

ASSEMBLY, No. 2715

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 3, 1997

By Assemblyman AUGUSTINE and Assemblywoman
VANDERVALK

1 AN ACT concerning dispute resolution procedures for health care
2 providers and supplementing Title 26 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. This act shall be known and may be cited as the "Health Care
8 Provider Dispute Resolution Act."

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10 2. As used in this act:

11 "Commissioner" means the Commissioner of Health and Senior
12 Services.

13 "Covered health care service" means a health care service provided
14 to an enrollee of a health maintenance organization for which the
15 health maintenance organization is obligated to pay benefits.

16 "Enrollee" means an individual who is enrolled with a health
17 maintenance organization.

18 "Health care provider" means an individual or entity which, acting
19 within the scope of its licensure or certification, provides a covered
20 health care service to an enrollee. Health care provider includes, but
21 is not limited to, a physician and other health care professionals
22 licensed pursuant to Title 45 of the Revised Statutes, and a hospital
23 and other health care facilities licensed pursuant to Title 26 of the
24 Revised Statutes.

25 "Health maintenance organization" means a health maintenance
26 organization authorized to operate in this State pursuant to P.L.1973,
27 c.337 (C.26:2J-1 et seq.).

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29 3. a. Every health maintenance organization for which a certificate
30 of authority to establish and operate a health maintenance organization
31 in this State has been issued or continued shall establish a health care
32 provider dispute resolution procedure which addresses grievances
33 involving the termination of the health care provider, interpretations
34 of the terms of the contract between the health care provider and the
35 health maintenance organization, and payment issues regarding
36 covered health care services.

1 The procedure shall include an internal appeal process and shall
2 provide the health care provider with the right to pursue an external
3 appeal to an independent arbitrator, appointed by the commissioner,
4 following the exhaustion of the health maintenance organization's
5 internal appeal process.

6 b. Within 120 days of the adoption of regulations by the
7 commissioner, a health maintenance organization shall file its dispute
8 resolution procedure with the commissioner. The procedure shall be
9 deemed approved 120 days after filing if it is not affirmatively
10 approved or disapproved within that 120 days. During the 120-day
11 review period, the commissioner may request such amendments to the
12 procedure as the commissioner deems necessary. Any subsequent
13 amendments to a filed and approved procedure shall be deemed
14 approved 120 days after filing if not affirmatively approved or
15 disapproved within 120 days from the filing date.

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17 4. The commissioner, pursuant to the "Administrative Procedure
18 Act," P.L.1968, c.410 (C.52:14B-1 et seq.), shall adopt regulations to
19 carry out the purposes of this act.

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21 5. This act shall take effect 60 days after enactment.

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STATEMENT

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26 This bill requires all health maintenance organizations in the State
27 to establish a health care provider dispute resolution procedure which
28 addresses grievances involving the termination of the health care
29 provider, interpretations of the terms of the contract between the
30 health care provider and the health maintenance organization, and
31 payment issues regarding covered health care services.

32 The procedure shall include an internal appeal process and shall
33 provide the health care provider with the right to pursue an external
34 appeal to an independent arbitrator, appointed by the Commissioner
35 of Health and Senior Services, following the exhaustion of the health
36 maintenance organization's internal appeal process.

37 Health care provider includes licensed health care professionals and
38 licensed health care facilities who provide covered health care services
39 to enrollees of health maintenance organizations.

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44 Requires health maintenance organizations to establish dispute
45 resolution procedures for health care providers.