

CHAPTER 6

**NEW JERSEY WORKERS' COMPENSATION
MANAGED CARE ORGANIZATIONS**

Authority

N.J.S.A. 17:1C-6(e), 34:15-15 and 34:15-88.

Source and Effective Date

R.1998 d.392, effective July 6, 1998.
See: 30 N.J.R. 1747(b), 30 N.J.R. 2925(a).

Executive Order No. 66(1978) Expiration Date

Chapter 6, New Jersey Workers' Compensation Managed Care Organizations, expires on July 6, 2003.

Chapter Historical Note

Chapter 6, New Jersey Workers' Compensation Managed Care Organizations, was adopted as R.1993 d.346, effective July 6, 1993. See: 25 N.J.R. 1330(a), 25 N.J.R. 2885(a).

Pursuant to Executive Order No. 66(1978), Chapter 6 was readopted as R.1998 d.392, effective July 6, 1998. See Source and Effective Date. See, also, section annotations.

CHAPTER TABLE OF CONTENTS

SUBCHAPTER 1. (RESERVED)

**SUBCHAPTER 2. NEW JERSEY WORKERS'
COMPENSATION MANAGED CARE
ORGANIZATIONS**

- 11:6-2.1 Purpose and scope
- 11:6-2.2 Definitions
- 11:6-2.3 Approval of managed care organizations
- 11:6-2.4 Requirements of approved managed care organizations
- 11:6-2.5 Managed care organization approval and renewal procedures
- 11:6-2.6 Confidentiality of MCO application
- 11:6-2.7 Approval suspension and revocation
- 11:6-2.8 Monitoring; auditing
- 11:6-2.9 Filing and review fees

SUBCHAPTER 1. (RESERVED)

**SUBCHAPTER 2. NEW JERSEY WORKERS'
COMPENSATION MANAGED CARE
ORGANIZATIONS**

11:6-2.1 Purpose and scope

(a) The purpose of this subchapter is to encourage the use of managed care to furnish injured workers with such medical, surgical and other treatment, and hospital service, as shall be necessary to cure and relieve the worker of the effects of the injury and to contain medical costs under

workers' compensation coverage by providing eligible employers with a method whereby they may select a managed care alternative to traditional workers' compensation medical care at a reduced premium.

(b) Nothing in this subchapter is intended to revise, rescind or replace any statute under the New Jersey Workers' Compensation Law (N.J.S.A. 34:15-1 et seq.) or any rules of the Division of Workers' Compensation promulgated thereunder.

(c) This subchapter applies to all persons subject to New Jersey's Workers' Compensation Law (N.J.S.A. 34:15-1 et seq.), to all insurers authorized to provide workers' compensation coverage in the State of New Jersey and to all entities seeking approval as a managed care organization under this subchapter.

11:6-2.2 Definitions

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

"Approved managed care organization" means a managed care organization which has been approved by the Department in consultation with the Department of Health.

"Care coordinator physician" means a licensed physician employed by or under contract with, directly or indirectly, the managed care organization, and who is responsible for providing primary medical care to the injured worker, maintaining the continuity of the injured worker's medical care and initiating all referrals to other providers.

"Case manager" means an employee of the managed care organization who is either a licensed registered nurse or a licensed physician, designated to assume responsibility for coordination of services and continuity of care.

"Commissioner" means the Commissioner of the New Jersey Department of Banking and Insurance.

"Compensation Rating and Inspection Bureau" or "CRIB" means the Bureau created, organized and supervised by the Commissioner of the New Jersey Department of Banking and Insurance in accordance with N.J.S.A. 34:15-1 et seq., the New Jersey Workers' Compensation Law.

"Department" means the Department of Banking and Insurance.

"Employee" or "worker" means an individual covered under a policy of workers' compensation insurance issued pursuant to N.J.S.A. 34:15-1 et seq., the New Jersey Workers' Compensation Law.

“Employer” means an employer obligated under N.J.S.A. 34:15-1 et seq., the New Jersey Workers’ Compensation Law, to provide to its employees workers’ compensation insurance coverage.

“Insured” means any employer obligated under the New Jersey Workers’ Compensation Law to be insured under a policy of workers’ compensation insurance issued by an insurer authorized to write workers’ compensation insurance in the State of New Jersey.

“Insurer” means any insurer authorized to write workers’ compensation insurance in the State of New Jersey.

“Managed care organization” or “MCO” means any entity that manages the utilization of care and costs associated with claims covered by workers’ compensation insurance, which may be approved by the Department in accordance with this subchapter.

“Medical director” means a licensed physician, board certified in occupational medicine, internal medicine, orthopedics, neurosurgery, neurology or related fields, having a minimum of three years experience in treating either trauma or work-related injuries or illness, who is employed by the MCO for the primary purpose of providing full-time, day-to-day direction, management and supervision of medical care.

“Medical service” means any medical, surgical, chiropractic, dental, hospital, nursing, ambulance, or related services or any medication, crutch, prosthesis, brace, support or physical restorative device.

“Medical service provider” or “provider” means any physician, hospital or other person or entity licensed or otherwise authorized by any state to furnish medical services.

“Participating physician” or “participating provider” means a health care physician or provider who is under contract, directly or indirectly, with a managed care organization.

“Physician” means a person duly licensed by the State of New Jersey or by any other state to practice one or more of the healing arts in that state within the limits of the license of the licentiate.

“Report” means medical information transmitted in written form containing relevant subjective and objective findings. Reports may take the form of brief or complete narrative reports, a treatment plan, a closing examination report, or any forms as prescribed by the Department or the Department of Health.

Amended by R.1998 d.392, effective August 3, 1998.
See: 30 N.J.R. 1747(b), 30 N.J.R. 2925(a).

Substituted references to the Department of Banking and Insurance for references to the Department of Banking throughout.

11:6-2.3 Approval of managed care organizations

(a) The completion by an MCO of the approval process conducted by the Department, in consultation with the Department of Health, under this subchapter shall authorize the approved MCO to provide medical services under a workers’ compensation policy after the insurer has filed an application with CRIB to obtain approval of a minimum five percent overall premium reduction for the insured’s election to use a Department-approved managed care system for workers’ compensation medical coverage. An approval issued under this subchapter shall not be used for any purpose except as set forth in this subchapter.

(b) The approval issued to an MCO under this subchapter by the Department in consultation with the Department of Health shall remain in force for a period of two years excepting suspension or revocation pursuant to this subchapter.

11:6-2.4 Requirements of approved managed care organizations

(a) For purposes of providing medical services to injured workers under a workers’ compensation insurance policy as set forth in this subchapter, an MCO shall meet the following criteria:

1. The MCO shall arrange for the full range of medical and rehabilitative services necessary to treat injured workers, including, but not limited to, primary care, orthopedic care, inpatient care, emergency care, physical therapy and occupational therapy. In the aggregate, services provided outside of the MCO network should not exceed 20 percent of the MCO’s cost of medical and rehabilitative services provided to injured workers.

2. The MCO shall provide geographic access by county to emergency, medical and rehabilitative services for employer sites covered under its program. Such services may be delivered directly, under contract, or through written referral protocol;

3. The MCO shall have medical care direction provided and supported by medical directors as defined in this subchapter;

4. The MCO shall provide medical management, catastrophic case management, disability case management and monitoring. These case management services must be supported by documented medical and disability protocol and should be generally accepted by the medical community;

5. The MCO shall track and manage an injured worker’s progress from the onset of injury through case resolution;

6. The MCO shall contract with participating health care and rehabilitation providers who are credentialed by the MCO according to their documented criteria, which must specifically include the provider’s ability to handle workplace injuries and illnesses;