

[Second Reprint]

ASSEMBLY, No. 4913

STATE OF NEW JERSEY
220th LEGISLATURE

INTRODUCED DECEMBER 5, 2022

Sponsored by:

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Assemblyman STERLEY S. STANLEY

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Assemblyman BENJIE E. WIMBERLY

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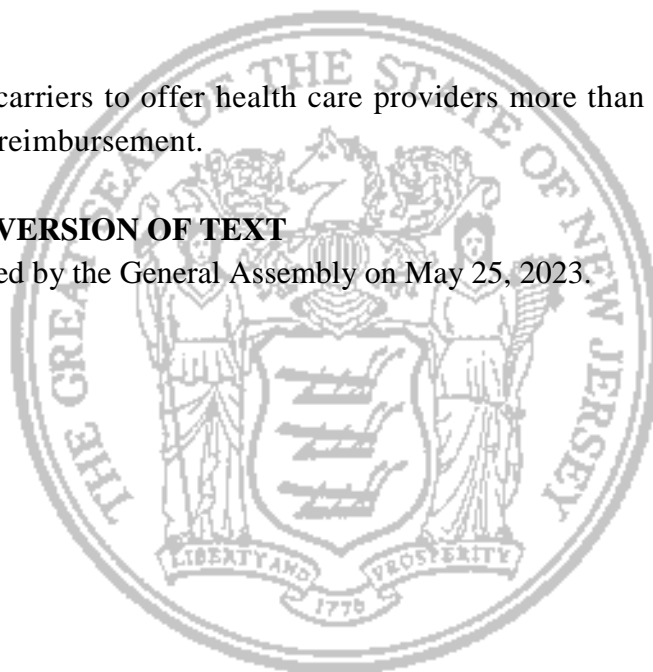
Assemblyman Moen, Senators Gopal, Cryan and Pou

SYNOPSIS

Requires carriers to offer health care providers more than one method of payment for reimbursement.

CURRENT VERSION OF TEXT

As amended by the General Assembly on May 25, 2023.



(Sponsorship Updated As Of: 12/21/2023)

1 AN ACT concerning reimbursement for health care providers and
 2 covered persons and supplementing P.L.1999, c.155 (C.17B:30-
 3 26 et seq.).

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

7
 8 ²1. a. ¹[A payer shall remit payment for a claim to a health
 9 care provider solely through either a check or an electronic funds
 10 transfer in compliance with the federal "Health Insurance
 11 Portability and Accountability Act of 1996," Pub.L.104-191. No
 12 payer shall remit payment for a claim to a health care provider
 13 using a method not authorized pursuant to this subsection] Any
 14 payer offering a health benefits plan or dental plan issued, amended,
 15 or renewed on or after the effective date of this act between a payer,
 16 or its contracted vendor, and a health care provider for the provision
 17 of health or dental care services to a covered person shall offer all
 18 reasonably available methods of payment from the payer or its
 19 contracted vendor to the health care provider, which shall include,
 20 but not be limited to, payment by check and electronic funds
 21 transfer. A health benefits plan or dental plan shall not contain a
 22 restriction mandating payment by credit card¹.

23 b. ¹[No payer or carrier shall reimburse a covered person using
 24 a virtual credit card] A payer shall offer all reasonably available
 25 methods of payment from the payer or its contracted vendor to an
 26 out-of-network provider, which shall include, but not be limited to,
 27 payment by check or electronic funds transfer. A payer or its
 28 contracted vendor shall not restrict the method of payment to an
 29 out-of-network provider providing out-of-network covered services
 30 to a virtual credit card payment.

31 c. At least twice per contract period or per every 12 month
 32 period, whichever is shorter, and when initiating or changing
 33 payment methods to a health care provider, a payer, or its
 34 contracted vendor, shall:

35 (1) notify the health care provider of the fees associated with all
 36 available payment methods; and

37 (2) provide the health care provider with clear instructions as to
 38 how to select each payment method.

39 The notifications and instructions required pursuant to this
 40 subsection shall be provided to a health care provider by means
 41 other than the contract offered to the health care provider.

42 d. A payer shall be prohibited from using a health care
 43 provider's preferred method of payment as a factor when making a
 44 decision on whether to provide credentials to a provider.

45 e. The provisions of this act shall not be waived by contract,
 46 and any contractual clause in conflict with the provisions of this act

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:

¹Assembly AFI committee amendments adopted March 9, 2023.

²Assembly floor amendments adopted May 25, 2023.

1 or that purport to waive any requirements of this act after the
2 effective date of this act are void.

3 f. Any violation of this act shall be subject to enforcement by
4 the Department of Banking and Insurance. A payer, or contracted
5 vendor of the payer, that violates the provisions of this act shall be
6 subject to a civil penalty of not less than \$500 per day and shall
7 reimburse a health care provider for attorney's fees, merchant
8 terminal fees, and credit card processing fees incurred to compel
9 compliance with this act. A civil penalty imposed pursuant to this
10 subsection shall be collected by the department pursuant to the
11 "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10
12 et seq.)¹.

