

S2988 (1R)

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| INTRODUCED BILL: (Includes sponsor(s) statement) | Yes | |
| REPRINT(S): | Yes | SBA 12/9/24 1R |
| TECHNICAL REVIEW: | No | |
| COMMITTEE STATEMENT: | | |
| ASSEMBLY: | No | |
| SENATE: | Yes | Health, Human Services & Sr. Citizens Budget & Appropriations |

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at www.njleg.state.nj.us)

| | | |
|-------------------------------------|-----|--------------------------|
| FLOOR AMENDMENT STATEMENT: | No | |
| LEGISLATIVE FISCAL ESTIMATE: | Yes | 10/18/2024 12/16/2024 |

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: Yes

FOLLOWING WERE PRINTED:

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|----------------------------|----|--|
| REPORTS: | No | |
| HEARINGS: | No | |
| NEWSPAPER ARTICLES: | No | |

CL/MM

P.L. 2024, CHAPTER 105, *approved December 31, 2024*
Assembly, No. 3853 (*First Reprint*)

1 AN ACT regarding telemedicine and telehealth and amending
2 P.L.2021, c.310.

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6
7 1. Section 11 of P.L.2021, c.310 is amended to read as follows:

8 11. a. For the period beginning on the effective date of
9 P.L.2021, c.310 and ending on ¹**[December 31, ~~2024~~ 2025]** July
10 1, 2026¹, a health benefits plan in this State shall provide coverage
11 and payment for health care services delivered to a covered person
12 through telemedicine or telehealth at a provider reimbursement rate
13 that equals the provider reimbursement rate that is applicable, when
14 the services are delivered through in-person contact and
15 consultation in New Jersey, provided the services are otherwise
16 covered by the health benefits plan when delivered through in-
17 person contact and consultation in New Jersey. The requirements
18 of this subsection shall not apply to:

19 (1) a health care service provided by a telemedicine or telehealth
20 organization that does not provide the health care service on an in-
21 person basis in New Jersey; or

22 (2) a physical health care service that was provided through
23 real-time, two-way audio without a video component, whether or
24 not utilized in combination with asynchronous store-and-forward
25 technology, including through audio-only telephone conversation.
26 The reimbursement rate for a physical health care service that is
27 subject to this paragraph shall be determined under the contract
28 with the provider; provided that the reimbursement rate for a
29 physical health care service when provided through audio-only
30 telephone conversation shall be at least 50 percent of the
31 reimbursement rate for the service when provided in person.

32 (3) The provisions of paragraph (2) of this subsection shall not
33 apply to a behavioral health service that was provided through real-
34 time, two-way audio without a video component, whether or not
35 utilized in combination with asynchronous store-and-forward
36 technology, including audio-only telephone conversation. A
37 behavioral health care service described in this paragraph shall be
38 reimbursed at a rate that equals the provider reimbursement rate for
39 the service when provided in person.

40 b. For the purposes of this section:

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly AHE committee amendments adopted December 16, 2024.

1 “Carrier” means an insurance company, health service
2 corporation, hospital service corporation, medical service
3 corporation, or health maintenance organization authorized to issue
4 health benefits plans in this State.

5 “Covered person” means the same as that term is defined in
6 section 2 of P.L.1997, c.192 (C.26:2S-2); a “benefits recipient” as
7 that term is defined under section 7 of P.L.2017, c.117 (C.30:4D-
8 6k); and a person covered under a contract purchased by the State
9 Health Benefits Commission or the School Employees’ Health
10 Benefits Commission.

11 “Health benefits plan” means a benefits plan which pays hospital
12 or medical expense benefits for covered services, and is delivered or
13 issued for delivery in this State by or through a carrier or a contract
14 purchased by the State Health Benefits Commission or the School
15 Employees’ Health Benefits Commission. The term shall include
16 the State Medicaid program established pursuant to P.L.1968, c.410
17 (C.30:4D-1 et seq.) and the NJ FamilyCare program established
18 pursuant to P.L.2005, c.156 (C.30:4J-8 et al.).
19 (cf: P.L.2023, c.199, s.11)

20

21 2. This act shall take effect immediately.

22

23

24

25

26 Extends certain pay parity regarding telemedicine and telehealth
27 until July 1, 2026.

CHAPTER 105

AN ACT regarding telemedicine and telehealth and amending P.L.2021, c.310.

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

1. Section 11 of P.L.2021, c.310 is amended to read as follows:

11. a. For the period beginning on the effective date of P.L.2021, c.310 and ending on July 1, 2026, a health benefits plan in this State shall provide coverage and payment for health care services delivered to a covered person through telemedicine or telehealth at a provider reimbursement rate that equals the provider reimbursement rate that is applicable, when the services are delivered through in-person contact and consultation in New Jersey, provided the services are otherwise covered by the health benefits plan when delivered through in-person contact and consultation in New Jersey. The requirements of this subsection shall not apply to:

(1) a health care service provided by a telemedicine or telehealth organization that does not provide the health care service on an in-person basis in New Jersey; or

(2) a physical health care service that was provided through real-time, two-way audio without a video component, whether or not utilized in combination with asynchronous store-and-forward technology, including through audio-only telephone conversation. The reimbursement rate for a physical health care service that is subject to this paragraph shall be determined under the contract with the provider; provided that the reimbursement rate for a physical health care service when provided through audio-only telephone conversation shall be at least 50 percent of the reimbursement rate for the service when provided in person.

