

ASSEMBLY, No. 661

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblyman BAGGER

1 AN ACT concerning payments by health service corporations for  
2 certain health services and amending P.L.1971, c.136.

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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 18 of P.L.1971, c.136 (C.26:2H-18) is amended to read  
8 as follows:

9 18. a. No government agency and no health service corporation  
10 organized under the laws of the State and no other purchasers of  
11 health care services shall purchase, pay for or make reimbursement or  
12 grant-in-aid for any health care service provided by a health care  
13 facility unless at the time the service was provided, the health care  
14 facility possessed a valid license or was otherwise authorized to  
15 provide such service.

16 b. (Deleted by amendment, P.L.1992, c.160).

17 c. Payment by government agencies other than those made through  
18 the "New Jersey Medical Assistance and Health Services Act,"  
19 P.L.1968, c.413 (C.30:4D-1 et seq.)**[**, and payment by health service  
20 corporations organized under the laws of this State**]** for health services  
21 provided by health care facilities other than hospitals shall be at  
22 reasonable rates set by the commissioner based on financial elements  
23 approved by him; provided, however, that nothing herein shall be  
24 construed to prohibit the Commissioner of Human Services from  
25 contracting with the commissioner for the setting of rates by which  
26 health care facilities other than hospitals are reimbursed pursuant to  
27 the "New Jersey Medical Assistance and Health Services Act,"  
28 P.L.1968, c.413 (C.30:4D-1 et seq.). **[Rates of payment by health**  
29 **service corporations organized under the laws of this State for health**  
30 **care services provided by a health care facility other than hospitals**  
31 **shall be set in consultation with the Commissioner of Insurance.]**

32 d. (Deleted by amendment, P.L.1992, c.160).

33 e. To establish and maintain a fair and equitable system for  
34 determining such payments, the commissioner shall require each health

**EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.**

**Matter underlined thus is new matter.**

1 care facility to report such financial, statistical and patient information  
2 as may be required, in accordance with a uniform system of reporting  
3 established by him. The commissioner may propose regulations for  
4 approval by the board which assess penalties for failure to report such  
5 information within such time as may be prescribed therein.

6 (cf: P.L.1992, c.160, s.25)

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8 2. This act shall take effect immediately.

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13 Eliminates State rate-setting for payments by health service  
14 corporations for health services provided by health care facilities other  
15 than hospitals.