

CHAPTER 24

HEALTH MAINTENANCE ORGANIZATIONS

Authority

N.J.S.A. 26:2J-21 and 26:2S-18.

Source and Effective Date

R.2002 d.265, effective August 19, 2002.
See: 34 N.J.R. 885(a), 34 N.J.R. 3014(a).

Chapter Expiration Date

In accordance with N.J.S.A. 52:14B-5.1c, Chapter 24, Health Maintenance Organizations, expires on February 15, 2008. See: 39 N.J.R. 3466(a).

Chapter Historical Note

Chapter 38, Health Maintenance Organizations, was adopted as R.1974. d.320, effective November 20, 1974. See: 6 N.J.R. 8(b), 6 N.J.R. 473(a).

Pursuant to Executive Order No. 66(1978), Chapter 38 expired on April 3, 1994.

Chapter 38, Health Maintenance Organizations, was adopted as R.1994 d.365, effective July 18, 1994. See: 26 N.J.R. 1624(a), 26 N.J.R. 2896(a).

Subchapter 14, Indemnity Benefits Offered by a Health Maintenance Organization, was adopted as R.1996 d.194, effective April 15, 1996. See: 27 N.J.R. 4981(a), 28 N.J.R. 1981(c).

Pursuant to Executive Order No. 66(1978), Subchapter 14, Indemnity Benefits Offered by a Health Maintenance Organization, of Chapter 38, was readopted as R.1997 d.68, effective January 17, 1997. See: 28 N.J.R. 2456(a), 28 N.J.R. 3118(b), 29 N.J.R. 625(a).

As a part of R.1997 d.68, effective February 18, 1997, Subchapter 1, General Provisions, was repealed and a new Subchapter 1, Scope and Definitions, was adopted; Subchapter 2, Establishment of Health Maintenance Organizations, was repealed and a new Subchapter 2, Establishment of Health Maintenance Organizations, was adopted; Subchapter 3, Issuance of Certificate of Authority, was repealed and a new Subchapter 3, General Requirements, was adopted; and Subchapter 4, Medical Director, Subchapter 5, Health Care Services, Subchapter 6, Provider Network, Subchapter 7, Continuous Quality Improvement, Subchapter 8, Utilization Management, Subchapter 9, Member Rights and Responsibilities, Subchapter 10, Medical Records, Subchapter 11, Financial Standards and Reporting, Subchapter 12, Rehabilitation, Conservation and Liquidation, Subchapter 13, Licensing of Representatives and Advertising, and Subchapter 15, Provider Agreements and Risk Transference, were adopted as new rules. All repeals, amendments, and other new rules became operative July 1, 1997. See: 28 N.J.R. 2456(a), 28 N.J.R. 3118(b), 29 N.J.R. 625(a).

Subchapter 17, Plan Documents for Group Contracts, was adopted as new rules by R.2000 d.183, effective May 1, 2000. See 31 N.J.R. 953(a), 32 N.J.R. 1544(a).

Subchapter 18, Drug Formularies, was adopted as new rules by R.2001 d.8, effective January 2, 2001, (operative July 1, 2001). See 32 N.J.R. 211(a), 33 N.J.R. 46(a).

Chapter 38, Health Maintenance Organizations, expired on July 16, 2002.

Chapter 38, Health Maintenance Organizations, was adopted as new rules by R.2002 d.265, effective August 19, 2002. See: Source and Effective Date. See, also, section annotations.

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

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SUBCHAPTER 1. SCOPE AND DEFINITIONS

11:24-1.1 Scope

(a) The rules in this chapter were developed by the Commissioner of Health and Senior Services in collaboration with the Commissioner of Banking and Insurance and govern the establishment and operation of health maintenance organizations in New Jersey pursuant to the authority set forth in N.J.S.A. 26:2J-1 et seq. These rules are only applicable to managed care plans that constitute a health maintenance organization as defined herein and in N.J.S.A. 26:2J-1 et seq.

(b) The provisions of these rules shall apply, except where in conflict with:

1. Any individual contract issued by a health maintenance organization (HMO) to the extent that the contract is formulated in accordance with the provisions of the New Jersey Individual Health Coverage Program established pursuant to N.J.S.A. 17B:27A-1 et seq.; or

2. Any contract issued to a small employer by a HMO to the extent that the contract is formulated in accordance with the provisions of the New Jersey Small Employer Health Coverage Program established pursuant to N.J.S.A. 17B:27A-17 et seq.