(3) The provisions of paragraph (2) of this subsection shall not apply to a behavioral health service that was provided through real-time, two-way audio without a video component, whether or not utilized in combination with asynchronous store-and-forward technology, including audio-only telephone conversation. A behavioral health care service described in this paragraph shall be reimbursed at a rate that equals the provider reimbursement rate for the service when provided in person.

b. For the purposes of this section:

“Carrier” means an insurance company, health service corporation, hospital service corporation, medical service corporation, or health maintenance organization authorized to issue health benefits plans in this State.

“Covered person” means the same as that term is defined in section 2 of P.L.1997, c.192 (C.26:2S-2); a “benefits recipient” as that term is defined under section 7 of P.L.2017, c.117 (C.30:4D-6k); and a person covered under a contract purchased by the State Health Benefits Commission or the School Employees’ Health Benefits Commission.

“Health benefits plan” means a benefits plan which pays hospital or medical expense benefits for covered services, and is delivered or issued for delivery in this State by or through a carrier or a contract purchased by the State Health Benefits Commission or the School Employees’ Health Benefits Commission. The term shall include the State Medicaid program established pursuant to P.L.1968, c.410 (C.30:4D-1 et seq.) and the NJ FamilyCare program established pursuant to P.L.2005, c.156 (C.30:4J-8 et al.).

2. This act shall take effect immediately.

Approved December 31, 2024.

ASSEMBLY, No. 3853

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED FEBRUARY 22, 2024

Sponsored by:

Assemblyman HERB CONAWAY, JR.

District 7 (Burlington)

Assemblywoman TENNILLE R. MCCOY

District 14 (Mercer and Middlesex)

Assemblywoman SHANIQUE SPEIGHT

District 29 (Essex and Hudson)

Co-Sponsored by:

Assemblywoman Dunn, Assemblyman Kennedy, Assemblywoman Matsikoudis, Assemblyman Azzariti Jr., Assemblywoman Donlon, Assemblyman Verrelli and Assemblywoman N.Munoz

SYNOPSIS

Extends certain pay parity regarding telemedicine and telehealth for one additional year.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/12/2024)

1 AN ACT regarding telemedicine and telehealth and amending
2 P.L.2021, c.310.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. Section 11 of P.L.2021, c.310 is amended to read as follows:

8 11. a. For the period beginning on the effective date of
9 P.L.2021, c.310 and ending on December 31, **[2024]** 2025, a health
10 benefits plan in this State shall provide coverage and payment for
11 health care services delivered to a covered person through
12 telemedicine or telehealth at a provider reimbursement rate that
13 equals the provider reimbursement rate that is applicable, when the
14 services are delivered through in-person contact and consultation in
15 New Jersey, provided the services are otherwise covered by the
16 health benefits plan when delivered through in-person contact and
17 consultation in New Jersey. The requirements of this subsection
18 shall not apply to:

19 (1) a health care service provided by a telemedicine or telehealth
20 organization that does not provide the health care service on an in-
21 person basis in New Jersey; or

22 (2) a physical health care service that was provided through
23 real-time, two-way audio without a video component, whether or
24 not utilized in combination with asynchronous store-and-forward
25 technology, including through audio-only telephone conversation.
26 The reimbursement rate for a physical health care service that is
27 subject to this paragraph shall be determined under the contract
28 with the provider; provided that the reimbursement rate for a
29 physical health care service when provided through audio-only
30 telephone conversation shall be at least 50 percent of the
31 reimbursement rate for the service when provided in person.

32 (3) The provisions of paragraph (2) of this subsection shall not
33 apply to a behavioral health service that was provided through real-
34 time, two-way audio without a video component, whether or not
35 utilized in combination with asynchronous store-and-forward
36 technology, including audio-only telephone conversation. A
37 behavioral health care service described in this paragraph shall be
38 reimbursed at a rate that equals the provider reimbursement rate for
39 the service when provided in person.

40 b. For the purposes of this section:

41 “Carrier” means an insurance company, health service
42 corporation, hospital service corporation, medical service
43 corporation, or health maintenance organization authorized to issue
44 health benefits plans in this State.

EXPLANATION – Matter enclosed in bold-faced brackets **[thus] in the above bill is not enacted and is intended to be omitted in the law.**

Matter underlined thus is new matter.

1 “Covered person” means the same as that term is defined in
2 section 2 of P.L.1997, c.192 (C.26:2S-2); a “benefits recipient” as
3 that term is defined under section 7 of P.L.2017, c.117 (C.30:4D-
4 6k); and a person covered under a contract purchased by the State
5 Health Benefits Commission or the School Employees’ Health
6 Benefits Commission.

7 “Health benefits plan” means a benefits plan which pays hospital
8 or medical expense benefits for covered services, and is delivered or
9 issued for delivery in this State by or through a carrier or a contract
10 purchased by the State Health Benefits Commission or the School
11 Employees’ Health Benefits Commission. The term shall include
12 the State Medicaid program established pursuant to P.L.1968, c.410
13 (C.30:4D-1 et seq.) and the NJ FamilyCare program established
14 pursuant to P.L.2005, c.156 (C.30:4J-8 et al.).
15 (cf: P.L.2023, c.199, s.11)

16

17 2. This act shall take effect immediately.

