

SENATE, No. 3216

STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED OCTOBER 17, 2022

Sponsored by:

Senator PAUL A. SARLO

District 36 (Bergen and Passaic)

SYNOPSIS

Requires health insurance carriers to provide network adequacy within health benefits plans.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning network adequacy and supplementing
2 P.L.1997, c.192 (C.26:2S-1 et al.).

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6
7 1. As used in this act:

8 "Carrier" means an insurance company, health service
9 corporation, hospital service corporation, medical service
10 corporation, or health maintenance organization authorized to issue
11 health benefits plans in this State, and shall include the State Health
12 Benefits Program, the School Employees' Health Benefits Program,
13 the Medicaid program, and a Medicaid managed care organization.

14 "Commissioner" means the Commissioner of Banking and
15 Insurance and the Commissioner of Health.

16 "Hospital based medical specialist" means physicians working in
17 specialties that are usually located at in network hospitals and
18 facilities, including, but not limited to, radiologists, pathologists,
19 neurosurgeons, anesthesiologists, cardiac thoracic surgeons,
20 orthopedic surgeons, transplant surgeons, general surgeons, and
21 emergency room physicians.

22 "Medicaid" means the Medicaid program established pursuant to
23 P.L.1968, c.413 (C.30:4D-1 et seq.).

24 "Network" means those physicians who participate as in-network
25 providers within a health benefits plan.

26 "Office based medical specialist" means physicians practicing in
27 specialty areas recognized by the American Board of Medical
28 Specialties, American Osteopathic Association or the American
29 Podiatric Medical Association that are usually located in office-
30 based practices other than those physicians included in the
31 definition of "primary care physician" pursuant to this section.

32 "Primary care physician" means a physician who:

33 (1) has successfully completed a residency program accredited
34 by the Accreditation Council for Graduate Medical Education or
35 approved by the American Osteopathic Association in general
36 family medicine, general internal medicine, obstetrics and
37 gynecology or general pediatrics; or

38 (2) has been evaluated by a carrier's committee charged with
39 setting standards for and reviewing provider credentialing under the
40 direction of the carrier's medical director, and who is found by that
41 committee to demonstrate through training, education and
42 experience or expertise in primary care.

43
44 2. All networks shall have a sufficient number of physicians to
45 ensure that 100 percent of covered persons reside no more than:

46 a. a 20 minute drive or 10 miles, whichever is less, from at
47 least three primary care physicians within each type of primary care
48 specialty as defined pursuant to section 1 of P.L. , c. (C.)

1 (pending before the Legislature as this bill) and within the
2 geographic boundaries of the State;

3 b. a 30 minute drive or 15 miles, whichever is less, from at
4 least three office-based medical specialists within each specialty as
5 defined pursuant to section 1 of P.L. , c. (C.) (pending
6 before the Legislature as this bill) and within the geographic
7 boundaries of the State; and

8 c. a 45 minute drive or 20 miles, whichever is less, from at
9 least three hospital-based medical specialists within each specialty
10 as defined pursuant to section 1 of P.L. , c. (C.) (pending
11 before the Legislature as this bill) and within the geographic
12 boundaries of the State.

13

14 3. a. Pursuant to section 2 of P.L. , c. (C.) (pending
15 before the Legislature as this bill), a network shall have a sufficient
16 number of physicians to:

17 (1) meet the health needs of covered persons;

18 (2) provide an appropriate choice of physicians sufficient to
19 render services covered by the health benefits plan; and

20 (3) reasonably ensure that covered persons have timely access,
21 as required pursuant to section 2 of P.L. , c. (C.) (pending
22 before the Legislature as this bill), to in-network facilities.

23 b. For purposes of determining whether a sufficient number of
24 physicians are included in the network, the commissioner shall
25 ensure that a carrier providing benefits for emergency services shall
26 ensure that:

27 (1) requests for emergency care shall be triaged immediately or
28 no later than one hour from the request for emergency care;

29 (2) requests for urgent care be provided within 24 hours of
30 notification of the carrier;

31 (3) requests for a routine appointment be scheduled within two
32 weeks; and

33 (4) requests for a routine physical examination be scheduled
34 within three months.

35 c. Nothing in P.L. , c. (C.) (pending before the
36 Legislature as this bill) shall preclude a health benefits plan from
37 offering services via telehealth or telemedicine, but services offered
38 via telehealth or telemedicine shall not be counted toward
39 compliance with network adequacy requirements of
40 P.L. , c. (C.) (pending before the Legislature as this bill).

