

# ASSEMBLY, No. 4394

## STATE OF NEW JERSEY 217th LEGISLATURE

INTRODUCED DECEMBER 12, 2016

**Sponsored by:**

**Assemblyman GARY S. SCHAER**

**District 36 (Bergen and Passaic)**

**SYNOPSIS**

Establishes New Jersey Commission on Health Insurance Network Adequacy.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT establishing a commission to review and make  
2 recommendations regarding health insurance network adequacy  
3 regulations.

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

7  
8 1. There is established the New Jersey Commission on Health  
9 Insurance Network Adequacy. The purpose of this commission is  
10 to review the network adequacy regulations adopted by the  
11 Department of Banking and Insurance pursuant to section 19 of  
12 P.L.1997, c.192 (C.26:2S-18) establishing standards for adequacy  
13 of a provider network with respect to the scope and type of health  
14 care benefits provided by a carrier, the geographic service area  
15 covered by the provider network, and access to medical specialists.  
16 The review shall evaluate the appropriateness and effectiveness of  
17 those regulations in maintaining those standards and include an  
18 assessment of:

19 a. the current network adequacy standards in the State;  
20 examples implemented in other states; and section 5 of the National  
21 Association of Insurance Commissioners' Health Benefit Plan  
22 Network Access and Adequacy Model Act, which provides specific  
23 provisions relating to network adequacy; and

24 b. the adequacy of access to various medical specialties in each  
25 region of the State, including, but not limited to, access to  
26 behavioral health care specialists and facilities.

27  
28 2. a. The commission shall consist of thirteen members as  
29 follows:

30 (1) the Commissioner of Banking and Insurance, or the  
31 commissioner's designee, who shall serve ex officio;

32 (2) one member of the Senate, to be appointed by the President  
33 of the Senate; and one member of the General Assembly, to be  
34 appointed by the Speaker of the General Assembly; and

35 (3) ten public members, who shall be appointed by the Governor  
36 no later than the 60th day after the effective date of this act, as  
37 follows: one person representing employers and the business  
38 community; one person representing general health care consumers;  
39 one person representing behavioral health care consumers; one  
40 person representing hospitals; one person representing safety net  
41 hospitals; two people representing the insurance industry; one  
42 person representing the long-term care insurance industry; one  
43 person representing general health care providers; and one person  
44 representing behavioral health care providers.

45 b. The commission shall organize as soon as practicable  
46 following the appointment of its members and shall select a  
47 chairperson and a vice-chairperson from among the members. The

1 chairperson shall appoint a secretary who need not be a member of  
2 the commission.

3 c. The public members shall serve without compensation, but  
4 shall be reimbursed for necessary expenses incurred in the  
5 performance of their duties and within the limits of funds available  
6 to the commission.

7 d. The commission shall be entitled to call to its assistance and  
8 avail itself of the services of the employees of any State, county or  
9 municipal department, board, bureau, commission or agency it may  
10 require and as may be available to it for its purposes.

11 e. The commission may meet and hold hearings at the places it  
12 designates during the sessions or recesses of the Legislature.

13 f. The Office of Legislative Services shall provide staff  
14 support to the commission.

15 g. Vacancies in the membership of the commission shall be  
16 filled in the same manner provided for the original appointments.

17  
18 3. The commission shall report its findings and  
19 recommendations as determined by a majority of the commission's  
20 members to the Governor and Legislature pursuant to section 2 of  
21 P.L.1991, c.164 (C.52:14-19.1) no later than 12 months after the  
22 date of organization of the commission. The findings and  
23 recommendations shall include any proposed modifications to any  
24 department rules or regulations, and if recommended, any proposals  
25 for legislation necessary to improve or maintain adequate access to  
26 medical specialists, facilities, and other health care services for  
27 covered persons throughout the State. Any findings and  
28 recommendations determined by a minority of the commission's  
29 members may be included in the report and shall be reported as  
30 such.

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32 4. This act shall take effect immediately and shall expire upon  
33 the issuance of the commission report.

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#### STATEMENT

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38 This bill establishes the New Jersey Commission on Health  
39 Insurance Network Adequacy. The purpose of this commission is  
40 to review the network adequacy regulations adopted by the  
41 Department of Banking and Insurance pursuant to section 19 of  
42 P.L.1997, c.192 (C.26:2S-18), which is part of the "Health Care  
43 Quality Act." These regulations, which have remained substantially  
44 unchanged since their adoption in 1999, establish standards for  
45 adequacy of a provider network with respect to the scope and type  
46 of health care benefits provided by a carrier, the geographic service  
47 area covered by the provider network, and access to medical  
48 specialists. The commission's goal is to evaluate the

1 appropriateness and effectiveness of those regulations in  
2 maintaining network adequacy standards, including the assessment  
3 of:

4 (1) the current network adequacy standards in the State;  
5 examples implemented in other states; and section 5 of the National  
6 Association of Insurance Commissioners' Health Benefit Plan  
7 Network Access and Adequacy Model Act, which provides specific  
8 provisions relating to network adequacy; and

9 (2) the adequacy of access to various medical specialties in each  
10 region of the State, including, but not limited to, access to  
11 behavioral health care specialists and facilities.

12 The commission will be comprised of thirteen members as  
13 follows: the Commissioner of Banking and Insurance, or the  
14 commissioner's designee; one member of the Senate appointed by  
15 the President of the Senate; one member of the General Assembly  
16 appointed by the Speaker of the General Assembly; and ten public  
17 members appointed by the Governor. In order to provide the  
18 expertise in issues relating to the work of the commission, the  
19 Governor's appointees are to include one individual representing  
20 each of the following: employers and the business community;  
21 general health care consumers; behavioral health care consumers;  
22 hospitals; safety net hospitals; the long-term care insurance  
23 industry; general health care providers; and behavioral health care  
24 providers. In addition, the Governor's appointees are to include  
25 two people representing the insurance industry.

26 The commission is to report its findings and recommendations as  
27 determined by a majority of the members to the Governor and  
28 Legislature no later than 12 months after the date of organization of  
29 the commission. The findings and recommendations are to include  
30 any proposed modifications to any department rules or regulations,  
31 and if recommended, any proposals for legislation necessary to  
32 improve or maintain adequate access to medical specialists,  
33 facilities, and other health care services for covered persons  
34 throughout the State. Any findings and recommendations  
35 determined by a minority of the commission's members may be  
36 included in the report, but are required to be reported as such. The  
37 commission will expire upon the issuance of its report.