18

19

20

STATEMENT

21

22 This bill amends section 11 of P.L.2021, c.310 to extend the end
23 date from December 31, 2024 to December 31, 2025, during which
24 time a health benefits plan in this State is to provide coverage and
25 payment for health care services delivered to a covered person
26 through telemedicine or telehealth at a provider reimbursement rate
27 that equals the provider reimbursement rate that is applicable, when
28 the services are delivered through in-person contact and
29 consultation in New Jersey, provided the services are otherwise
30 covered by the health benefits plan when delivered through in-
31 person contact and consultation in New Jersey.

[First Reprint]

ASSEMBLY, No. 3853

STATE OF NEW JERSEY
221st LEGISLATURE

INTRODUCED FEBRUARY 22, 2024

Sponsored by:

Assemblyman HERB CONAWAY, JR.

District 7 (Burlington)

Assemblywoman TENNILLE R. MCCOY

District 14 (Mercer and Middlesex)

Assemblywoman SHANIQUE SPEIGHT

District 29 (Essex and Hudson)

Senator VIN GOPAL

District 11 (Monmouth)

Senator NELLIE POU

District 35 (Bergen and Passaic)

Co-Sponsored by:

Assemblywoman Dunn, Assemblyman Kennedy, Assemblywoman Matsikoudis, Assemblyman Azzariti Jr., Assemblywoman Donlon, Assemblyman Verrelli, Assemblywoman N.Munoz, Assemblyman Tully, Assemblywomen Reynolds-Jackson, Sumter, Peterpaul, Swain, Assemblyman Wimberly, Senators McKnight, Cruz-Perez and Singleton

SYNOPSIS

Extends certain pay parity regarding telemedicine and telehealth until July 1, 2026.

CURRENT VERSION OF TEXT

As reported by the Assembly Health Committee on December 16, 2024, with amendments.

(Sponsorship Updated As Of: 12/19/2024)

1 AN ACT regarding telemedicine and telehealth and amending
2 P.L.2021, c.310.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. Section 11 of P.L.2021, c.310 is amended to read as follows:

8 11. a. For the period beginning on the effective date of
9 P.L.2021, c.310 and ending on ¹**December 31, [2024] 2025** July
10 1, 2026¹, a health benefits plan in this State shall provide coverage
11 and payment for health care services delivered to a covered person
12 through telemedicine or telehealth at a provider reimbursement rate
13 that equals the provider reimbursement rate that is applicable, when
14 the services are delivered through in-person contact and
15 consultation in New Jersey, provided the services are otherwise
16 covered by the health benefits plan when delivered through in-
17 person contact and consultation in New Jersey. The requirements
18 of this subsection shall not apply to:

19 (1) a health care service provided by a telemedicine or telehealth
20 organization that does not provide the health care service on an in-
21 person basis in New Jersey; or

22 (2) a physical health care service that was provided through
23 real-time, two-way audio without a video component, whether or
24 not utilized in combination with asynchronous store-and-forward
25 technology, including through audio-only telephone conversation.
26 The reimbursement rate for a physical health care service that is
27 subject to this paragraph shall be determined under the contract
28 with the provider; provided that the reimbursement rate for a
29 physical health care service when provided through audio-only
30 telephone conversation shall be at least 50 percent of the
31 reimbursement rate for the service when provided in person.

32 (3) The provisions of paragraph (2) of this subsection shall not
33 apply to a behavioral health service that was provided through real-
34 time, two-way audio without a video component, whether or not
35 utilized in combination with asynchronous store-and-forward
36 technology, including audio-only telephone conversation. A
37 behavioral health care service described in this paragraph shall be
38 reimbursed at a rate that equals the provider reimbursement rate for
39 the service when provided in person.

40 b. For the purposes of this section:

41 “Carrier” means an insurance company, health service
42 corporation, hospital service corporation, medical service
43 corporation, or health maintenance organization authorized to issue
44 health benefits plans in this State.

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly AHE committee amendments adopted December 16, 2024.

1 “Covered person” means the same as that term is defined in
2 section 2 of P.L.1997, c.192 (C.26:2S-2); a “benefits recipient” as
3 that term is defined under section 7 of P.L.2017, c.117 (C.30:4D-
4 6k); and a person covered under a contract purchased by the State
5 Health Benefits Commission or the School Employees’ Health
6 Benefits Commission.

7 “Health benefits plan” means a benefits plan which pays hospital
8 or medical expense benefits for covered services, and is delivered or
9 issued for delivery in this State by or through a carrier or a contract
10 purchased by the State Health Benefits Commission or the School
11 Employees’ Health Benefits Commission. The term shall include
12 the State Medicaid program established pursuant to P.L.1968, c.410
13 (C.30:4D-1 et seq.) and the NJ FamilyCare program established
14 pursuant to P.L.2005, c.156 (C.30:4J-8 et al.).
15 (cf: P.L.2023, c.199, s.11)

16

17 2. This act shall take effect immediately.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 3853

STATE OF NEW JERSEY

DATED: DECEMBER 16, 2024

The Assembly Appropriations Committee reports favorably Assembly Bill No. 3853 (1R).

The bill updates section 11 of P.L.2021, c.310 to extend, from December 31, 2024 until July 1, 2026, the requirement that health benefits plans in the State cover and pay for health care services delivered to a covered person through telemedicine or telehealth at a provider reimbursement rate that equals the reimbursement rate for the same services when delivered on an in-person basis in New Jersey, provided the services are covered by the health benefits plan when delivered on an in-person basis in the State.

