

**CHAPTER 24C****MANAGED CARE PLANS****Authority**

N.J.S.A. 17:1-8.1 and 17:1-15(e), 26:2S-7.1 through 7.3, and 26:2S-10.3.

**Source and Effective Date**

R.2009 d.195, effective May 20, 2009.  
See: 40 N.J.R. 6922(a), 41 N.J.R. 2491(a).

**Chapter Expiration Date**

In accordance with N.J.S.A. 52:14B-5.1b, Chapter 24C, Managed Care Plans, expires on May 20, 2016. See: 43 N.J.R. 1203(a).

**Chapter Historical Note**

Chapter 38C, Managed Care Plans, was adopted as R.2003 d.456, effective December 1, 2003 (operative May 29, 2004). See: 35 N.J.R. 355(a), 35 N.J.R. 5378(a).

Subchapter 2, Designation of Hemophilia Health Care Providers, and Subchapter 3, Benefits or Coverage of Service for Hemophilia Treatment, were adopted as new rules by R.2004 d.437, effective December 6, 2004. See: 35 N.J.R. 4963(a), 36 N.J.R. 5337(b).

Pursuant to Reorganization Plan No. 005-2005, Chapter 38C of Title 8, Managed Care Plans, was recodified as Chapter 24C of Title 11, effective October 6, 2006. See: 37 N.J.R. 2737(a), 38 N.J.R. 4721(a).

Chapter 24C, Managed Care Plans, was readopted as R.2009 d.195, effective May 20, 2009. See: Source and Effective Date. See, also, section annotations.

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**SUBCHAPTER 1. PHYSICIAN CREDENTIALING****11:24C-1.1 Scope and purpose**

(a) This subchapter applies to all carriers offering managed care plans, and the agents that carriers may use for purposes of credentialing or recredentialing physicians on behalf of the carriers.

(b) This subchapter establishes a credentialing and recredentialing form pursuant to the authority set forth at N.J.S.A. 26:2S-7.1, to be accepted by all carriers offering managed care plans for the purpose of credentialing and recredentialing physicians who seek to participate in a carrier's provider network, including physicians employed by hospitals or other health care facilities.

(c) This subchapter establishes alternative, acceptable means by which carriers offering managed care plans may credential and recredential physicians.

**11:24C-1.2 Definitions**

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.

"Carrier" means an insurance company authorized to transact the business of insurance in this State and doing a health insurance business in accordance with N.J.S.A. 17B:17-1 et seq., a hospital service corporation authorized to do business pursuant to N.J.S.A. 17:48-1 et seq., a medical service corporation authorized to do business pursuant to N.J.S.A. 17:48A-1 et seq., a health service corporation authorized to do business pursuant to N.J.S.A. 17:48E-1 et seq., or a health

maintenance organization authorized to transact business pursuant to N.J.S.A. 26:2J-1 et seq.

“Credentialing” means the process of collecting and validating the professional qualifications of a physician and evaluating those qualifications against a carrier’s standards of qualifications for participation in the carrier’s health care provider network for the carrier’s managed care plans.

“Credentials data” means information, attachments, or answers to questions required by a carrier to complete the credentialing or recredentialing of a physician.

“Department” means the Department of Banking and Insurance.

“Managed care plan” means a health benefits plan (as health benefits plan is defined at N.J.S.A. 26:2S-1 et seq.), that integrates the financing and delivery of appropriate health care services to covered persons by arrangement with participating providers, who are selected to participate on the basis of explicit standards, to furnish a comprehensive set of health care services and financial incentives for covered persons to use the participating providers and procedures provided for in the plan.

“New Jersey Universal Physician Application” means the form developed by the Department and set forth in the Appendix to this subchapter as Exhibit 1.

“New Jersey Physician Recredentialing Application” means the form developed by the Department and set forth in the Appendix to this subchapter as Exhibit 2.

“Physician” means a person who is licensed by the State Board of Medical Examiners in accordance with the provisions of Title 45 of the Revised Statutes.

“Prepopulate” means to pre-print requested information derived from a database on a form prior to distributing the document to the target population for review, completion and correction, as appropriate.

