ASSEMBLY, No. 3860

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED FEBRUARY 27, 2024

Sponsored by:
Assemblywoman VERLINA REYNOLDS-JACKSON
District 15 (Hunterdon and Mercer)
Assemblyman WAYNE P. DEANGELO
District 14 (Mercer and Middlesex)
Assemblyman ANTHONY S. VERRELLI
District 15 (Hunterdon and Mercer)

Co-Sponsored by:
Assemblyman Sampson and Assemblywoman Speight

SYNOPSIS

Establishes certain medical billing requirements concerning specific nature of charges or expenses for health care services.

CURRENT VERSION OF TEXT

As introduced.

(Sponsorship Updated As Of: 2/27/2024)

AN ACT concerning medical billing requirements and supplementing Title 45 of the Revised Statutes.

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

1. a. As used in this section:

"Carrier" means an entity that contracts or offers to contract to provide, deliver, arrange for, pay for, or reimburse any of the costs of health care services under a health benefits plan, including: an insurance company authorized to issue health benefits plans; a health maintenance organization; a health, hospital, or medical service corporation; a multiple employer welfare arrangement; the State Health Benefits Program and the School Employees' Health Benefits Program; or any other entity providing a health benefits plan. Except as provided under the provisions of this act, "carrier" shall not include any other entity providing or administering a self-funded health benefits plan.

"Episode of care" means the medical care ordered to be provided for a specific medical procedure, condition, or illness.

"Health benefits plan" means a benefits plan which pays or provides hospital and medical expense benefits for covered services, and is delivered or issued for delivery in this State by or through a carrier. For the purposes of this act, "health benefits plan" shall not include the following plans, policies or contracts: Medicaid, Medicare, Medicare Advantage, accident only, credit, disability, long-term care, TRICARE supplement coverage, coverage arising out of a workers' compensation or similar law, automobile medical payment insurance, personal injury protection insurance issued pursuant to P.L.1972, c.70 (C.39:6A-1 et seq.), a dental plan as defined pursuant to section 1 of P.L.2014, c.70 (C.26:2S-26) and hospital confinement indemnity coverage.

"Health care facility" means a health care facility licensed pursuant to P.L.1971, c.136 (C.26:2H-1 et al.)

"Health care professional" means an individual, acting within the scope of the individual's licensure or certification, who provides professional services in, or under contract with, a health care facility.

"Health care provider" or "provider" means a health care professional or health care facility.

"Health care service" means the preadmission, outpatient, inpatient, and post discharge care provided in or by a health care facility, and such other items or services as are necessary for such care, including but not limited to medical devices, which are provided for the purpose of health maintenance, diagnosis, or treatment of human disease, pain, injury, disability, deformity, or physical condition, including, but not limited to, nursing service, home care nursing, and other paramedical service, ambulance

1 service, dental and vision services, service provided by an intern,
2 resident in training or physician whose compensation is provided
3 through agreement with a health care facility, laboratory service,
4 medical social service, drugs, biologicals, supplies, appliances,
5 equipment, bed and board, including services provided by a health
6 care professional in private practice.
7 "Self-funded health benefits plan" or "self-funded plan" means a
8 self-insured health benefits plan governed by the provisions of the
9 federal "Employee Retirement Income Security Act of 1974," 29
10 U.S.C. s.1001 et seq.
11 b. (1) A health care provider shall, within 30 days after a
12 patient's discharge or release or within seven days after receiving a
13 written request, provide to the patient or to the patient's survivor or
14 legal guardian, as appropriate, a consolidated, itemized statement or
15 bill detailing the specific nature of the charges or expenses for the
16 health care services the patient received from the provider. The
17 description of billed charges shall be in plain language that is
18 comprehensible to an ordinary layperson but may include technical
19 terms to describe the health care services if the technical terms are
20 defined using limited medical nomenclature as permitted under the
21 rules adopted pursuant to this section.
22 (2) The itemized statement or bill required by this section shall:
23 (a) not describe a billed charge using only a medical billing
24 code or a general term such as "miscellaneous charges," "supply
25 charges," or "other charges";
26 (b) list the specific services received and expenses incurred by
27 date and health care provider, enumerating in detail the constituent
28 components of the services received within each department of a
29 health care facility and including unit price data on rates charged by
30 a health care facility;
31 (c) identify each item as paid, assigned to a third-party payer, or
32 chargeable directly to the patient, including the amount due and the
33 due date for any amount expected from the patient;
34 (d) not refer to drug code numbers without also using the
35 appropriate brand name or generic name for each drug;
36 (e) include the services provided by hospital-based physicians
37 and other health care providers who cannot bill separately;
38 (f) specifically identify physical, rehabilitative, occupational, or
39 speech therapy treatment by date, type, and length of treatment; and
40 (g) conspicuously display the telephone number of the health
41 care facility's patient liaison responsible for expediting the
42 resolution of any billing dispute between the patient, or the patient's
43 survivor or legal guardian in accordance with subsection c. of this
44 section.
45 (3) After delivery of the initial statement or bill, any subsequent
46 statement or bill provided to a patient or to the patient's survivor or
47 legal guardian, as appropriate, relating to the same episode of care