FISCAL IMPACT:

The Office of Legislative Services (OLS) concludes that the bill will result in an indeterminate 18-month increase in State expenditures and revenues. NJ FamilyCare expenditures will increase by an indeterminate amount in order to extend by 18 months the statutory requirement that NJ FamilyCare reimburse for telemedicine and telehealth services at a rate that equals the provider rate paid when the same services are delivered on an in-person basis, provided the services are otherwise covered when delivered in person in the State.

Any increase in NJ FamilyCare expenditures will result in additional State revenues, in the form of federal reimbursements for eligible State expenditures under the federal Medicaid program.

ASSEMBLY HEALTH COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3853

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 16, 2024

The Assembly Health Committee reports favorably and with committee amendments Assembly Bill No. 3853.

The amended bill updates section 11 of P.L.2021, c.310 to extend, from December 31, 2024 until July 1, 2026, the requirement that health benefits plans in the State cover and pay for health care services delivered to a covered person through telemedicine or telehealth at a provider reimbursement rate that equals the reimbursement rate for the same services when delivered on an in-person basis in New Jersey, provided the services are covered by the health benefits plan when delivered on an in-person basis in the State.

COMMITTEE AMENDMENTS:

The committee amendments extend the coverage and payment for health care services delivered through telemedicine or telehealth to July 1, 2026.

The committee amendments update the bill synopsis to reflect this revision.

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 3853
STATE OF NEW JERSEY
221st LEGISLATURE

DATED: MAY 2, 2024

SUMMARY

- Synopsis:** Extends certain pay parity regarding telemedicine and telehealth for one additional year.
- Type of Impact:** One-year State expenditure and revenue increases.
- Agencies Affected:** Department of Human Services, Department of the Treasury, Department of Banking and Insurance.

Office of Legislative Services Estimate

| Fiscal Impact | <u>One-Year Duration of Extension</u> |
|-----------------------------------|--|
| State Expenditure Increase | Indeterminate |
| State Revenue Increase | Indeterminate |

- The Office of Legislative Services (OLS) concludes that NJ FamilyCare expenditures will increase by an indeterminate amount in order to extend by one year the statutory requirement that NJ FamilyCare reimburse for telemedicine and telehealth services at a rate that equals the provider rate paid when the same services are delivered on an in-person basis, provided the services are otherwise covered when delivered in person in the State.
- Any increase in NJ FamilyCare expenditures will result in additional State revenues, in the form of federal reimbursements for eligible State expenditures under the federal Medicaid program.

BILL DESCRIPTION

This bill amends P.L.2021, c.310 to extend the end date from December 31, 2024 to December 31, 2025, during which time a health benefits plan in the State is to provide coverage and payment for health care services delivered to a covered person through telemedicine or telehealth at a provider reimbursement rate that equals the payment rate provided when the services are delivered on an in-person basis, provided the services are otherwise covered by the health benefits plan when delivered on an in-person basis in the State.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that NJ FamilyCare expenditures, in the form of monthly capitation payments to State-contracted Medicaid managed care organizations for the cost of services delivered to NJ FamilyCare enrollees, will increase by an indeterminate amount in order to extend by one year the requirement, under P.L.2023, c.199, that NJ FamilyCare reimburse for telemedicine and telehealth services at a provider rate that equals the rate paid when the same services are delivered on an in-person basis, provided the services are otherwise covered when delivered in person in the State. Because approximately 95 percent of NJ FamilyCare participants are enrolled with a Medicaid managed care organization, and the specific reimbursement rates paid by each managed care organization to contracted providers of telemedicine and telehealth services are proprietary, the OLS cannot determine the magnitude of the NJ FamilyCare cost increase under the bill.

The telemedicine and telehealth rate parity requirement was originally established under P.L.2021, c.310, and was to expire on December 31, 2023. P.L.2023, c.199, however, extended the expiration date for this rate parity requirement to December 31, 2024. If this requirement were to expire at the end of 2024, NJ FamilyCare would reimburse for telemedicine and telehealth services at a rate that does not exceed, but is not necessarily equal to, the rate at which such services would be paid if provided during an in-person encounter in the State.

Increased State expenditures for NJ FamilyCare capitation payments to the Medicaid managed care organizations will be eligible for additional federal Medicaid reimbursements, thereby increasing State revenues, albeit by an indeterminate amount.

The OLS anticipates that extending provider rate parity for telemedicine and telehealth services by one additional year will have no fiscal impact on Department of the Treasury expenditures for the State Health Benefits Program and the School Employees' Health Benefits Program, which are required under P.L.2023, c.199 to have rate parity for telemedicine and telehealth services through December 31, 2024. Both programs reinstated cost-sharing requirements, as of February 2022, for telemedicine and telehealth visits, which had been suspended during the State and federal public health emergencies declared in response to COVID-19. Absent the provisions of P.L.2023, c.199, the programs would reimburse for telemedicine and telehealth services at a provider rate that does not exceed the rate paid for services delivered on an in-person basis.

The OLS, further, concludes that the Department of Banking and Insurance will not incur any additional costs under the provisions of the bill.

Section: Human Services

*Analyst: Anne Cappabianca
Senior Fiscal Analyst*

*Approved: Thomas Koenig
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 3853

STATE OF NEW JERSEY 221st LEGISLATURE

DATED: DECEMBER 20, 2024

SUMMARY

- Synopsis:** Extends certain pay parity regarding telemedicine and telehealth until July 1, 2026.
- Type of Impact:** 18-month State expenditure and revenue increases.
- Agencies Affected:** Department of Human Services, Department of the Treasury, Department of Banking and Insurance.

