

SENATE, No. 2392

STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED MARCH 24, 2022

Sponsored by:

Senator JOSEPH A. LAGANA

District 38 (Bergen and Passaic)

SYNOPSIS

Requires medical fee schedule by automobile insurers to provide for reimbursement of certain services provided by ambulatory surgical center at rate of 300 percent of Medicare payment rate.

CURRENT VERSION OF TEXT

As introduced.



S2392 LAGANA

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1 AN ACT concerning automobile insurer fee schedules and amending
2 P.L.1988, c.119.

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

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7 1. Section 10 of P.L.1988, c.119 (C.39:6A-4.6) is amended to
8 read as follows:

9 10. a. The Commissioner of Banking and Insurance shall, within
10 90 days after the effective date of P.L.1990, c.8 (C.17:33B-1 et al.),
11 promulgate medical fee schedules on a regional basis for the
12 reimbursement of health care providers providing services or
13 equipment for medical expense benefits for which payment is to be
14 made by an automobile insurer under personal injury protection
15 coverage pursuant to P.L.1972, c.70 (C.39:6A-1 et seq.), by an
16 insurer under medical expense benefits coverage pursuant to section
17 2 of P.L.1991, c.154 (C.17:28-1.6), or for payment of unreimbursed
18 medical expenses that are admissible as uncompensated economic
19 loss pursuant to section 12 of P.L.1972, c.70 (C.39:6A-12). These
20 fee schedules shall be promulgated on the basis of the type of
21 service provided, and shall incorporate the reasonable and
22 prevailing fees of 75% of the practitioners within the region. If, in
23 the case of a specialist provider, there are fewer than 50 specialists
24 within a region, the fee schedule shall incorporate the reasonable
25 and prevailing fees of the specialist providers on a Statewide basis.
26 The commissioner may contract with a proprietary purveyor of fee
27 schedules for the maintenance of the fee schedule, which shall be
28 adjusted biennially for inflation and for the addition of new medical
29 procedures.

30 In the case of services provided by an ambulatory surgical center
31 (ASC) that are not currently listed on the Physicians' and ASC Fee
32 Schedules, the Physicians' and ASC Fee Schedules shall provide for
33 reimbursement to the ASC at a rate of 300 percent of the Medicare
34 Part B payment rate for the service provided pursuant to section
35 1833 of the Social Security Act (42 U.S.C. s.13951), for the same
36 area, provided that the services are reimbursable pursuant to current
37 Centers for Medicare and Medicaid Services guidelines. Unlisted
38 medical supplies utilized in conjunction with services that are not
39 currently listed on the Physicians' and ASC Fee Schedules shall be
40 reimbursable at invoice cost plus 20 percent.

41 b. The fee schedule may provide for reimbursement for
42 appropriate services on the basis of a diagnostic-related (DRG)
43 payment by diagnostic code where appropriate, and may establish
44 the use of a single fee, rather than an unbundled fee, for a group of
45 services if those services are commonly provided together. In the
46 case of multiple procedures performed simultaneously, the fee
47 schedule and regulations promulgated pursuant thereto may also

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.

1 provide for a standard fee for a primary procedure, and proportional
2 reductions in the cost of the additional procedures.

3 c. No health care provider may demand or request any payment
4 from any person in excess of those permitted by the medical fee
5 schedules established pursuant to this section, nor shall any person
6 be liable to any health care provider for any amount of money
7 which results from the charging of fees in excess of those permitted
8 by the medical fee schedules established pursuant to this section.
9 This subsection shall apply to unreimbursed medical expenses that
10 are subject to the medical fee schedules and admissible as
11 uncompensated economic loss pursuant to section 12 of P.L.1972,
12 c.70 (C.39:6A-12).
13 (cf: P.L.2019, c.245, s.1)

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15 2. This act shall take effect on the 120th day next following
16 enactment.

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STATEMENT

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21 This bill requires the medical fee schedule promulgated by the
22 Commissioner of Banking and Insurance that is used for the
23 reimbursement of medical expenses by certain automobile insurers
24 to provide for reimbursement of services provided by an ambulatory
25 surgical center that are not currently listed on the medical fee
26 schedule at a rate of 300 percent of the Medicare payment rate for
27 that service provided that the services are reimbursable pursuant to
28 current Centers for Medicare and Medicaid Services guidelines.
29 Unlisted medical supplies utilized in conjunction with services that
30 are not currently listed on the medical fee schedule are required to
31 be reimbursed at invoice cost plus 20 percent.