“Recredentialing” means the process by which a physician’s information related to his or her credentials is updated and re-verified for purposes of determining whether the physician shall continue to participate in the carrier’s health care provider network.

### 11:24C-1.3 Credentialing standards

(a) Carriers that offer managed care plans shall accept the New Jersey Universal Physician Application, as set forth in Exhibit 1 of the Appendix to this subchapter and incorporated herein by reference, for the purpose of credentialing physicians who seek to participate in the carrier’s network(s).

(b) Carriers that offer managed care plans may continue to use another physician credentialing application form but shall inform physicians that a downloadable version of the New Jersey Universal Physician Application is available through

the Department’s website [www.state.nj.us/dobi](http://www.state.nj.us/dobi) or indicate where physicians may obtain a hard copy of the New Jersey Universal Physician Application.

1. When a physician makes an oral inquiry concerning a credentialing application, then a carrier’s response concerning the availability of the New Jersey Universal Physician Application may be oral; however, any mailing of the carrier’s credentialing application form as a follow-up to the oral request shall include a written notice referencing the availability of the New Jersey Universal Physician Application, and information on how to access the application.

2. When a physician inquires in writing concerning a credentialing application, then the carrier shall include with its credentialing application form a written notice referencing the availability of the New Jersey Universal Physician Application and information on how to access the application.

3. Carriers shall not require providers to use the carrier’s credentialing form in lieu of the New Jersey Universal Physician Application in order to participate in the carrier’s network(s).

(c) As an alternative to the requirements set forth in (a) or (b) above, carriers may access information about a physician from a recognized, national credentialing database, data bank or repository of health care providers subject to the following conditions:

1. Carriers shall not require providers to use a national database in lieu of one of the forms set forth in (a) or (b) in order to participate in the carrier’s network(s).

2. The database shall include credentialing data commonly requested by carriers, hospitals and other health care entities and credentials verification organizations for purposes of credentialing and shall minimize the need for the collection of additional credentials data.

3. The database shall be accessible to physicians at no cost.

4. The database shall be accessible to physicians through multiple methods including electronic and paper formats.

5. The database shall incorporate adequate security features to ensure that credentials data submitted by physicians and provided for review shall remain confidential, as provided by law, and shall not be released without the written consent of the physician.

- i. An electronic signature or other similar alternative that acknowledges the physician’s consent to the release of credentials data shall satisfy the written consent requirement.

6. The database shall, at a minimum, collect the following physician credentialing information:

- i. Education and degrees;

- ii. Specialty, if applicable;
- iii. Board certification status;
- iv. Hospital affiliations;
- v. Office hours;
- vi. Whether accepting new patients;
- vii. Liability insurance coverage;
- viii. Languages spoken;
- ix. Professional references; and
- x. State and Federal license and/or registration number.

7. The database shall require physicians to provide all information concerning any license actions, sanctions or restrictions; professional sanctions from any source; felony conviction(s) and malpractice claim history from settled or closed case(s).

8. The database shall require the physician to attest to the completeness and accuracy of the information provided.

9. The database shall require primary and secondary source verification for all licenses, board certifications, registrations and insurance.

10. Nothing set forth in this subsection shall preclude a carrier from consulting a national database to verify data submitted in accordance with subsection (a) or (b).

#### 11:24C-1.4 Recredentialing standards

(a) Carriers that offer managed care plans shall accept the New Jersey Physician Recredentialing Application, as set forth in Exhibit 2 of the Appendix to this subchapter and incorporated herein by reference, for the purposes of recredentialing physicians who seek to continue to participate in the carrier's network(s).

(b) A carrier that offers managed care plans may continue to use another physician recredentialing application form for renewal of credentialing if the carrier prepopulates the form with the individual information of each physician to whom the form is sent.