Office of Legislative Services Estimate

| Fiscal Impact | <u>18-Month Duration of Extension</u> |
|-----------------------------------|--|
| State Expenditure Increase | Indeterminate |
| State Revenue Increase | Indeterminate |

- The Office of Legislative Services (OLS) concludes that the bill will result in an indeterminate 18-month increase in State expenditures and revenues. NJ FamilyCare expenditures will increase by an indeterminate amount in order to extend by 18 months the statutory requirement that NJ FamilyCare reimburse for telemedicine and telehealth services at a rate that equals the provider rate paid when the same services are delivered on an in-person basis, provided the services are otherwise covered when delivered in person in the State.
- Any increase in NJ FamilyCare expenditures will result in additional State revenues, in the form of federal reimbursements for eligible State expenditures under the federal Medicaid program.

BILL DESCRIPTION

This bill amends P.L.2021, c.310 to extend the end date from December 31, 2024 to July 1, 2026, during which time a health benefits plan in this State is to provide coverage and payment for health care services delivered to a covered person through telemedicine or telehealth at a provider reimbursement rate that equals the provider reimbursement rate that is applicable, when the

services are delivered through in-person contact and consultation in New Jersey, provided the services are otherwise covered by the health benefits plan when delivered through in-person contact and consultation in New Jersey.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that the bill will result in an indeterminate 18-month increase in State expenditures and revenues. NJ FamilyCare expenditures, in the form of monthly capitation payments to State-contracted Medicaid managed care organizations for the cost of services delivered to NJ FamilyCare enrollees, will increase by an indeterminate amount in order to extend by 18 months the requirement, under P.L.2021, c.310, that NJ FamilyCare reimburse for telemedicine and telehealth services at a provider rate that equals the rate paid when the same services are delivered on an in-person basis, provided the services are otherwise covered when delivered in person in the State. Because approximately 95 percent of NJ FamilyCare participants are enrolled with a Medicaid managed care organization, and the specific reimbursement rates paid by each managed care organization to contracted providers of telemedicine and telehealth services are proprietary, the OLS cannot determine the magnitude of the NJ FamilyCare cost increase under the bill.

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Increased State expenditures for NJ FamilyCare capitation payments to the Medicaid managed care organizations will be eligible for additional federal Medicaid reimbursements, thereby increasing State revenues, albeit by an indeterminate amount.

The OLS anticipates that extending provider rate parity for telemedicine and telehealth services by 18 additional months will have no fiscal impact on Department of the Treasury expenditures for the State Health Benefits Program and the School Employees' Health Benefits Program, which are required under P.L.2023, c.199 to have rate parity for telemedicine and telehealth services through December 31, 2024. Both programs reinstated cost-sharing requirements, as of February 2022, for telemedicine and telehealth visits, which had been suspended during the State and federal public health emergencies declared in response to COVID-19. Absent the provisions of P.L.2023, c.199, the programs would reimburse for telemedicine and telehealth services at a provider rate that does not exceed the rate paid for services delivered on an in-person basis.

The OLS, further, concludes that the Department of Banking and Insurance will not incur any additional costs under the provisions of the bill.

Section: Human Services

*Analyst: Anne Cappabianca
Senior Fiscal Analyst*

*Approved: Thomas Koenig
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

SENATE, No. 2988

STATE OF NEW JERSEY
221st LEGISLATURE

INTRODUCED MARCH 18, 2024

Sponsored by:

Senator VIN GOPAL

District 11 (Monmouth)

Senator NELLIE POU

District 35 (Bergen and Passaic)

Co-Sponsored by:

Senator McKnight

SYNOPSIS

Extends certain pay parity regarding telemedicine and telehealth for one additional year.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 10/7/2024)

1 AN ACT regarding telemedicine and telehealth and amending
2 P.L.2021, c.310.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. Section 11 of P.L.2021, c.310 is amended to read as follows:

8 11. a. For the period beginning on the effective date of
9 P.L.2021, c.310 and ending on December 31, **[2024]** 2025, a health
10 benefits plan in this State shall provide coverage and payment for
11 health care services delivered to a covered person through
12 telemedicine or telehealth at a provider reimbursement rate that
13 equals the provider reimbursement rate that is applicable, when the
14 services are delivered through in-person contact and consultation in
15 New Jersey, provided the services are otherwise covered by the
16 health benefits plan when delivered through in-person contact and
17 consultation in New Jersey. The requirements of this subsection
18 shall not apply to:

19 (1) a health care service provided by a telemedicine or telehealth
20 organization that does not provide the health care service on an in-
21 person basis in New Jersey; or

22 (2) a physical health care service that was provided through
23 real-time, two-way audio without a video component, whether or
24 not utilized in combination with asynchronous store-and-forward
25 technology, including through audio-only telephone conversation.
26 The reimbursement rate for a physical health care service that is
27 subject to this paragraph shall be determined under the contract
28 with the provider; provided that the reimbursement rate for a
29 physical health care service when provided through audio-only
30 telephone conversation shall be at least 50 percent of the
31 reimbursement rate for the service when provided in person.

32 (3) The provisions of paragraph (2) of this subsection shall not
33 apply to a behavioral health service that was provided through real-
34 time, two-way audio without a video component, whether or not
35 utilized in combination with asynchronous store-and-forward
36 technology, including audio-only telephone conversation. A
37 behavioral health care service described in this paragraph shall be
38 reimbursed at a rate that equals the provider reimbursement rate for
39 the service when provided in person.

