

# ASSEMBLY, No. 3595

## STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED MARCH 14, 2022

**Sponsored by:**

**Assemblywoman PAMELA R. LAMPITT**

**District 6 (Burlington and Camden)**

**Assemblywoman ELLEN J. PARK**

**District 37 (Bergen)**

**Assemblyman JOHN F. MCKEON**

**District 27 (Essex and Morris)**

**Co-Sponsored by:**

**Assemblywomen Chaparro and Carter**

**SYNOPSIS**

Requires health benefits plans and carriers to meet certain requirements concerning network adequacy and mental health care.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 5/26/2022)**

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

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 "Covered person" means a person on whose behalf a carrier  
15 offering the plan is obligated to pay benefits or provide services  
16 pursuant to the health benefits plan.

17 "Health benefits plan" means a benefits plan which pays or  
18 provides hospital and medical expense benefits for covered  
19 services, and is delivered or issued for delivery in this State by or  
20 through a carrier. Health benefits plan includes, but is not limited  
21 to, Medicare supplement coverage and risk contracts to the extent  
22 not otherwise prohibited by federal law. For the purposes of this  
23 act, health benefits plan shall not include the following plans,  
24 policies, or contracts: accident only, credit, disability, long-term  
25 care, TRICARE supplement coverage, coverage arising out of a  
26 workers' compensation or similar law, automobile medical payment  
27 insurance, personal injury protection insurance issued pursuant to  
28 P.L.1972, c.70 (C.39:6A-1 et seq.), or hospital confinement  
29 indemnity coverage.

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

32 "Mental health condition" means a condition defined to be  
33 consistent with generally recognized independent standards of  
34 current medical practice referenced in the current version of the  
35 Diagnostic and Statistical Manual of Mental Disorders.

36 "Mental health provider" means professionals licensed in this  
37 State to diagnose or treat mental health conditions.

38 "Network adequacy" means the adequacy of the provider  
39 network with respect to the scope and type of health care benefits  
40 provided by a carrier, the geographic service area covered by the  
41 provider network, and access to hospital based and medical  
42 specialists pursuant to the standards in the regulations promulgated  
43 pursuant to section 19 of P.L.1997, c.192 (C.26:2S-18) and in the  
44 existing contract between a managed care organization and the  
45 Division of Medical Assistance and Health Services in the  
46 Department of Human Services.

47 "Telehealth" means the same as that term is defined by section 1  
48 of P.L.2017, c.117 (C.45:1-61).

1 "Telemedicine" means the same as that term is defined by  
2 section 1 of P.L.2017, c.117 (C.45:1-61).

3

4 2. a. The Commissioner of Banking and Insurance or the  
5 Commissioner of Human Services, as appropriate, shall, in  
6 determining the adequacy of a proposed provider network or the  
7 ongoing adequacy of an in-force provider network, approve a  
8 network for a health benefits plan only if the plan has a sufficient  
9 number of mental health providers to ensure that 100 percent of the  
10 covered persons have access to:

11 (1) an in-network mental health provider that can provide  
12 services delivered in person, within 15 miles of the covered  
13 person's residence, within the geographic boundaries of the State,  
14 and within 30 days of the initial request by the covered person; or

15 (2) if in-person delivery pursuant to paragraph (1) of this  
16 subsection is not available, an in-network or out-of-network mental  
17 health provider that can provide services delivered through  
18 telemedicine or telehealth within 30 days of the initial request by  
19 the covered person.

20 (a) A carrier that provides coverage for out-of-network mental  
21 health care services delivered through telemedicine or telehealth  
22 pursuant to paragraph (2) of this subsection shall provide coverage  
23 on the same basis as when the services are delivered through in-  
24 person contact and consultation in New Jersey and at a provider  
25 reimbursement rate of not less than the corresponding Medicaid  
26 provider reimbursement rate. Reimbursement payments under this  
27 section may be provided either to the individual practitioner who  
28 delivered the reimbursable services, or to the agency, facility, or  
29 organization that employs the individual practitioner who delivered  
30 the reimbursable services, as appropriate.

31 (b) A carrier shall not charge any deductible, copayment, or  
32 coinsurance for a mental health care service, delivered through  
33 telemedicine or telehealth pursuant to paragraph (2) of this  
34 subsection, in an amount that exceeds the deductible, copayment, or  
35 coinsurance amount that is applicable to an in-person, in-network  
36 consultation.

37 b. An entity providing or administering a self-funded health  
38 benefits plan which is subject to the "Employee Retirement Income  
39 Security Act of 1974" (29 U.S.C. s.1001 et seq.) may elect to meet  
40 the requirements of this act.

41

42 3. A carrier that violates any provision of this act shall be liable  
43 for the penalties provided pursuant to section 16 of P.L.1997, c.192  
44 (C.26:2S-16).

45

46 4. The Commissioner of Banking and Insurance, in conjunction  
47 with the Commissioner of Human Services, shall adopt rules and

1 regulations pursuant to the "Administrative Procedure Act,"  
2 P.L.1968, c.410 (C.52:14B-1 et seq.) to effectuate the purposes of  
3 this act.

4  
5 5. This act shall take effect on the first day of the third month  
6 next following the date of enactment, except that the Commissioner  
7 of Banking and Insurance and the Commissioner of Human  
8 Services may take such anticipatory administrative action in  
9 advance thereof as shall be necessary for the implementation of this  
10 act.

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13 STATEMENT

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15 This bill requires carriers to take certain action to ensure that  
16 health benefits plans meet certain network adequacy requirements  
17 and mental health care. Under the bill, "carrier" means an  
18 insurance company, health service corporation, hospital service  
19 corporation, medical service corporation, or health maintenance  
20 organization authorized to issue health benefits plans in this State,  
21 and includes the State Health Benefits Program, the School  
22 Employees' Health Benefits Program, the Medicaid program, and a  
23 Medicaid managed care organization.

24 The bill requires the Commissioner of Banking and Insurance or  
25 the Commissioner of Human Services, as appropriate, to approve a  
26 network for a health benefits plan only if the plan meets certain  
27 requirements concerning access to mental health providers. Under  
28 the bill a plan is required to have a sufficient number of mental  
29 health providers to ensure that 100 percent of the covered persons  
30 have access to either in-network mental health providers that can  
31 provide services delivered in person and within certain geographic  
32 and temporal requirements, or access to in-network or out-of-  
33 network mental health providers that can provide services delivered  
34 through telemedicine or telehealth.

35 A plan that provides access to in-network or out-of-network  
36 mental health providers that can provide services delivered through  
37 telemedicine or telehealth is required to provide coverage for out-  
38 of-network mental health care services delivered through  
39 telemedicine or telehealth on the same basis as when the services  
40 are delivered through in-person contact and consultation in New  
41 Jersey and at a provider reimbursement rate of not less than the  
42 corresponding Medicaid provider reimbursement rate.  
43 Reimbursement payments are to be provided either to the individual  
44 practitioner who delivered the reimbursable services, or to the  
45 agency, facility, or organization that employs the individual  
46 practitioner who delivered the reimbursable services, as appropriate.  
47 In addition, a carrier is not to charge any deductible, copayment, or

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1 coinsurance for a mental health care service, delivered through  
2 telemedicine or telehealth, in an amount that exceeds the deductible,  
3 copayment, or coinsurance amount that is applicable to an in-  
4 person, in-network consultation.