

STATE OF NEW JERSEY

GOVERNOR PHIL MURPHY

GOVERNOR MURPHY SIGNS LEGISLATION TO PROTECT CONSUMERS FROM OUT-OF-NETWORK HEALTH SERVICES

WOODBIDGE – Protecting consumers against surprise bills for out-of-network health services, Governor Phil Murphy today signed Assembly Bill No. 2039, which makes changes to several elements of New Jersey's health care delivery system. These improvements include transparency and enhanced consumer protections, the creation of an arbitration system and cost containments for out-of-network services.

"Today, we're closing the loophole and reigning in excessive out-of-network costs to prevent residents from receiving that 'big surprise' in their mailbox," **said Governor Murphy**. "At the same time, we're making health care more affordable by ensuring these costs are not transferred to consumers through increased health premiums."

It is estimated that approximately 168,000 New Jerseyans receive out-of-network bills each year, totaling \$420 million. In many instances, out-of-network bills are shifted to health insurers, who then pass along their costs to an estimated five million residents who pay up to \$956 million more per year more for their commercial insurance premiums.

"No one likes to be blindsided. But that's what's been happening to residents who did not know they were getting out-of-network medical care until they received a bill in the mail," **said Assembly Speaker Craig Coughlin**. "Residents should have the final say over what health care services make the most sense for them financially, and now thanks to this law, they will. This is about transparency, keeping health care affordable and protecting the rights of healthcare consumers. Health care is expensive. Residents have a right to know what they are financially responsible for ahead of time; not afterwards when they have no recourse. This law will help provide that."

"Families in New Jersey who unknowingly received out-of-network medical care had no other option but to pay up. This stops today. This law will give families the opportunity to make informed choices about their medical care before they agree to it, and protects them in emergency situations when their choice is taken away. It took years to get to this point, but we finally got it done," **said Senator Joe Vitale**. "This provides the transparency that's been lacking in the health care industry and creates the necessary safeguards when inadvertent situations occur. Residents will now be able to make knowledgeable healthcare decisions when it matters. With this law, unanticipated health care charges will be a thing of the past."

"Better Choices, Better Care NJ thanks Governor Murphy, Speaker Coughlin and Senator Vitale for their leadership on this issue," **said NJ spokesman Chris Donnelly**. "Surprise medical billing was a problem that for far too long had gone unresolved in New Jersey. This law will finally take action to help fix this costly issue."

Assembly Bill No. 2039 makes the following changes:

Disclosure and Transparency: For non-emergency patients, the bill requires health care facilities and professionals to provide additional information before the patient receives services. These include the in or out-of-network status of the providers, as well as a disclaimer regarding the responsibility of the patient to pay any additional out-of-network fees. The bill also requires that the providers supply each patient, upon request, an estimate of fees, and requires facilities to establish public postings regarding standard charges. Health insurance carriers are also required to provide written notice of changes to their network, to provide detailed information regarding out-of-network services, and to maintain a telephone hotline to address questions.

Out-of-Network Billing: The bill also introduced changes to provider billing practices for out-of-network services administered on an "emergency or urgent basis." In part, these changes restrict the amount a provider may charge in excess of a deductible, copayment, or coinsurance amount applicable to in-network services pursuant to the covered person's health benefits plan.

Arbitration: The bill creates an arbitration process to resolve out of network billing disputes. Where insurance carriers and providers cannot agree on an acceptable reimbursement for services, an arbitrator would choose between one of two final offers submitted by the parties.

The legislation takes effect 90 days following enactment.

Sponsors of the legislation include: Assembly Speaker Craig Coughlin and Assembly members Gary S. Schaer and Pamela R. Lampitt, as well as Senator Joseph Vitale.

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