40 b. For the purposes of this section:

41 “Carrier” means an insurance company, health service
42 corporation, hospital service corporation, medical service
43 corporation, or health maintenance organization authorized to issue
44 health benefits plans in this State.

EXPLANATION – Matter enclosed in bold-faced brackets **[thus] in the above bill is not enacted and is intended to be omitted in the law.**

Matter underlined thus is new matter.

1 “Covered person” means the same as that term is defined in
2 section 2 of P.L.1997, c.192 (C.26:2S-2); a “benefits recipient” as
3 that term is defined under section 7 of P.L.2017, c.117 (C.30:4D-
4 6k); and a person covered under a contract purchased by the State
5 Health Benefits Commission or the School Employees’ Health
6 Benefits Commission.

7 “Health benefits plan” means a benefits plan which pays hospital
8 or medical expense benefits for covered services, and is delivered or
9 issued for delivery in this State by or through a carrier or a contract
10 purchased by the State Health Benefits Commission or the School
11 Employees’ Health Benefits Commission. The term shall include
12 the State Medicaid program established pursuant to P.L.1968, c.410
13 (C.30:4D-1 et seq.) and the NJ FamilyCare program established
14 pursuant to P.L.2005, c.156 (C.30:4J-8 et al.).
15 (cf: P.L.2023, c.199, s.1)

16

17 2. This act shall take effect immediately.

18

19

20

STATEMENT

21

22 This bill amends section 11 of P.L.2021, c.310 to extend the end
23 date from December 31, 2024 to December 31, 2025, during which
24 time a health benefits plan in this State is to provide coverage and
25 payment for health care services delivered to a covered person
26 through telemedicine or telehealth at a provider reimbursement rate
27 that equals the provider reimbursement rate that is applicable, when
28 the services are delivered through in-person contact and
29 consultation in New Jersey, provided the services are otherwise
30 covered by the health benefits plan when delivered through in-
31 person contact and consultation in New Jersey.

[First Reprint]

SENATE, No. 2988

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED MARCH 18, 2024

Sponsored by:

Senator VIN GOPAL

District 11 (Monmouth)

Senator NELLIE POU

District 35 (Bergen and Passaic)

Co-Sponsored by:

Senators McKnight, Cruz-Perez and Singleton

SYNOPSIS

Extends certain pay parity regarding telemedicine and telehealth until July 1, 2026.

CURRENT VERSION OF TEXT

As reported by the Senate Budget and Appropriations Committee on December 9, 2024, with amendments.



(Sponsorship Updated As Of: 12/19/2024)

1 AN ACT regarding telemedicine and telehealth and amending
2 P.L.2021, c.310.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. Section 11 of P.L.2021, c.310 is amended to read as follows:

8 11. a. For the period beginning on the effective date of
9 P.L.2021, c.310 and ending on ¹**December 31, [2024] 2025** July
10 1, 2026¹, a health benefits plan in this State shall provide coverage
11 and payment for health care services delivered to a covered person
12 through telemedicine or telehealth at a provider reimbursement rate
13 that equals the provider reimbursement rate that is applicable, when
14 the services are delivered through in-person contact and
15 consultation in New Jersey, provided the services are otherwise
16 covered by the health benefits plan when delivered through in-
17 person contact and consultation in New Jersey. The requirements
18 of this subsection shall not apply to:

19 (1) a health care service provided by a telemedicine or telehealth
20 organization that does not provide the health care service on an in-
21 person basis in New Jersey; or

22 (2) a physical health care service that was provided through
23 real-time, two-way audio without a video component, whether or
24 not utilized in combination with asynchronous store-and-forward
25 technology, including through audio-only telephone conversation.
26 The reimbursement rate for a physical health care service that is
27 subject to this paragraph shall be determined under the contract
28 with the provider; provided that the reimbursement rate for a
29 physical health care service when provided through audio-only
30 telephone conversation shall be at least 50 percent of the
31 reimbursement rate for the service when provided in person.

32 (3) The provisions of paragraph (2) of this subsection shall not
33 apply to a behavioral health service that was provided through real-
34 time, two-way audio without a video component, whether or not
35 utilized in combination with asynchronous store-and-forward
36 technology, including audio-only telephone conversation. A
37 behavioral health care service described in this paragraph shall be
38 reimbursed at a rate that equals the provider reimbursement rate for
39 the service when provided in person.

40 b. For the purposes of this section:

41 “Carrier” means an insurance company, health service
42 corporation, hospital service corporation, medical service
43 corporation, or health maintenance organization authorized to issue
44 health benefits plans in this State.

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SBA committee amendments adopted December 9, 2024.

1 “Covered person” means the same as that term is defined in
2 section 2 of P.L.1997, c.192 (C.26:2S-2); a “benefits recipient” as
3 that term is defined under section 7 of P.L.2017, c.117 (C.30:4D-
4 6k); and a person covered under a contract purchased by the State
5 Health Benefits Commission or the School Employees’ Health
6 Benefits Commission.

