

[First Reprint]

**SENATE, No. 114**

**STATE OF NEW JERSEY**  
**213th LEGISLATURE**

PRE-FILED FOR INTRODUCTION IN THE 2008 SESSION

**Sponsored by:**

**Senator LORETTA WEINBERG**

**District 37 (Bergen)**

**Assemblywoman VALERIE VAINIERI HUTTLE**

**District 37 (Bergen)**

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**District 13 (Middlesex and Monmouth)**

**Assemblywoman NANCY F. MUNOZ**

**District 21 (Essex, Morris, Somerset and Union)**

**Assemblywoman ERIC MUNOZ**

**District 21 (Essex, Morris, Somerset and Union)**

**Co-Sponsored by:**

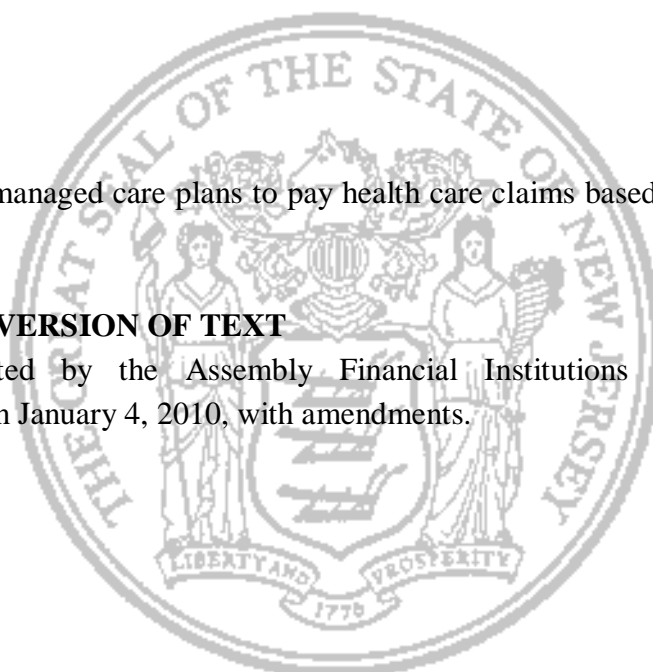
**Assemblyman Connors, Assemblywoman Watson Coleman and Senator Baroni**

**SYNOPSIS**

Requires managed care plans to pay health care claims based on assignment of benefits.

**CURRENT VERSION OF TEXT**

As reported by the Assembly Financial Institutions and Insurance Committee on January 4, 2010, with amendments.



**(Sponsorship Updated As Of: 1/12/2010)**

1 AN ACT concerning assignment of health benefits under managed  
2 care plans and amending P.L.2001, c.367.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6

7 1. Section 2 of P.L.2001, c.367 (C.26:2S-6.1) is amended to  
8 read as follows:

9 2. a. With respect to a carrier which offers a managed care  
10 plan that provides for both in-network and out-of-network benefits,  
11 in the event that:

12 (1) a covered person is admitted by an out-of-network health  
13 care provider to an in-network health care facility for covered,  
14 medically necessary health care services~~[,]~~; or

15 (2) the covered person receives covered, medically necessary  
16 health care services from an out-of-network health care provider  
17 while the covered person is a patient at an in-network health care  
18 facility and was admitted to the health care facility by an in-  
19 network provider, the carrier shall reimburse the health care facility  
20 for the services provided by the facility at the carrier's full  
21 contracted rate without any penalty for the patient's selection of an  
22 out-of-network provider, in accordance with the in-network policies  
23 and in-network copayment, coinsurance or deductible requirements  
24 of the managed care plan.

25 b. The provisions of subsection a. of this section shall apply  
26 only if the covered person complies with the preauthorization or  
27 review requirements of the health benefits plan regarding the  
28 determination of medical necessity to access in-network inpatient  
29 benefits, as set forth in writing pursuant to section 5 of P.L.1997,  
30 c.192 (C.26:2S-5).

31 c. With respect to a carrier which offers a managed care plan  
32 that provides for both in-network and out-of-network benefits, in  
33 the event that the covered person assigns, through an assignment of  
34 benefits, his right to receive reimbursement for medically necessary  
35 health care services to an out-of-network health care provider, the  
36 carrier shall remit payment for the reimbursement directly to the  
37 health care provider <sup>1</sup>in the form of a check payable to the health  
38 care provider, or in the alternative, to the health care provider and  
39 the covered person as joint payees, with a signature line for each of  
40 the payees. Payment shall be made<sup>1</sup> in accordance with the  
41 provisions of this section and P.L.1999, c.154 (C.17B:30-23 et al.).  
42 Any payment made <sup>1</sup>only<sup>1</sup> to the covered person rather than the  
43 health care provider under these circumstances shall be considered  
44 unpaid, and unless remitted to the health care provider within the

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Assembly AFI committee amendments adopted January 4, 2010.

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1 time frames established by P.L.1999, c.154 (C.17B:30-23 et al.),  
2 shall be considered overdue and subject to an interest charge as  
3 provided in that act.  
4 (cf: P.L.2001, c.367, s.2)

5  
6 2. This act shall take effect on the '~~90th~~ 365th' day next  
7 following enactment and shall apply to any health benefits plan in  
8 which the carrier has reserved the right to change the premium  
9 '~~and~~' which is '~~delivered, issued, executed or renewed~~ in effect'  
10 on or after the effective date.