

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 49

with Senate committee amendments

STATE OF NEW JERSEY

DATED:MARCH 7, 1996

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 49 (1R) of 1996 with committee amendments.

Senate Bill No. 49 (1R), as amended, requires hospital, medical or health service corporations, commercial health insurers, dental plan organizations, dental service corporations, insurers who write automobile or workers' compensation insurance and health maintenance organizations (HMO's), and their subsidiaries that process health care benefits claims as third party administrators, to use standard enrollment and claim forms for paper and electronic transactions in connection with all policies and contracts for health care benefits within 12 months after the promulgation of regulations for such forms by the commissioner.

In promulgating the regulations, the commissioner is required to consult with the Healthcare Information Electronic Data Interchange Policy Council (to be established by Senate, No. 50 or Assembly, No. 1473 of 1996, now pending before the Legislature) which includes representatives from among the various types of health care benefit providers who would be required to use the forms. The commissioner is also required to consult with the boards of the New Jersey Individual Health Coverage Program and the New Jersey Small Employer Health Benefits Program and take into consideration the claim forms adopted by those programs. The commissioner will use national standards for electronic data interchange (EDI) as recommended by the policy council and the program boards.

This bill is part of a legislative package designed to effectuate the recommendations of the Healthcare Information Networks and Technologies (HINT) report to the Legislature under the joint auspices of Thomas Edison State College and the New Jersey Institute of Technology.

COMMITTEE AMENDMENTS

The committee amended the bill to require the use of standard health care enrollment and claims forms within one year after the Commissioner of Insurance promulgates regulations to establish those forms. The bill, in its original form, required the use of the forms within 12 months after enactment and did not require the Commissioner of Insurance to promulgate regulations within a specific time period after enactment.

The amendments also include within the provisions of the bill any subsidiary of a hospital, medical or health service corporation, health insurer, health maintenance organization, dental service corporation or dental plan organization, or an insurer who writes automobile or workers' compensation insurance, that processes health care benefits claims as a third party administrator .

Finally, the amendments specify that the commissioner's standards are to be based on national standards for EDI and that the commissioner is to promulgate standards for health care enrollment and claims for use in both paper and electronic transactions.

FISCAL IMPACT

This bill has not been certified as requiring a fiscal note because it will not have an impact on State or local government revenues or expenditures.