

P.L. 2023, CHAPTER 247, *approved January 8, 2024*
Assembly, No. 4913 (Second Reprint)

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:

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8 ²**[1. 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.

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

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

7 e. The provisions of this act shall not be waived by contract,
8 and any contractual clause in conflict with the provisions of this act
9 or that purport to waive any requirements of this act after the
10 effective date of this act are void.

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

21 ¹**[c.] g.**¹ As used in this section ¹**[**, "virtual credit card"**]** :

22 "Credit card"¹ means a single-use ¹or virtual¹ credit card
23 ¹**[exclusively]**¹ provided in an electronic ¹**[or]** ¹digital¹,
24 facsimile, physical, or paper¹ format¹.

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

38 "Payer" means an insurance company; health service
39 corporation; hospital service corporation; medical service
40 corporation; dental service corporation; dental plan organization; or
41 health maintenance organization authorized to issue medical or
42 dental contracts, policies, or plans in this State, and shall also
43 include contracted vendors of any such entities¹.²

44
45 ²1. a. Any network agreement entered into, amended, or
46 renewed on or after the effective date of this act between a carrier,
47 or the carrier's contracted vendor, and a health care provider for the

1 provision of health or dental care services to a covered person shall
2 not mandate only one form of payment to the health care provider
3 including, but not limited to, payment by credit card, electronic
4 funds transfer, or check.

5 b. A carrier, or the carrier's contracted vendor, shall not restrict
6 the method of payment to an out-of-network health care provider
7 providing out-of-network covered services to only one form of
8 payment including, but not limited to, payment by credit card,
9 electronic funds transfer, or check.

10 c. If one of the available payment methods has a fee associated
11 with it, a carrier, or the carrier's contracted vendor, shall, prior to
12 initiating its first payment to an in-network, or out-of-network
13 health care provider, or upon changing the payment methods
14 available to a health care provider:

15 (1) notify the health care provider that there may be fees
16 associated with a particular payment method, and that the carrier, or
17 the carrier's contracted vendor, shall disclose any fees beyond what
18 the health care provider would normally pay to process a payment
19 using that particular payment method; and

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

24 d. If a health care provider requests a change in the available
25 payment method, a carrier, or the carrier's contracted vendor, shall
26 implement the change to the payment method selected by the health
27 care provider within 30 business days, subject to federal and State
28 verification measures to prevent fraud and abuse.

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

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

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

44 h. As used in this section:

45 "Carrier" means an insurance company; health service
46 corporation; hospital service corporation; medical service
47 corporation or health maintenance organization authorized to issue
48 health benefit plans in this State, and a dental service corporation or

1 dental plan organization authorized to issue dental plans in this
2 State.

3 “Credit card” means a single-use or virtual credit card provided
4 in an electronic, digital, facsimile, physical, or paper format.

5 “Health care provider” means an individual or entity which,
6 acting within the scope of its licensure or certification, provides a
7 covered service defined by the health benefits or dental plan. Health
8 care provider includes, but is not limited to, a physician, dentist, or
9 other health care professional licensed pursuant to Title 45 of the
10 Revised Statutes, and a hospital or other health care facility licensed
11 pursuant to Title 26 of the Revised Statutes.²

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

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