

CHAPTER 247

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

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

C.17B:30-34.1 Health care provider, carrier, more than one method of payment, reimbursement; definitions.

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

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

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

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

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

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

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

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

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

h. As used in this section:

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

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

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

2. This act shall take effect on the 180th day after the date of enactment and shall apply to contracts issued, amended, or renewed on or after that date.

Approved January 8, 2024.