1. Carriers electing to use a prepopulated recredentialing application shall inform physicians of the availability of the New Jersey Physician Recredentialing Application, downloadable through the Department's website [www.state.nj.us/dobi](http://www.state.nj.us/dobi) or indicate where physicians may obtain a hard copy of the New Jersey Physician Recredentialing Application.

i. When a physician makes an oral inquiry concerning a recredentialing application, then the carrier's response concerning the availability of the New Jersey Physician Recredentialing Application may be oral;

however, any mailing of the carrier's recredentialing application form as a follow-up to the oral request shall include a written notice referencing the availability of the New Jersey Physician Recredentialing Application, and information on how to access the application.

ii. When a physician inquires in writing concerning a recredentialing application, then the carrier shall include with its recredentialing application form a written notice referencing the availability of the New Jersey Physician Recredentialing Application, and information on how to access the application.

2. Carriers electing to use a prepopulated recredentialing application form shall modify the form as necessary to provide physicians with space on the form to correct, add or update any incorrect or missing information.

3. Carriers shall not require a physician to use the carrier's recredentialing form in lieu of the New Jersey Universal Physician Recredentialing Application in order to continue to participate in the carrier's network(s).

(c) Carriers may send the prepopulated form electronically or in paper format, and shall be capable of accepting any revisions to the prepopulated form in the same format in which it was distributed; however, a carrier shall not require that a physician be capable of accepting the prepopulated form electronically, nor shall the carrier require that revisions to the prepopulated form be submitted electronically by a physician.

(d) As an alternative to using the recredentialing form set forth in (a) above or a prepopulated form as set forth in (b) above, carriers may utilize update and recredentialing information obtained from a national credentialing database, data bank or repository of health care providers.

1. The election by the carrier to use a national credentialing database, data bank or other repository of health care providers shall be subject to the conditions set forth at N.J.A.C. 11:24C-1.3(c).

#### 11:24C-1.5 Right to request additional information

(a) Use or acceptance by a carrier of the New Jersey Universal Physician Application form, the New Jersey Physician Recredentialing form or the election by the carrier to obtain information from a national credentialing database, data bank or repository of health care providers shall not be construed to restrict the right of a carrier to request additional information necessary for credentialing or recredentialing.

1. Notwithstanding (a) above, a carrier shall not request information that duplicates information already requested on the New Jersey Universal Physician Application form, or as part of the national credentialing database, data bank or repository of health care providers.

2. A request by a carrier or other qualified entity for primary or secondary source verification shall not be con-

sidered a request for duplicative information, or otherwise prohibited.

**11:24C-1.6 Enforcement**

(a) The Department is authorized to impose the following remedies to enforce the provisions of these rules.

1. Imposition of a monetary penalty for each violation in an amount determined by the Commissioner in accordance with N.J.S.A. 26:2S-16; and/or

2. Other remedies for violations of statutes, as provided by State and Federal law.

or a list of hemophilia treatment centers by state currently is available through the Centers for Disease Control at [www.cdc.gov/ncidod/dastlr/hematology/htc\\_list.htm](http://www.cdc.gov/ncidod/dastlr/hematology/htc_list.htm).

2. In the event that there is any discrepancy between the Department-generated list of State-recognized outpatient regional hemophilia care centers and the hemophilia treatment centers included in the United States Department of Health and Human Service's regional network(s) for the State of New Jersey, the information provided by the United States Department of Health and Human Services shall take precedence.

### **11:24C-3.7 Clinical laboratories at State-recognized outpatient regional hemophilia care centers**

(a) When a covered person's attending physician determines that a covered person needs to use the services of a clinical laboratory at a State-recognized outpatient regional hemophilia care center because of timing or the need for closely supervised procedures in venipuncture and laboratory techniques, and the carrier does not have an agreement for the provision of services at any clinical laboratory of a State-recognized outpatient regional hemophilia care center, the carrier shall approve the use of such services at the clinical laboratory of a State-recognized outpatient regional hemophilia care center determined appropriate by the attending physician.

1. The center shall provide services or benefits to or on behalf of the covered person as if the covered person had accessed services in-network when the services are accessed in accordance with (a)1 above.

