

[Second Reprint]

ASSEMBLY, No. 3860

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED FEBRUARY 27, 2024

Sponsored by:

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District 15 (Hunterdon and Mercer)

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District 14 (Mercer and Middlesex)

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District 15 (Hunterdon and Mercer)

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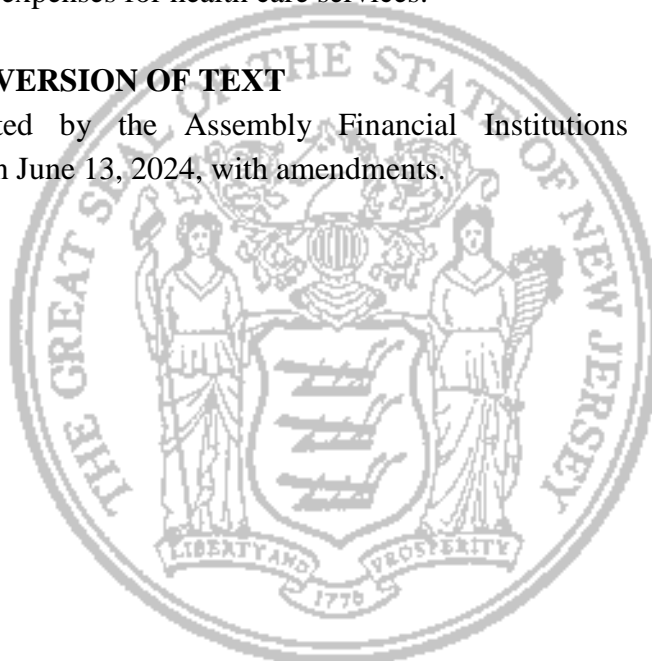
Assemblyman Tully and Assemblywoman Park

SYNOPSIS

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

CURRENT VERSION OF TEXT

As reported by the Assembly Financial Institutions and Insurance Committee on June 13, 2024, with amendments.



(Sponsorship Updated As Of: 6/28/2024)

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

3

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

6

7 1. a. As used in this section:

8 ²“Adjudication” means the process by which a carrier reviews a
9 health care claim and provides an explanation of benefits
10 reimbursement to a provider.²

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

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

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

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

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

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

43 "Health care service" means the preadmission, outpatient,
44 inpatient, and post discharge care provided in or by a health care

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 May 20, 2024.

²Assembly AFI committee amendments adopted June 13, 2024.

1 facility, and such other items or services as are necessary for such care,
2 including but not limited to medical devices, which are provided for
3 the purpose of health maintenance, diagnosis, or treatment of human
4 disease, pain, injury, disability, deformity, or physical condition,
5 including, but not limited to, nursing service, home care nursing, and
6 other paramedical service, ambulance ²**[service]** and other medical
7 transport services², dental and vision services, service provided by an
8 intern, resident in training or physician whose compensation is
9 provided through agreement with a health care facility, laboratory
10 service, medical social service, drugs, biologicals, supplies,
11 appliances, equipment, bed and board, including services provided by
12 a health care professional in private practice.

13 ²“Plain language” means language that is easily understood by the
14 average patient and that includes uniform definitions of standard
15 insurance and medical terms, to be determined and developed by the
16 Department of Health.²

17 “Self-funded health benefits plan” or “self-funded plan” means a
18 self-insured health benefits plan governed by the provisions of the
19 federal “Employee Retirement Income Security Act of 1974,” 29
20 U.S.C. s.1001 et seq.

21 ²“Sensitive services” means health care services related to sexual
22 assault, pregnancy, family planning, sexually transmitted diseases,
23 domestic violence and substance or alcohol abuse, and any other
24 services that may be determined to be sensitive services by the
25 Department of Health, in consultation with the Department of Banking
26 and Insurance.²

27 b. (1) A health care provider shall, within 30 days after ²**[a**
28 **patient's discharge or release or within seven days after receiving a**
29 **written request]** a claim for a health care service is adjudicated by a
30 carrier², provide to the patient or to the patient's survivor or legal
31 guardian, as appropriate, a ²**[consolidated, itemized]**² statement or bill
32 ²**[detailing the specific nature]**² of the charges or expenses for the
33 health care services the patient received from the provider ²**[**. The
34 description of billed charges shall be in plain language that is
35 comprehensible to an ordinary layperson but may include technical
36 terms to describe the health care services if the technical terms are
37 defined using limited medical nomenclature as permitted under the
38 rules adopted pursuant to this section] , if the patient owes all or a
39 portion of the amount due for the health care service. The statement or
40 bill provided to the patient or to the patient’s survivor or legal guardian
41 shall contain conspicuous language stating that a plain language
42 statement or bill is available upon written request and shall be
43 provided to the patient within 10 days after the written request is
44 received. The plain language statement or bill shall detail the specific
45 nature of the charges or expenses for the health care services that the
46 patient received from the provider².

