

CHAPTER 6

NEW JERSEY WORKERS' COMPENSATION
MANAGED CARE ORGANIZATIONS

Authority

N.J.S.A. 17:1-8.1, 17:1-15e, 34:15-15 and 34:15-88.

Source and Effective Date

R.2004 d.41, effective December 23, 2003.
See: 35 N.J.R. 3541(a), 36 N.J.R. 520(a).

Chapter Expiration Date

Chapter 6, New Jersey Workers' Compensation Managed Care Organizations, expires on December 23, 2008.

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, New Jersey Workers' Compensation Managed Care Organizations, was readopted as R.1998 d.392, effective July 6, 1998. See: 30 N.J.R. 1747(b), 30 N.J.R. 2925(a).

Chapter 6, New Jersey Workers' Compensation Managed Care Organizations, was readopted as R.2004 d.41, effective December 23, 2003. See: Source and Effective Date. See, also, section annotations.

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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 workers' compensation managed care organization under this subchapter.

Amended by R.2004 d.41, effective January 20, 2004.
See: 35 N.J.R. 3541(a), 36 N.J.R. 520(a).

In (c), added "workers' compensation" preceding "managed care organization".

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:

"Affiliate" or "affiliated" means a person that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with another person.

"Approved workers' compensation managed care organization" means a workers' compensation managed care organization which has been approved by the Department in consultation with the Department of Health and Senior Services.

"Care coordinator physician" means a licensed physician employed by or under contract with, directly or indirectly, the workers' compensation 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 workers' compensation 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.

"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 WCMCO 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 workers' compensation managed care organization.

"Person" means any natural person, corporation, association, partnership or other legal entity.

"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 and Senior Services.

"Workers' compensation managed care organization" or "WCMCO" 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.

Amended by R.1998 d.392, effective August 3, 1998.
Sec: 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.

Amended by R.2004 d.41, effective January 20, 2004.
Sec: 35 N.J.R. 3541(a), 36 N.J.R. 520(a).

Added "Affiliate" or "affiliated". "Person" and "Workers' compensation managed care organization" or "WCMCO"; deleted "Managed care organization" or "MCO"; in "Approved workers' compensation managed care organization" and "Report", inserted "and Senior Services" following "Department of Health"; in "Medical director", substituted "WCMCO" for "MCO"; inserted "workers' compensation" preceding "managed care organization" throughout.

11:6-2.3 Approval of workers' compensation managed care organizations

(a) The completion by a WCMCO of the approval process conducted by the Department, in consultation with the Department of Health and Senior Services, under this subchapter shall authorize the approved WCMCO 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 a WCMCO under this subchapter by the Department in consultation with the Department of Health and Senior Services shall continue in force excepting suspension, automatic expiration or revocation pursuant to this subchapter. If the WCMCO does not contract with any insurers during the initial two years of approval, the WCMCO's approval will automatically expire on the December 31st following the two-year anniversary of that initial approval.