7 “Health benefits plan” means a benefits plan which pays hospital
8 or medical expense benefits for covered services, and is delivered or
9 issued for delivery in this State by or through a carrier or a contract
10 purchased by the State Health Benefits Commission or the School
11 Employees’ Health Benefits Commission. The term shall include
12 the State Medicaid program established pursuant to P.L.1968, c.410
13 (C.30:4D-1 et seq.) and the NJ FamilyCare program established
14 pursuant to P.L.2005, c.156 (C.30:4J-8 et al.).
15 (cf: P.L.2023, c.199, s.1)

16

17 2. This act shall take effect immediately.

SENATE HEALTH, HUMAN SERVICES AND SENIOR
CITIZENS COMMITTEE

STATEMENT TO

SENATE, No. 2988

STATE OF NEW JERSEY

DATED: OCTOBER 7, 2024

The Senate Health, Human Services and Senior Citizens Committee reports favorably Senate Bill No. 2988.

This bill amends section 11 of P.L.2021, c.310 to extend the end date from December 31, 2024 to December 31, 2025, during which time a health benefits plan in this State is to provide coverage and payment for health care services delivered to a covered person through telemedicine or telehealth at a provider reimbursement rate that equals the provider reimbursement rate that is applicable, when the services are delivered through in-person contact and consultation in New Jersey, provided the services are otherwise covered by the health benefits plan when delivered through in-person contact and consultation in New Jersey.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 2988

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 9, 2024

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Senate Bill No. 2988.

As amended, this bill updates section 11 of P.L.2021, c.310 to extend the end date from December 31, 2024 to July 1, 2026, during which time a health benefits plan in this State is to provide coverage and payment for health care services delivered to a covered person through telemedicine or telehealth at a provider reimbursement rate that equals the provider reimbursement rate that is applicable, when the services are delivered through in-person contact and consultation in New Jersey, provided the services are otherwise covered by the health benefits plan when delivered through in-person contact and consultation in New Jersey.

COMMITTEE AMENDMENTS

The committee amended the bill to further extend the coverage and payment for health care services delivered through telemedicine or telehealth to July 1, 2026.

FISCAL IMPACT:

The Office of Legislative Services concludes that the bill will result in an indeterminate one and a half year increase in State expenditures and revenues. NJ FamilyCare expenditures will increase by an indeterminate amount in order to extend by one and a half years the statutory requirement that NJ FamilyCare reimburse for telemedicine and telehealth services at a rate that equals the provider rate paid when the same services are delivered on an in-person basis, provided the services are otherwise covered when delivered in person in the State.

Any increase in NJ FamilyCare expenditures will result in additional State revenues, in the form of federal reimbursements for eligible State expenditures under the federal Medicaid program.

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 2988
STATE OF NEW JERSEY
221st LEGISLATURE

DATED: OCTOBER 18, 2024

SUMMARY

Synopsis: Extends certain pay parity regarding telemedicine and telehealth for one additional year.

Type of Impact: One-year State expenditure and revenue increases.

Agencies Affected: Department of Human Services, Department of the Treasury, Department of Banking and Insurance.

Office of Legislative Services Estimate

| Fiscal Impact | <u>One-Year Duration of Extension</u> |
|-----------------------------------|--|
| State Expenditure Increase | Indeterminate |
| State Revenue Increase | Indeterminate |

- The Office of Legislative Services (OLS) concludes that the bill will result in an indeterminate one-year increase in State expenditures and revenues. NJ FamilyCare expenditures will increase by an indeterminate amount in order to extend by one year the statutory requirement that NJ FamilyCare reimburse for telemedicine and telehealth services at a rate that equals the provider rate paid when the same services are delivered on an in-person basis, provided the services are otherwise covered when delivered in person in the State.
- Any increase in NJ FamilyCare expenditures will result in additional State revenues, in the form of federal reimbursements for eligible State expenditures under the federal Medicaid program.

BILL DESCRIPTION

This bill amends P.L.2021, c.310 to extend the end date from December 31, 2024 to December 31, 2025, during which time a health benefits plan in the State is to provide coverage and payment for health care services delivered to a covered person through telemedicine or telehealth at a provider reimbursement rate that equals the payment rate provided when the services are delivered on an in-person basis, provided the services are otherwise covered by the health benefits plan when delivered on an in-person basis in the State.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that the bill will result in an indeterminate one-year increase in State expenditures and revenues. NJ FamilyCare expenditures, in the form of monthly capitation payments to State-contracted Medicaid managed care organizations for the cost of services delivered to NJ FamilyCare enrollees, will increase by an indeterminate amount in order to extend by one year the requirement, under P.L.2023, c.199, that NJ FamilyCare reimburse for telemedicine and telehealth services at a provider rate that equals the rate paid when the same services are delivered on an in-person basis, provided the services are otherwise covered when delivered in person in the State. Because approximately 95 percent of NJ FamilyCare participants are enrolled with a Medicaid managed care organization, and the specific reimbursement rates paid by each managed care organization to contracted providers of telemedicine and telehealth services are proprietary, the OLS cannot determine the magnitude of the NJ FamilyCare cost increase under the bill.

The telemedicine and telehealth rate parity requirement was originally established under P.L.2021, c.310, and was to expire on December 31, 2023. P.L.2023, c.199, however, extended the expiration date for this rate parity requirement to December 31, 2024. If this requirement were to expire at the end of 2024, NJ FamilyCare would reimburse for telemedicine and telehealth services at a rate that does not exceed, but is not necessarily equal to, the rate at which such services would be paid if provided during an in-person encounter in the State.

Increased State expenditures for NJ FamilyCare capitation payments to the Medicaid managed care organizations will be eligible for additional federal Medicaid reimbursements, thereby increasing State revenues, albeit by an indeterminate amount.