(c) The provisions of these rules shall apply to any services of the HMO which are subcontracted to other entities.

i. An HMO shall make the selection of a new PCP effective no later than 14 days following the date of the selection when such change is discretionary, and shall make the selection of a new provider immediately effective when change of the PCP is necessitated by termination of the PCP from the network.

Amended by R.2000 d.183, effective May 1, 2000.

See: 31 N.J.R. 953(a), 32 N.J.R. 1544(a).

In (a), added 8 and 9.

SUBCHAPTER 5. HEALTH CARE SERVICES

11:24-5.1 Provision of health care services

(a) The HMO shall, at a minimum, provide or arrange for the provision to its members all basic comprehensive health care services and all other services enumerated in this subchapter and in N.J.S.A. 26:2J-1 et seq., as it may be amended from time to time.

1. If the HMO refers a member out of network, the service or supply shall be covered as an in-network service or supply, such that the HMO is fully responsible for payment to the provider and the member is only responsible for any applicable in-network level copay, coinsurance or deductible for the service or supply.

Amended by R.2000 d.183, effective May 1, 2000.

See: 31 N.J.R. 953(a), 32 N.J.R. 1544(a).

Rewrote (a).

11:24-5.2 Basic comprehensive health care services

(a) The HMO shall provide or arrange for the provision of the following basic comprehensive health services as medically necessary:

1. Periodic examinations and office visits to a primary care provider for routine and urgent care;
2. Diagnostic and disease detection studies, including laboratory and radiological services;
3. Prenatal care and obstetric care:
 - i. In accordance with N.J.S.A. 26:2J-4.9, obstetric care includes 48 hours of inpatient care following a vaginal delivery or a minimum of 96 hours of inpatient care following a caesarean section.
 - ii. Notwithstanding the provisions of (a)3i above, a member agreement that provides health care services for post-delivery care to a mother and her newly born child in the home shall not be required to provide for a minimum of 48 hours and 96 hours, respectively, of inpatient care unless such inpatient care is determined to be medically necessary by the attending physician or is requested by the mother.

4. Regular pediatric care including newborn care and immunizations as set forth at N.J.A.C. 8:57-8, Childhood Immunization Insurance Coverage;

5. Radiation therapy;

6. Consultations and specialists' services as requested by the primary care provider;

7. In accordance with N.J.S.A. 26:2J-4.3a(4), out-of-hospital physical examinations, including related x-rays and diagnostic tests, to include, at a minimum, the following:

i. For members who are less than two years of age, up to six examinations during the first two years of life; for members who are minors of two years of age or older, one examination at age three, six, nine, 12, 15 and 18 years; and

ii. For members who are adults less than 40 years of age, one examination every five years; for members who are 40 or more years of age but less than 60 years of age, one examination every three years; and for members who are 60 years of age or older, one examination every two years;

8. Screening examinations prescribed at N.J.S.A. 26:2J-1 et seq., including:

i. Pap smears in accordance with N.J.S.A. 26:2J-4.12; and

ii. Mammograms in accordance with N.J.S.A. 26:2J-4.4;

9. Physical medicine and rehabilitation services including, but not limited to physical therapy;

10. Equipment and supplies for the treatment of diabetes in accordance with N.J.S.A. 26:2J-4.11, and any rules promulgated pursuant thereto, including N.J.A.C. 11:4-49;

11. Outpatient evaluative, crisis intervention and short term therapeutic mental health services;

12. Outpatient substance abuse care;

13. Medically necessary eye care services for detection and treatment of disease or injury to the eye and children's eye examinations conducted to determine the need for vision correction;

14. Inpatient hospital care, including semi-private room accommodations, physicians' and surgeons' services, anesthesia, lab, x-ray and other diagnostic services, drugs and medication, therapeutic services and other services and supplies that are usually provided by the hospital;

15. Outpatient surgical care;

16. Inpatient psychiatric care;

17. Inpatient substance abuse care (a minimum of 30 days during any contract year) in a facility licensed to provide residential alcohol and drug abuse services;

18. Skilled nursing care (a minimum of 30 days during any contract year) in a licensed long term care facility, as well as services or benefits provided consistent with N.J.S.A. 26:2J-4.21;

19. Home health services (a minimum of 60 home care visits during any contract year); and

20. Hospice services from a Medicare certified hospice agency.

Amended by R.2000 d.183, effective May 1, 2000.

