

SENATE, No. 1995

STATE OF NEW JERSEY

INTRODUCED APRIL 17, 1997

By Senators McGREEVEY and LIPMAN

1 AN ACT concerning the regulation of physicians and supplementing
2 Title 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 health insurance under Title XVIII of the federal Social Security Act,
10 Pub.L.89-97 (42 U.S.C. § 1395 et seq.) shall not charge or collect
11 from the beneficiary any amount in excess of the reasonable charge for
12 that service as determined by the United States Secretary of Health
13 and Human Services.

14 b. The State Board of Medical Examiners shall assess a civil
15 penalty pursuant to sections 9 and 12 of P.L.1978, c.73 (c.45:1-22 and
16 45:1-25) of \$2,500 for a first offense and \$5,000 for each subsequent
17 offense against any physician who is not in compliance with this act.
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19 2. a. All penalties collected pursuant to P.L. ,c. (C.)(now
20 pending before the Legislature as this bill) shall be deposited in a
21 special non-lapsing fund in the Department of Health and Senior
22 Services which is designated as the "Senior Citizen Health Care Grant
23 Fund." The fund shall be dedicated for use by the Commissioner of
24 Health and Senior Services to award grants to nonprofit organizations
25 for the development of innovative health care programs for senior
26 citizens.

27 b. Within one year after the effective date of this act, and annually
28 thereafter, the Commissioner of Health and Senior Services shall
29 report to the Legislature on the amount collected and the use of the
30 fund.
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32 3. Pursuant to the "Administrative Procedure Act," P.L.1968,
33 c.410 (C.52:14B-1 et seq.), the Commissioner of Health and Senior
34 Services shall adopt rules and regulations necessary to carry out the
35 purposes of this act.
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37 4. This act shall take effect immediately.

STATEMENT

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This bill requires physicians who agree to treat Medicare patients to accept what the program pays without billing the patients for the uncovered balance.

Physicians who do not comply with this requirement shall be subject to a fine of \$2,500 for the first offense and \$5,000 for each subsequent offense. The monies collected from the fines shall be deposited in a "Senior Citizen Health Care Grant Fund" in the Department of Health and Senior Services. The Commissioner of Health and Senior Services shall use the fund to award grants to nonprofit organizations for the development of innovative health care programs for senior citizens and shall report to the Legislature annually regarding the amount collected and the use of the fund.

Requires physicians who agree to treat Medicare patients to accept what the program pays without balance billing.