (now pending before the Legislature as this bill).

2 b. Within one year after the effective date of P.L. , c. (C. ) (now  
3 pending before the Legislature as this bill) and annually thereafter, the  
4 Commissioner of Human Services shall report to the Legislature on the  
5 amount collected and the use of the fund.

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7 5. Pursuant to the "Administrative Procedure Act," P.L.1968,  
8 c.410 (C.52:14B-1 et seq.), the Commissioner of Human Services shall  
9 adopt rules and regulations necessary to carry out the purposes of  
10 sections 3 and 4 of P.L. ,c. (C. )(now pending before the  
11 Legislature as this bill).

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13 6. This act shall take effect 60 days after enactment.

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#### STATEMENT

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18 This bill requires a physician who agrees to treat Medicare patients  
19 to accept what the Medicare program pays without billing the patient  
20 for the uncovered balance. This requirement applies to Medicare  
21 patients whose annual incomes are at or below the income limits  
22 provided for under the Pharmaceutical Assistance to the Aged and  
23 Disabled (PAAD) program, which are \$15,700 for single persons and  
24 \$19,250 for married persons.

25 In order to receive benefits under this bill, a Medicare beneficiary  
26 must obtain an identification card to be issued by the Department of  
27 Human Services (DHS), and present it to the physician at the time that  
28 services are rendered. Beneficiaries under this program who are also  
29 beneficiaries under PAAD shall use their PAAD card for this purpose.

30 Physicians who do not comply with the provisions of the bill shall  
31 be subject to a fine of up \$2,500 for the first offense and up to \$5,000  
32 for each subsequent offense. The physician shall also repay the victim  
33 the amount of excess payments made and received, plus interest on  
34 that amount at the maximum legal rate from the date payment was  
35 made until the date repayment is made. The State Board of Medical  
36 Examiners shall also issue a letter of reprimand to a physician who is  
37 not in compliance with this bill. The monies collected from the fines  
38 shall be deposited in the "Senior Citizen Balance Billing Fund"  
39 established by the bill in DHS, to be used to offset any administrative  
40 costs incurred by the department in determining eligibility and issuing  
41 identification cards. The Commissioner of Human Services shall  
42 report to the Legislature annually regarding the amount collected and  
43 the use of the fund.

44 The bill requires physicians who treat Medicare beneficiaries to post  
45 approved signs in their office setting forth the rights of Medicare  
46 patients and showing the address and telephone number of the DHS.

1 The bill also directs the Commissioner of Human Services, in  
2 cooperation with the Director of the Division on Aging in the  
3 Department of Community Affairs, to disseminate information about  
4 the provisions of the bill to hospitals, physicians and senior citizens  
5 through the county offices on aging.

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10 Requires physicians who agree to treat Medicare patients to accept  
11 what the program pays without balance billing for certain eligible  
12 patients.

WITHDRAWN