See: 31 N.J.R. 953(a), 32 N.J.R. 1544(a).

Rewrote (a)4.

Amended by R.2002 d.265, effective August 19, 2002.

See: 34 N.J.R. 885(a), 34 N.J.R. 3014(a).

In (a), substituted "N.J.S.A. 26:2J-4.9" for "P.L. 1995, c.138" in 3i, amended the N.J.S.A. reference in 7 and rewrote 10 and 18.

11:24-5.3 Emergency and urgent care services

(a) The HMO shall establish written policies and procedures governing the provision of emergency and urgent care which shall be distributed to each subscriber at the time of initial enrollment.

(b) Emergency and urgent care services shall include, but are not limited to:

1. Medical and psychiatric care, which shall be available 24 hours a day, seven days a week;

2. Coverage for trauma services at any designated Level I or II trauma center as medically necessary. Such coverage shall continue at least until, in the judgment of the attending physician, the member is medically stable, no longer requires critical care, and can be safely transferred to another facility. If the HMO requests transfer to a hospital participating in the HMO network, the transfer shall be effected in accordance with Federal regulations at 42 C.F.R. 489.20 and 489.24;

3. Coverage for out-of-service area medical care when medically necessary for urgent or emergency conditions where the member cannot reasonably access in-network services;

4. Prehospital care and hospital services regardless of location when medically necessary for injury or emergency illness; and

5. Upon a member's arrival in a hospital, coverage of a medical screening examination, as required under Federal law and as specified in N.J.A.C. 8:43G-12, as necessary to determine whether an emergency medical condition exists.

11:24-5.4 Supportive services

(a) The HMO shall provide or arrange for the provision of the following supportive services:

1. Ambulance or invalid coach services, as defined at N.J.A.C. 8:40 (therein as "mobility assistance vehicle services"), when authorized by the HMO for non-emergency medical transport;

2. Health education services and diabetes self-management education in accordance with N.J.S.A. 26:2J-4.11, and any rules promulgated pursuant thereto, including N.J.A.C. 11:4-49;

3. Nutritional education and counseling;

4. Medical social services; and

5. Preventive health services, including voluntary family planning services, and infertility services.

Amended by R.2002 d.265, effective August 19, 2002.

See: 34 N.J.R. 885(a), 34 N.J.R. 3014(a).

In (a), inserted "(therein as "mobility assistance vehicle services")" in 1 and rewrote 2.

11:24-5.5 Health promotion programs

(a) In accordance with N.J.S.A. 26:2J-4.6, and rules promulgated pursuant thereto, including N.J.A.C. 11:22-2, HMOs shall provide a health promotion program.

(b) An HMO shall not be required to provide health wellness promotion program services to members in values exceeding the dollar amounts established by the Commissioner as published as a public notice periodically in the New Jersey Register.

(c) The Commissioner, in consultation with the Department of the Treasury, shall adjust the threshold amounts in (b) above annually in direct proportion to the increase or decrease in the consumer price index for all urban consumers in the New York City and Philadelphia areas as reported by the United States Department of Labor. The adjustment shall become effective on July 1 of the year in which it is reported, or such other date as may be set forth in the public notice published in the New Jersey Register.

Amended by R.2002 d.265, effective August 19, 2002.

See: 34 N.J.R. 885(a), 34 N.J.R. 3014(a).

Rewrote the section.

11:24-5.6 Wilm's tumor

In accordance with N.J.S.A. 26:2J-4.1, the HMO shall provide health care services to any member for the treatment of Wilm's tumor, including, but not limited to, autologous bone marrow transplants when standard chemotherapy treatment is unsuccessful, notwithstanding that any such treatment may be deemed experimental or investigational.

11:24-5.7 Health care services for prescribed drugs

(a) HMOs which provide pharmacy services, prescription drugs or a prescription drug plan shall comply with the requirements set forth at N.J.S.A. 26:2J-4.7, as well as the requirements set forth at N.J.A.C. 11:24-18, in the event that