

# ASSEMBLY, No. 4975

## STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED DECEMBER 12, 2022

**Sponsored by:**

**Assemblywoman MARILYN PIPERNO**

**District 11 (Monmouth)**

**Assemblywoman KIM EULNER**

**District 11 (Monmouth)**

**SYNOPSIS**

Prohibits pre-approval or precertification of medical tests, procedures and prescription drugs covered under health benefits or prescription drug benefits plans.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT concerning pre-approval and precertification of certain  
2 health and pharmacy benefits and supplementing various parts of  
3 the statutory law.

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

7  
8 1. Notwithstanding the provisions of any other law, rule or  
9 regulation to the contrary, a carrier shall not condition the payment  
10 of any benefit for a medical test or procedure, or prescription drug,  
11 upon any pre-approval or precertification of any kind by the carrier  
12 if that test, procedure or prescription drug is otherwise covered  
13 under the health benefits plan and it has been prescribed by a  
14 licensed health care provider.

15  
16 2. Notwithstanding the provisions of any other law, rule or  
17 regulation to the contrary, a third party administrator shall not  
18 condition the payment of any benefit for a medical test or  
19 procedure, or prescription drug, upon any pre-approval or  
20 precertification of any kind by the third party administrator or  
21 benefits payer if that test, procedure or prescription drug is  
22 otherwise covered under the health benefits plan and it has been  
23 prescribed by a licensed health care provider.

24  
25 3. Notwithstanding the provisions of any other law, rule or  
26 regulation to the contrary, a pharmacy benefits manager shall not  
27 condition the payment of any benefit for a prescription drug, upon  
28 any pre-approval or precertification of any kind by the pharmacy  
29 benefits manager, carrier or purchaser if that prescription drug is  
30 otherwise covered under the health benefits plan and it has been  
31 prescribed by a licensed health care provider.

32  
33 4. Notwithstanding the provisions of any other law, rule or  
34 regulation to the contrary, a contract for health benefits, or for  
35 prescription drug benefits, purchased by the State Health Benefits  
36 Program shall not condition the payment of any benefit for a  
37 medical test or procedure, or prescription drug, upon any pre-  
38 approval or precertification of any kind if that test, procedure or  
39 prescription drug is otherwise covered under the health benefits  
40 plan and it has been prescribed by a licensed health care provider.

41  
42 5. Notwithstanding the provisions of any other law, rule or  
43 regulation to the contrary, a contract for health benefits, or for  
44 prescription drug benefits, purchased by the School Employees'  
45 Health Benefits Program shall not condition the payment of any  
46 benefit for a medical test, procedure or prescription drug, upon any  
47 pre-approval or precertification of any kind if that test, procedure or

1 prescription drug is otherwise covered under the health benefits  
2 plan and it has been prescribed by a licensed health care provider.

3

4 6. This act shall take effect immediately and apply to health  
5 benefits plans or prescription drug benefits plans issued or  
6 purchased on or after that date.

7

8

9

STATEMENT

10

11 This bill prohibits health insurers, third party administrators,  
12 pharmacy benefits managers, and the State Health Benefits Program  
13 and the School Employees' Health Benefits Program from requiring  
14 the pre-approval or precertification of medical tests, procedures or  
15 prescription drugs covered under a health benefits or prescription  
16 drug benefits plan. This bill will ensure that patients who are ill are  
17 not burdened with technical requirements by health benefits  
18 providers which employ utilization management review systems  
19 that slow down medical care.

20 The sponsor is concerned that complaints from people who need  
21 medical treatment are on the rise, and feels that it is time to end the  
22 nightmare of the insurance company bureaucracy that is frustrating  
23 patients who need care and medicine. The so-called "pre-approval"  
24 process, now required by insurance companies, is a nightmare for  
25 patients across New Jersey. Historically, doctors would order a test  
26 or medicine and patients received it. Now, a myriad of bureaucratic  
27 obstacles makes patients and doctors pawns in a sad game of  
28 insurance-company chess. There are examples of cancer patients  
29 waiting for long periods of time to receive medicine because of a  
30 cumbersome and slow approval policy.

31 The sponsor is convinced that it is time for the doctors to make  
32 decisions, not insurance companies; it is time for patients who are  
33 ill to not be burdened with technical requirements by insurance  
34 companies that employ systems that slow down medical care and  
35 are incredibly frustrating. It is the sponsor's goal that insurance  
36 companies pay for what the doctor orders.