SENATE RESOLUTION No. 8

STATE OF NEW JERSEY

INTRODUCED JANUARY 11, 1996

By Senator SCOTT

A SENATE RESOLUTION urging the Commissioners of Health and Insurance to investigate certain health insurer practices with respect to reimbursing hospitals for maternity care.

WHEREAS, It has been reported by hospital officials that certain health insurers are negotiating contracts with hospitals to pay for maternity care on a per-case, rather than a per-diem, basis, even though they reimburse hospitals for all other covered surgical procedures on a per-diem basis, in order to offset any financial effect from the enactment of P.L.1995, c.138 (C.17:48-61 et al.), which requires health insurers to cover a minimum 48-hour hospital maternity stay for a vaginal delivery and a 96-hour stay for a cesarean delivery; and

WHEREAS, Representatives of the hospital industry and Members of the Legislature have rightly expressed their concern that certain insurers may be seeking to exploit any possible loophole in the above law and thereby undermine the legislative intent behind this law, which was enacted in order to ensure the most appropriate level of care for new mothers and newborn infants in this State, by negotiating with hospitals to reimburse them for less than the equitable and standard per-diem rate for a maternity-related hospital patient stay; and

WHEREAS, This House wishes to express its serious concern about the possibility of any attempt on the part of health insurance carriers to evade the consequences of this law by unfairly shifting the burden of compliance to New Jersey's acute care hospitals; and

WHEREAS, This House fully intends to take whatever legislative action is required to remedy any such attempt to contravene the intent of P.L.1995, c.138, but would first request appropriate efforts by the Departments of Health and Insurance to ascertain the extent to which health insurers are engaging in this practice; now, therefore,

BE IT RESOLVED *by the Senate of the State of New Jersey:*

1. The Commissioners of Health and Insurance are respectfully urged to undertake a joint investigation of the apparent practice of certain health insurers of negotiating contracts with hospitals to pay for maternity stays on a

per-case, rather than a per-diem, basis, while reimbursing hospitals for all other covered surgical procedures on a per-diem basis, in order to offset any financial effect from the enactment of P.L.1995, c.138 (C.17:48-61 et al.), and to report the results of their joint investigation to the Governor and the Legislature at the earliest possible date.

2. The Commissioners of Health and Insurance are further respectfully urged to take the strongest possible measures to ensure compliance by health insurers with the provisions of P.L.1995, c.138, and to ensure that violators are fined appropriately.

3. A duly authenticated copy of this resolution, signed by the President of the Senate and attested by the Secretary of the Senate, shall be forwarded to the Commissioners of Health and Insurance.

STATEMENT

This resolution urges the Commissioners of Health and Insurance to jointly investigate health insurer contracts that pay hospitals for maternity care on a per-case, rather than a per-diem, basis, in order to get around P.L.1995, c.138 (C.17:48-61 et al.), the so-called "48-hour" hospital maternity stay law, and to take the strongest possible measures to ensure compliance by health insurers with the provisions of P.L.1995, c.138, and ensure that violators are fined appropriately.

Urges Commissioners of Health and Insurance to investigate health insurer contracts that pay hospitals for maternity care on per-case, rather than per-diem, basis.