

SENATE, No. 1307

STATE OF NEW JERSEY
221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

Sponsored by:
Senator NELLIE POU
District 35 (Bergen and Passaic)

SYNOPSIS

Establishes process to bar certain health care providers from receiving reimbursement under PIP.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT concerning reimbursement of certain health care providers
2 under personal injury protection benefits and supplementing
3 P.L.1972, c.70 (C.39:6A-1 et seq.).
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:
7

8 1. a. The Commissioner of Banking and Insurance, in
9 consultation with the Commissioner of Health and Senior Services
10 and the Director of the Division of Consumer Affairs in the
11 Department of Law and Public Safety, shall, by regulation,
12 promulgate standards and procedures for investigating and
13 temporarily suspending or barring a health care provider from
14 demanding, requesting, or receiving reimbursement for services or
15 equipment for which payment is to be made by an automobile
16 insurer under personal injury protection coverage pursuant to
17 P.L.1972, c.70 (C.39:6A-1 et seq.), or by an insurer under medical
18 expense benefits coverage pursuant to P.L.1991, c.154 (C.17:28-1.5
19 et seq.), upon findings reached after investigation pursuant to this
20 section. The regulations adopted pursuant to this section shall
21 ensure adequate due process protection to health care providers,
22 including notice and opportunity to be heard, and shall include
23 provision for notice to all health care providers of the provisions of
24 this section and regulations promulgated thereunder at least 90 days
25 in advance of the effective date of those regulations.

26 b. (1) The Commissioner of Banking and Insurance, either by
27 his own initiative or based on the recommendation of the
28 Commissioner of Health and Senior Services or the Director of the
29 Division of Consumer Affairs, may conduct an investigation into
30 any health care provider who the Commissioner of Banking and
31 Insurance reasonably believes:

32 (a) may be guilty of professional misconduct, incompetence, or
33 negligence as provided in section 9 of P.L.1989, c.300 (C.45:9-
34 19.9);

35 (b) exceeded the limits of his or her professional competence in
36 rendering medical care or who has knowingly made a false
37 statement or representation as to a material fact in any medical
38 report made in connection with any claim under P.L.1972, c.70
39 (C.39:6A-1 et seq.) or P.L.1991, c.154 (C.17:28-1.5 et seq.);

40 (c) has solicited, or has employed another to solicit for himself
41 or for another, professional treatment, examination or care of an
42 injured person in connection with any claim under P.L.1972, c.70
43 (C.39:6A-1 et seq.) or P.L.1991, c.154 (C.17:28-1.5 et seq.);

44 (d) has refused to appear before, or to answer upon request of,
45 the Commissioner of Banking and Insurance, the Commissioner of
46 Health and Senior Services, the Director of the Division of
47 Consumer Affairs, or any duly authorized officer of the State, any

1 legal question, or to produce any relevant information concerning
2 his or her conduct in connection with rendering medical services; or

3 (e) has engaged in patterns of billing for services which were
4 never rendered, are of no diagnostic value, or are medically
5 unnecessary.

6 (2) The Commissioner of Banking and Insurance shall notify
7 any health care provider being investigated and provide the health
8 care provider with adequate notice and opportunity to be heard.

9 (3) The Commissioner of Banking and Insurance shall make a
10 determination, based on the investigation and the health care
11 provider's response, whether to bar the health care provider from
12 receiving reimbursement for services or equipment for which
13 payment is to be made by an automobile insurer under personal
14 injury protection coverage pursuant to P.L.1972, c.70 (C.39:6A-
15 1 et seq.), or by an insurer under medical expense benefits coverage
16 pursuant to P.L.1991, c.154 (C.17:28-1.5 et seq.).

17 (4) The Commissioner of Banking and Insurance shall compile a
18 list of health care providers who are barred from demanding,
19 requesting, or collecting reimbursement pursuant to this subsection.

20 c. Health care providers who are barred from collecting
21 reimbursement pursuant to subsection b. of this section shall not
22 subsequently treat for remuneration, as a private patient, any person
23 seeking medical treatment under personal injury protection
24 coverage pursuant to P.L.1972, c.70 (C.39:6A-1 et seq.), or by an
25 insurer under medical expense benefits coverage pursuant to
26 P.L.1991, c.154 (C.17:28-1.5 et seq.). An injured claimant so
27 treated or examined may raise this as a defense in any action by that
28 health care provider for payment for treatment rendered at any time
29 after that health care provider has been barred from demanding,
30 requesting, or receiving payment for medical services pursuant to
31 this section.