1 shall include all the information required by paragraph (2) of this
2 subsection, with any revisions clearly delineated.
3 (4) A health care provider shall:
4 (a) transmit the itemized statement or bill by secure e-mail, via
5 a secure online portal, or, upon request, by mail; and
6 (b) not bill or otherwise charge a patient for preparation of an
7 itemized statement or bill required by this section.
8 c. Each health care facility shall establish policies and
9 procedures for reviewing and responding to questions from a patient
10 concerning the patient's consolidated itemized statement or bill. A
11 response shall be provided no more than seven business days after
12 the date a question is received.
13 d. The Board of Medical Examiners, in consultation with the
14 Department of Banking and Insurance and the Division of
15 Consumer Affairs in the Department of Law and Public Safety,
16 shall adopt rules that specify the requirements for health care
17 providers licensed by the board to develop and provide plain-
18 language billing statements in accordance with this section. The
19 Board of Medical Examiners shall ensure that the rules are
20 consistent with P.L.2018, c.32 (C.26:2SS-1 et seq.). The rules shall
21 specify, at a minimum, the following:
22 (1) the contents of the statements, including the patient's rights
23 and payment obligations pursuant to the patient's health benefit
24 plan;
25 (2) disclosure requirements specific to health care facilities,
26 including the terms used to differentiate in-network and out-of-
27 network services and health care providers; and
28 (3) requirements to ensure that carriers, health care facilities,
29 and health care providers use language that is consistent with the
30 disclosures required by P.L.2018, c.32 (C.26:2SS-1 et seq.).
31 e. The Department of Health, in consultation with the
32 Department of Banking and Insurance and the Division of
33 Consumer Affairs in the Department of Law and Public Safety,
34 shall adopt rules that specify the requirements for health care
35 facilities to develop and provide plain-language billing statements
36 in accordance with this section. The Department of Health shall
37 ensure that the rules are consistent with P.L.2018, c.32 (C.26:2SS-1
38 et seq.). The rules shall specify, at a minimum, the following:
39 (1) the contents of the statements, including the patient's rights
40 and payment obligations pursuant to the patient's health benefit
41 plan;
42 (2) disclosure requirements specific to health care facilities,
43 including the terms used to differentiate in-network and out-of-
44 network services and health care providers; and
45 (3) requirements to ensure that carriers, health care facilities,
46 and health care providers use language that is consistent with the
47 disclosures required by P.L.2018, c.32 (C.26:2SS-1 et seq.).

2. This act shall take effect immediately and shall apply to health care services performed on and after the first day of the 24th month next following the date of enactment.

STATEMENT

This bill establishes certain medical billing requirements concerning the specific nature of charges or expenses for health care services.

The bill requires a health care provider to provide to the patient or to the patient's survivor or legal guardian, as appropriate, a consolidated, itemized statement or bill detailing the specific nature of the charges or expenses for the health care services the patient received from the provider. The health care provider must provide the statement or bill within 30 days after a patient's discharge or release or within seven days after receiving a written request. The description of billed charges will be in plain language that is comprehensible to an ordinary layperson but may include technical terms to describe the health care services if the technical terms are defined using limited medical nomenclature as permitted under the rules adopted pursuant to this bill.