41 d. Nothing in P.L. , c. (C.) (pending before the
42 Legislature as this bill) shall preclude a health benefits plan from
43 including providers other than physicians, including but not limited
44 to physician assistants, advanced practice nurses and registered
45 nurses, in a network, but inclusion of such non-physician providers
46 shall not be counted toward compliance with network adequacy
47 requirements of P.L. , c. (C.) (pending before the
48 Legislature as this bill).

1 4. Upon seeking initial approval of a network, a carrier shall
2 submit a plain language description of the network to the
3 commissioner with information sufficient to allow the
4 commissioner to determine whether the network is in compliance
5 with the provisions of P.L. , c. (C.) (pending before the
6 Legislature as this bill). The commissioner shall investigate the
7 information supplied in the description to ensure compliance.
8 Annually thereafter, the carrier shall submit an updated, plain
9 language description of the network to the commissioner and shall
10 certify that the network described therein remains compliant with
11 the provisions of P.L. , c. (C.) (pending before the
12 Legislature as this bill).

13
14 5. The Commissioner of Banking and Insurance and the
15 Commissioner of Human Services shall establish a system by which
16 covered persons may file formal complaints concerning network
17 adequacy with the Department of Banking and Insurance or the
18 Department of Human Services.

19
20 6. A carrier shall display the plain language description of each
21 network available to the public in a conspicuous location within its
22 internet website within 20 days of the submission of the description
23 to the commissioner.

24
25 7. An entity providing or administering a self-funded health
26 benefits plan which is subject to the "Employee Retirement Income
27 Security Act of 1974," 29 U.S.C. s.1001 et seq., may elect to meet
28 the requirements of P.L. , c. (C.) (pending before the
29 Legislature as this bill).

30
31 8. A carrier that violates any provision of P.L. , c. (C.)
32 (pending before the Legislature as this bill) shall be subject to the
33 penalties provided pursuant to section 16 of P.L.1997, c.192
34 (C.26:2S-16).

35
36 9. The Commissioner shall annually provide a report to the
37 Legislature, in accordance with section 2 of P.L.1991, c.164
38 (C.52:14-19.1), containing the descriptions of each network.

39
40 10. The Commissioner of Banking and Insurance and the
41 Commissioner of Human Services shall adopt rules and regulations
42 pursuant to the "Administrative Procedure Act," P.L.1968, c.410
43 (C.52:14B-1 et seq.) to effectuate the purposes of this act.

44
45 11. This act shall take effect on the first day of the third month
46 next following the date of enactment, except that the Commissioner
47 of Banking and Insurance and the Commissioner of Human

1 Services may take such anticipatory administrative action in
2 advance as shall be necessary for the implementation of this act.

3

4

5

STATEMENT

6

7 This bill requires health insurance carriers to provide an
8 adequate network of physicians.

9 Under the bill, a carrier will ensure that a network have a
10 sufficient number of physicians to ensure that 100 percent of
11 covered persons reside no more than:

12 (1) a 20 minute drive or 10 miles, whichever is less, from at
13 least three primary care physicians within each type of primary care
14 specialty as defined in the bill and within the geographic boundaries
15 of the State;

16 (2) a 30 minute drive or 15 miles, whichever is less, from at
17 least three office-based medical specialists within each specialty as
18 defined in the bill and within the geographic boundaries of the
19 State; and

20 (3) a 45 minute drive or 20 miles, whichever is less, from at
21 least three hospital-based medical specialists within each specialty
22 as defined in the bill and within the geographic boundaries of the
23 State.

24 Under the bill, a network will be required to have a sufficient
25 number of physicians to:

26 (1) meet the health needs of covered persons;

27 (2) provide an appropriate choice of physicians sufficient to
28 render services covered by the health benefits plan; and

29 (3) reasonably ensure that covered persons have timely access to
30 in-network facilities.

31 The bill provides that a carrier will be required to submit a plain
32 language description of the network to the commissioner with
33 information sufficient to allow the commissioner to determine
34 whether the network is in compliance with the provisions of the bill.
35 The commissioner will investigate the information supplied in the
36 description to ensure compliance. Annually thereafter, the carrier
37 will be required to submit an updated, plain language description of
38 the network to the commissioner and must certify that the network
39 described remains compliant with the provisions of the bill.

40 Additionally, the bill requires the Commissioner of Banking and
41 Insurance and the Commissioner of Human Services to establish a
42 system by which a covered person may file a formal complaint
43 concerning network adequacy with the Department of Banking and
44 Insurance or the Department of Human Services. The bill also
45 requires a carrier to display the plain language description of each
46 network available to the public in a conspicuous location within its
47 internet website within 20 days of the submission of the description
48 to the commissioner.