13 ¹[c.] g.¹ As used in this section¹ [, "virtual credit card"] :

14 "Credit card"¹ means a single-use ¹or virtual¹ credit card
15 ¹[exclusively]¹ provided in an electronic ¹[or] ¹digital¹,
16 facsimile, physical, or paper¹ format¹.

17 "Health care provider" means an individual licensed or otherwise
18 authorized pursuant to Title 45 or Title 52 of the Revised Statutes to
19 practice a health care profession that is regulated by the Division of
20 Consumer Affairs; a health care facility licensed pursuant to
21 P.L.1971, c.136, (C.26:2H-1 et seq.) which shall include, but not be
22 limited to, hospitals, ambulatory care facilities and long term care
23 facilities; a health maintenance organization authorized to operate
24 pursuant to P.L.1973, c.337 (C.26:2J-1 et seq.); a payer or health
25 insurer that offers a managed care plan regulated pursuant to
26 P.L.1997, c.192 (C.26:2S-1 et seq.); a State or county psychiatric
27 hospital; a State developmental center; a staffing registry; and a
28 home care services agency as defined pursuant to section 1 of
29 P.L.1947, c.262 (C.45:11-23).

30 "Payer" means an insurance company; health service
31 corporation; hospital service corporation; medical service
32 corporation; dental service corporation; dental plan organization; or
33 health maintenance organization authorized to issue medical or
34 dental contracts, policies, or plans in this State, and shall also
35 include contracted vendors of any such entities¹.²

36
37 ²1. a. Any network agreement entered into, amended, or
38 renewed on or after the effective date of this act between a carrier,
39 or the carrier's contracted vendor, and a health care provider for the
40 provision of health or dental care services to a covered person shall
41 not mandate only one form of payment to the health care provider
42 including, but not limited to, payment by credit card, electronic
43 funds transfer, or check.

44 b. A carrier, or the carrier's contracted vendor, shall not restrict
45 the method of payment to an out-of-network health care provider
46 providing out-of-network covered services to only one form of

1 payment including, but not limited to, payment by credit card,
2 electronic funds transfer, or check.

3 c. If one of the available payment methods has a fee associated
4 with it, a carrier, or the carrier's contracted vendor, shall, prior to
5 initiating its first payment to an in-network, or out-of-network
6 health care provider, or upon changing the payment methods
7 available to a health care provider:

8 (1) notify the health care provider that there may be fees
9 associated with a particular payment method, and that the carrier, or
10 the carrier's contracted vendor, shall disclose any fees beyond what
11 the health care provider would normally pay to process a payment
12 using that particular payment method; and

13 (2) provide the health care provider with clear instructions on
14 the carrier's, or the carrier's contracted vendor's, website, or
15 through means other than the contract offered to the health care
16 provider, as to how to select each payment method.

17 d. If a health care provider requests a change in the available
18 payment method, a carrier, or the carrier's contracted vendor, shall
19 implement the change to the payment method selected by the health
20 care provider within 30 business days, subject to federal and State
21 verification measures to prevent fraud and abuse.

22 e. A carrier shall be prohibited from using a health care
23 provider's preferred method of payment as a factor when deciding
24 whether to provide credentials to a health care provider.

25 f. The provisions of this act shall not be waived by contract,
26 and any contractual clause in conflict with the provisions of this act
27 or that purport to waive any requirements of this act after the
28 effective date of this act are void.

29 g. Any violation of this act may be subject to enforcement by
30 the Department of Banking and Insurance. The department shall
31 provide the carrier notice and an opportunity to be heard, and upon
32 a finding of a violation of the act, shall impose a civil penalty
33 pursuant to the "Penalty Enforcement Law of 1999," P.L.1999,
34 c.274 (C.2A:58-10 et seq.), and shall order the carrier to reimburse
35 a health care provider for any documented fees or charges
36 reasonably incurred as a result of violation.

37 h. As used in this section:

38 "Carrier" means an insurance company; health service
39 corporation; hospital service corporation; medical service
40 corporation or health maintenance organization authorized to issue
41 health benefit plans in this State, and a dental service corporation or
42 dental plan organization authorized to issue dental plans in this
43 State.

44 "Credit card" means a single-use or virtual credit card provided
45 in an electronic, digital, facsimile, physical, or paper format.

46 "Health care provider" means an individual or entity which,
47 acting within the scope of its licensure or certification, provides a
48 covered service defined by the health benefits or dental plan. Health

1 care provider includes, but is not limited to, a physician, dentist, or
2 other health care professional licensed pursuant to Title 45 of the
3 Revised Statutes, and a hospital or other health care facility licensed
4 pursuant to Title 26 of the Revised Statutes.²

5

6 2. This act shall take effect on the ¹~~90th~~ 180th¹ day after the
7 date of enactment and shall apply to ²~~claims submitted~~ contracts
8 issued, amended, or renewed² on or after that date.