

Governor Phil Murphy

# Governor Murphy Signs Legislation Eliminating Barriers for Consumers in Health Insurance Appeals Process

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**TRENTON** – Governor Phil Murphy today signed legislation to permanently eliminate fees consumers were required to pay when they appealed their health insurance carrier’s decisions under the Independent Health Care Appeals Program, marking another step forward in ensuring residents receive proper health coverage under their plan.

The legislation is in response to the Governor’s Fiscal Year 2026 budget recommendation to enact legislation to permanently eliminate fees for consumer appeals under the Independent Health Care Appeals Program against insurance carriers that deny, reduce, or terminate their benefits.

“Consumers have a right to fully utilize their health insurance. By permanently eliminating this fee, we are making it easier for New Jerseyans to access an independent appeals process to ensure they are receiving appropriate health coverage,” **said Governor Murphy**. “This action is part of our continuing efforts to safeguard consumer rights and ensure residents have a voice in their coverage decisions.”

The [Independent Health Care Appeals Program \(https://www.nj.gov/dobi/division\\_insurance/managedcare/ihcp.htm\)](https://www.nj.gov/dobi/division_insurance/managedcare/ihcp.htm) is an external review program administered by the Department of Banking and Insurance for the purpose of reviewing adverse decisions made by carriers to pay a claim or to authorize a service or supply. The right to an external review of an appeal is mandated by the New Jersey Health Care Quality Act.

“The Murphy Administration continues to stand up for greater consumer protections in accessing health care,” **said New Jersey Department of Banking and Insurance Commissioner Justin Zimmerman**. “Eliminating fees for independent appeals of health insurer decisions removes a barrier for consumers to challenge insurer decisions and promotes equity in the appeal process.”

More than 800 carrier decisions were overturned or modified through the Independent Health Care Appeals Program process in 2024. Today’s action makes the program more accessible to eligible New Jersey residents. The program provides a covered person with the right to appeal a carrier’s denial, limitation, or termination of a covered service on the grounds that it is not medically necessary. If all or part of the decision by an Independent Utilization Review Organization (IURO) is in favor of the covered person, the carrier is required to provide coverage for the health care services found to be medically necessary within ten business days. To take advantage of the Independent Health Care Appeals Program, New Jersey consumers must first complete the appeal process with their health insurer.

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directly. Consumers in the individual, small employer, or the fully insured large employer health insurance markets, or covered by NJFamilyCare, are eligible to request an appeal through the program.

This measure builds upon previously enacted consumer protections, [signed by Governor Murphy \(https://www.nj.gov/governor/news/news/562024/approved/20240116m.shtml\)](https://www.nj.gov/governor/news/news/562024/approved/20240116m.shtml), aimed at ensuring greater transparency for health insurers' prior authorization process. Following the enactment of the law, the [Department issued a bulletin \(https://www.nj.gov/dobi/bulletins/blt24\\_17.pdf\)](https://www.nj.gov/dobi/bulletins/blt24_17.pdf) advising carriers of the new requirements and standards for authorization and prior authorization of health care services.

Prime sponsors of the legislation, [A5810/S4660 \(https://pub.njleg.state.nj.us/Bills/2024/A6000/5810\\_I1.PDF\)](https://pub.njleg.state.nj.us/Bills/2024/A6000/5810_I1.PDF), include Senators John McKeon and Angela McKnight and Assemblywoman Eliana Pintor Marin.

"We strive to bring equitable access to healthcare to everyone throughout our state, regardless of their income. This bill recognizes that even a \$25 filing fee can be a significant barrier for too many New Jersey residents," **said Senator John McKeon**. "By eliminating this burden, we can ensure that all consumers can immediately seek an independent review of their denial without the added stress of a financial roadblock."

"Facing a denied insurance claim or the loss of benefits can be overwhelming. The appeals process offers an important avenue for individuals to challenge those decisions and potentially restore their coverage. By eliminating the fee for an appeal review, we're breaking down financial barriers and empowering more people to stand up for their health and well-being," **said Senator Angela V. McKnight**.

## Governor Phil Murphy

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