2. A refusal by a carrier or its agent to provide benefits or services as if in-network under the circumstances set forth in (a)1 above shall be considered a utilization management denial, and subject to the utilization management appeal process set forth at N.J.A.C. 11:24-8 or 11:24A-4.12, as appropriate to the type of carrier.

(b) When a covered person's attending physician determines that a covered person needs to use the services of a clinical laboratory at a State-recognized outpatient regional hemophilia care center because of timing or the need for closely supervised procedures in venipuncture and laboratory techniques, and the carrier has an agreement for the provision of services at a clinical laboratory of one or more State-recognized outpatient regional hemophilia care centers, the carrier may require use of such services at its contracted facility(ies) in order to obtain in-network benefits or provision of services at the in-network level; however, the carrier shall treat a denial to approve use of the clinical laboratory determined appropriate by the attending physician as a utilization management denial, not an administrative denial, and shall treat any appeal of the denial as a utilization management appeal in accordance with the rules at N.J.A.C. 11:24-8 or 11:24A-4.12, as appropriate to the type of carrier.

1. If the covered person is covered under a health benefits plan with out-of-network benefits, the carrier may provide services or benefits to or on behalf of the covered person as if the covered person had accessed services out-of-network.

2. If the covered person is covered under a health benefits plan without out-of-network benefits, the carrier shall pay for the laboratory services at the same rate it would pay for comparable services at the State-recognized outpatient regional hemophilia care center(s) in the carrier's network.

(c) Nothing in (a) and (b) above shall be construed to otherwise limit a covered person's rights in obtaining services or a carrier's obligations with respect to providing benefits in an emergency.

(d) Treatment by the carrier of a covered person as in-network when accessing the services of a clinical laboratory at a State-recognized outpatient hemophilia care center shall not be contingent upon the status of the attending physician as an in-or out-of-network health care provider with respect to the managed care plan covering the covered person.

(e) Nothing in this subchapter shall be construed to prevent the carrier from reviewing the services provided and making a determination as to whether the services were medically necessary.

### **11:24C-3.8 Effect of Bulletin OMC 2001-04**

(a) Carriers that have agreements for the provision of services and supplies for home treatment of bleeding episodes associated with hemophilia with one or more persons identified in Bulletin OMC 2001-04 as acceptable health care providers of such services may continue to refer covered persons to such health care providers, and the carrier shall be considered in compliance with these rules until whichever of the following occurs first:

1. The Department makes a determination and provides written notice to the person that the person does not meet the standards for designation, if the person files an application for designation in accordance with N.J.A.C. 11:24C-2.4;

2. The person loses designation pursuant to N.J.A.C. 11:24C-2.10; or

3. The carrier and person otherwise terminate their agreement, or amend one or more terms thereof, with respect to the provision of services for home treatment of bleeding episodes associated with hemophilia.

(b) In the event that a person identified in Bulletin OMC 2001-04 as an acceptable health care provider of services and supplies for the home treatment of bleeding episodes associated with hemophilia elects not to file an application for designation, or files an application but does not receive

designation, the carrier shall comply with the requirements of N.J.A.C. 11:24C-3.4, as if the person had lost designation.

Amended by R.2009 d.195, effective June 15, 2009.

See: 40 N.J.R. 6922(a), 41 N.J.R. 2491(a).

In the introductory paragraph of (a), inserted "of the following"; deleted former (a)1 and recodified former (a)2 through (a)4 as (a)1 through (a)3; and in (a)1, deleted "in writing" preceding "that".

#### **11:24C-3.9 (Reserved)**

Repealed by R.2009 d.195, effective June 15, 2009.

See: 40 N.J.R. 6922(a), 41 N.J.R. 2491(a).

Section was "Identification of hemophilia health care providers by carrier".

#### **11:24C-3.10 Violations**

A carrier that violates any provisions of this subchapter shall be subject to fines and other penalties available pursuant to N.J.S.A. 26:2S-16; however, a carrier shall not be determined to be in violation of the provisions of the subchapter that require contracting with and referral to designated health care providers if there are no designated health care providers in New Jersey on the date that services for the home treatment of bleeding episodes related to hemophilia are sought by or for a covered person.