32 d. The Commissioner of Banking and Insurance, the
33 Commissioner of Health and Senior Services and the Director of the
34 Division of Consumer Affairs shall make the list of health care
35 providers who are barred from reimbursement pursuant to
36 paragraph (4) of subsection b. of this section available to the public
37 by means of their respective websites and by a toll free number.

38 e. The Commissioner of Banking and Insurance may, while
39 conducting an investigation pursuant to this section and, after a
40 hearing and upon written notice to the provider, temporarily
41 suspend a health care provider from demanding, requesting, or
42 receiving any reimbursement for services or equipment for which
43 payment is to be made by an automobile insurer under personal
44 injury protection coverage pursuant to P.L.1972, c.70 (C.39:6A-1 et
45 seq.), or by an insurer under medical expense benefits coverage
46 pursuant to P.L.1991, c.154 (C.17:28-1.5 et seq.) for up to 90 days
47 from the date of the written notice.

2. This act shall take effect on the first day of fourth month after the date of enactment.

STATEMENT

This bill establishes a process by which certain health care providers can be barred from collecting reimbursement from the medical expense benefits under the personal injury protection (PIP) coverage of an automobile insurance policy.

Specifically, the bill provides that the Commissioner of Banking and Insurance (the “commissioner”), in consultation with the Commissioner of Health and Senior Services and the Director of the Division of Consumer Affairs in the Department of Law and Public Safety, shall, by regulation, promulgate standards and procedures for investigating and, as appropriate, temporarily suspending or barring a health care provider from demanding, requesting or receiving reimbursement for services or equipment for which payment is to be made by an automobile insurer under PIP coverage. The bill requires the commissioner to ensure adequate due process protection to health care providers, including notice and opportunity to be heard, and to provide notice to health care providers at least 90 days in advance of the effective date of the regulations implementing the bill.

The bill establishes a process in which the commissioner, either by his own initiative or based on the recommendation of the Commissioner of Health and Senior Services or the Director of the Division of Consumer Affairs, may conduct an investigation into any health care provider who the commissioner reasonably believes:

(1) may be guilty of professional misconduct, incompetence, or negligence;

(2) exceeded the limits of his or her professional competence in rendering medical care or may have knowingly made a false statement or representation as to a material fact in any medical report under PIP;

(3) has solicited, or has employed another to solicit for himself or herself or for another, professional treatment, examination or care of an injured person in connection with certain claims;

(4) has refused to appear before, or to answer upon request of, the Commissioner of Banking and Insurance, the Commissioner of Health and Senior Services, the Director of the Division of Consumer Affairs, or any duly authorized officer of the State, any legal question, or to produce any relevant information concerning his or her conduct in connection with rendering medical services; or

(5) has engaged in patterns of billing for services which were never rendered, are of no diagnostic value or are medically unnecessary.

1 The bill then requires the commissioner to notify any health care
2 provider being investigated and provide the health care provider
3 with adequate notice and opportunity to be heard. Under the bill,
4 the commissioner is then required to make a determination, based
5 on the investigation and the health care provider's response,
6 whether to temporarily suspend or bar the health care provider from
7 demanding, requesting or receiving reimbursement for services or
8 equipment for which payment is to be made by an automobile
9 insurer under PIP coverage.

10 The bill also requires the commissioner to compile a list of those
11 health care providers who are barred from collecting reimbursement
12 under the bill. Health care providers who are barred from collecting
13 reimbursement under the bill are prohibited from subsequently
14 treating for remuneration, as a private patient, any person seeking
15 medical treatment under personal injury protection coverage. An
16 injured claimant so treated or examined is permitted to raise this as
17 a defense in any action by that health care provider for payment for
18 treatment rendered at any time after that health care provider has
19 been barred from demanding or requesting payment for medical
20 services pursuant to this section.

21 The bill also provides that the commissioner, the Commissioner
22 of Health and Senior Services and the Director of the Division of
23 Consumer Affairs shall make the list of health care providers who
24 are barred from reimbursement under the bill's provisions available
25 to the public by means of a website and by a toll free number.

26 The bill also permits the commissioner, while conducting an
27 investigation pursuant to the bill and, after a hearing and upon
28 written notice to the provider, to temporarily suspend a health care
29 provider from demanding, requesting or receiving any
30 reimbursement for services or equipment for medical expense
31 benefits for which payment is to be made by an automobile insurer
32 under PIP coverage.

33 The bill is not intended to affect or alter the provisions of
34 P.L.1989, c.19 (C.45:9-22.4 et seq.), which pertain to referrals of
35 patients by practitioners.