1 (2) The ²~~itemized~~ plain language² statement or bill required by
2 this section shall:

3 (a) not describe a billed charge using only a medical billing code
4 or a general term such as "miscellaneous charges," "supply charges,"
5 or "other charges";

6 (b) list the specific services received and expenses incurred by date
7 and health care provider², enumerating in detail the constituent
8 components of the services received within each department of a
9 health care facility and including unit price data on rates charged by a
10 health care facility;

11 (c) identify each item as paid, assigned to a third-party payer, or
12 chargeable directly to the patient, including the amount due and the
13 due date for any amount expected from the patient²;

14 ²~~(d)~~ (c)² not refer to drug code numbers without also using the
15 appropriate brand name or generic name for each drug;

16 ²~~(e)~~ include the services provided by hospital-based
17 physicians and other health care providers who cannot bill separately;

18 (f) specifically identify physical, rehabilitative, occupational, or
19 speech therapy treatment by date, type, and length of treatment;
20 ¹~~and~~¹

21 ~~(g)~~ (d)² conspicuously display the telephone number of the
22 health care facility's patient liaison responsible for expediting the
23 resolution of any billing dispute between the patient, or the patient's
24 survivor or legal guardian in accordance with subsection c. of this
25 section¹; and

26 ²~~(h)~~ (e)² provide information on free or reduced cost financial
27 assistance health care programs² offered by the provider and² available
28 to patients², distributed through a paper copy of the application for
29 each program, unless the patient has opted to receive communications
30 exclusively through electronic means; and, if available, provide a link
31 to the online application for each program¹².

32 Notwithstanding the requirements of this paragraph, a plain
33 language statement or bill shall not contain information about sensitive
34 services unless subsequently requested by the person who is legally
35 authorized to consent to care.²

36 (3) After delivery of the initial statement or bill, any subsequent
37 statement or bill provided to a patient or to the patient's survivor or
38 legal guardian, as appropriate, relating to the same episode of care
39 shall include all the information required by paragraph (2) of this
40 subsection ²if requested by the patient or the patient's survivor or legal
41 guardian², with any revisions clearly delineated.

42 (4) A health care provider shall:

43 (a) transmit the ²~~itemized~~² statement or bill by ¹~~secure e-mail,~~
44 via a secure online portal, or, upon request, by ¹~~mail~~ ¹or, upon
45 request, by secure e-mail, via a secure online portal¹; and

1 (b) not bill or otherwise charge a patient for preparation of ²[an
2 itemized] ^a² statement or bill required by this section.

3 c. Each health care facility shall establish policies and procedures
4 for reviewing and responding to questions from a patient concerning
5 the patient's ²[consolidated itemized]² statement or bill. A response
6 shall be provided no more than ¹[seven] ¹⁰¹ business days after the
7 date a question is received.

8 d. The ²[Board of Medical Examiners] Division of Consumer
9 Affairs in the Department of Law and Public Safety², in consultation
10 with the Department of Banking and Insurance ²[and the Division of
11 Consumer Affairs in the Department of Law and Public Safety]², shall
12 adopt rules that specify the requirements for health care providers
13 ²[licensed by the board]² to develop and provide ²[plain-language]
14 plain language² billing statements in accordance with this section. The
15 ²[Board of Medical Examiners] division² shall ensure that the rules
16 are consistent with P.L.2018, c.32 (C.26:2SS-1 et seq.). The rules
17 shall specify, at a minimum, the following:

18 (1) the contents of the statements, including the patient's rights and
19 payment obligations pursuant to the patient's health benefit plan;

20 (2) disclosure requirements specific to health care facilities,
21 including the terms used to differentiate in-network and out-of-
22 network services and health care providers; and

23 (3) requirements to ensure that carriers, health care facilities, and
24 health care providers use language that is consistent with the
25 disclosures required by P.L.2018, c.32 (C.26:2SS-1 et seq.).

26 e. The Department of Health, in consultation with the Department
27 of Banking and Insurance and the Division of Consumer Affairs in the
28 Department of Law and Public Safety, shall adopt rules that specify
29 the requirements for health care facilities to develop and provide plain-
30 language billing statements in accordance with this section. The
31 Department of Health shall ensure that the rules are consistent with
32 P.L.2018, c.32 (C.26:2SS-1 et seq.). The rules shall specify, at a
33 minimum, the following:

34 (1) the contents of the statements, including the patient's rights and
35 payment obligations pursuant to the patient's health benefit plan;

36 (2) disclosure requirements specific to health care facilities,
37 including the terms used to differentiate in-network and out-of-
38 network services and health care providers; and

39 (3) requirements to ensure that carriers, health care facilities, and
40 health care providers use language that is consistent with the
41 disclosures required by P.L.2018, c.32 (C.26:2SS-1 et seq.).

42
43 2. This act shall take effect immediately and shall apply to
44 health care services performed on and after the first day of the
45 ²[24th] ^{18th}² month next following ²[the date of enactment]
46 promulgation of the implementing regulations².