

ASSEMBLY, No. 1868

STATE OF NEW JERSEY

INTRODUCED MAY 2, 1996

By Assemblyman KELLY

1 AN ACT concerning health maintenance organizations, amending and
2 supplementing P.L.1973, c.337 and making an appropriation.

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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. (New section) a. The Commissioner of Health shall establish
8 and maintain a toll-free telephone number for the purpose of receiving
9 and responding to complaints from enrollees of health maintenance
10 organizations and inquiries regarding departmental procedures to
11 resolve those complaints, as required by section 2 of this act.

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13 2. (New section) The commissioner shall establish procedures to
14 receive, investigate, respond to and, as appropriate, take action to
15 resolve complaints of enrollees who are dissatisfied with the resolution
16 of their complaint after having completed all stages of a health
17 maintenance organization's internal complaint procedure.

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19 3. Section 10 of P.L.1973, c.337 (C.26:2J-10) is amended to read
20 as follows:

21 10. a. Every health maintenance organization shall annually
22 provide to its enrollees:

23 (1) a summary of any material changes since the issuance of the
24 last report;

25 (2) a description of the available health care services and
26 information as to where and how to secure them; and

27 (3) a clear and understandable description of the health
28 maintenance organization's method for resolving enrollee complaints,
29 the Department of Health's toll-free telephone number and an
30 explanation of the department's procedures to resolve complaints as
31 required by sections 1 and 2, respectively, of P.L. , c. (C.)(now
32 before the Legislature as this bill).

33 b. Every health maintenance organization shall make available to

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 its enrollees the most recent annual statement of financial condition.
2 (cf: P.L.1973, c.337, §10)

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4 4. (New section) The Commissioner of Health shall promulgate
5 rules and regulations to effectuate the purposes of this act pursuant to
6 the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B- 1 et
7 seq.)

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9 5. There is appropriated from the General Fund to the Department
10 of Health \$90,000 for the costs associated with the establishment of
11 a toll-free telephone number as required by section 1 of this act.

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13 6. This act shall take effect immediately.

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STATEMENT

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18 This bill requires the Commissioner of Health to establish and
19 maintain a toll-free telephone number, or "hot-line," so it can receive
20 and respond to inquiries and complaints regarding health maintenance
21 organizations. It also requires the commissioner to receive,
22 investigate, respond to and, as appropriate, take action to resolve
23 complaints of enrollees who are dissatisfied with the resolution of their
24 complaints pursuant to the HMO's internal complaint procedure. The
25 bill also requires HMO's to provide an enrollee with the toll-free
26 number of the Department of Health and an explanation of the
27 department's program.

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32 Requires DOH to establish toll-free hot-line for HMO complaints;
33 appropriates \$90,000.