The OLS anticipates that extending provider rate parity for telemedicine and telehealth services by one additional year will have no fiscal impact on Department of the Treasury expenditures for the State Health Benefits Program and the School Employees' Health Benefits Program, which are required under P.L.2023, c.199 to have rate parity for telemedicine and telehealth services through December 31, 2024. Both programs reinstated cost-sharing requirements, as of February 2022, for telemedicine and telehealth visits, which had been suspended during the State and federal public health emergencies declared in response to COVID-19. Absent the provisions of P.L.2023, c.199, the programs would reimburse for telemedicine and telehealth services at a provider rate that does not exceed the rate paid for services delivered on an in-person basis.

The OLS, further, concludes that the Department of Banking and Insurance will not incur any additional costs under the provisions of the bill.

Section: Human Services

*Analyst: Anne Cappabianca
Senior Fiscal Analyst*

*Approved: Thomas Koenig
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 2988 STATE OF NEW JERSEY 221st LEGISLATURE

DATED: DECEMBER 16, 2024

SUMMARY

- Synopsis:** Extends certain pay parity regarding telemedicine and telehealth until July 1, 2026.
- Type of Impact:** 18-month State expenditure and revenue increases.
- Agencies Affected:** Department of Human Services, Department of the Treasury, Department of Banking and Insurance.

Office of Legislative Services Estimate

| Fiscal Impact | <u>18-Month Duration of Extension</u> |
|-----------------------------------|--|
| State Expenditure Increase | Indeterminate |
| State Revenue Increase | Indeterminate |

- The Office of Legislative Services (OLS) concludes that the bill will result in an indeterminate 18-month increase in State expenditures and revenues. NJ FamilyCare expenditures will increase by an indeterminate amount in order to extend by 18 months the statutory requirement that NJ FamilyCare reimburse for telemedicine and telehealth services at a rate that equals the provider rate paid when the same services are delivered on an in-person basis, provided the services are otherwise covered when delivered in person in the State.
- Any increase in NJ FamilyCare expenditures will result in additional State revenues, in the form of federal reimbursements for eligible State expenditures under the federal Medicaid program.

BILL DESCRIPTION

This bill amends P.L.2021, c.310 to extend the end date from December 31, 2024 to July 1, 2026, during which time a health benefits plan in this State is to provide coverage and payment for health care services delivered to a covered person through telemedicine or telehealth at a provider

reimbursement rate that equals the provider reimbursement rate that is applicable, when the services are delivered through in-person contact and consultation in New Jersey, provided the services are otherwise covered by the health benefits plan when delivered through in-person contact and consultation in New Jersey.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that the bill will result in an indeterminate 18-month increase in State expenditures and revenues. NJ FamilyCare expenditures, in the form of monthly capitation payments to State-contracted Medicaid managed care organizations for the cost of services delivered to NJ FamilyCare enrollees, will increase by an indeterminate amount in order to extend by 18 months the requirement, under P.L.2021, c.310, that NJ FamilyCare reimburse for telemedicine and telehealth services at a provider rate that equals the rate paid when the same services are delivered on an in-person basis, provided the services are otherwise covered when delivered in person in the State. Because approximately 95 percent of NJ FamilyCare participants are enrolled with a Medicaid managed care organization, and the specific reimbursement rates paid by each managed care organization to contracted providers of telemedicine and telehealth services are proprietary, the OLS cannot determine the magnitude of the NJ FamilyCare cost increase under the bill.

The telemedicine and telehealth rate parity requirement was originally established under P.L.2021, c.310, and was to expire on December 31, 2023. P.L.2023, c.199, however, extended the expiration date for this rate parity requirement to December 31, 2024. If this requirement were to expire at the end of 2024, NJ FamilyCare would reimburse for telemedicine and telehealth services at a rate that does not exceed, but is not necessarily equal to, the rate at which such services would be paid if provided during an in-person encounter in the State.

Increased State expenditures for NJ FamilyCare capitation payments to the Medicaid managed care organizations will be eligible for additional federal Medicaid reimbursements, thereby increasing State revenues, albeit by an indeterminate amount.

The OLS anticipates that extending provider rate parity for telemedicine and telehealth services by 18 additional months will have no fiscal impact on Department of the Treasury expenditures for the State Health Benefits Program and the School Employees' Health Benefits Program, which are required under P.L.2023, c.199 to have rate parity for telemedicine and telehealth services through December 31, 2024. Both programs reinstated cost-sharing requirements, as of February 2022, for telemedicine and telehealth visits, which had been suspended during the State and federal public health emergencies declared in response to COVID-19. Absent the provisions of P.L.2023, c.199, the programs would reimburse for telemedicine and telehealth services at a provider rate that does not exceed the rate paid for services delivered on an in-person basis.

The OLS, further, concludes that the Department of Banking and Insurance will not incur any additional costs under the provisions of the bill.

Section: Human Services

*Analyst: Anne Cappabianca
Senior Fiscal Analyst*

*Approved: Thomas Koenig
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

Governor Murphy Takes Action on Legislation

Posted on - 12/31/2024

TRENTON – Today, Governor Murphy signed the following bills into law:

A3853/S2988 (Conaway, McCoy, Speight/Gopal, Pou) – Extends certain pay parity regarding telemedicine and telehealth until July 1, 2026.

A5151/S3957 (Atkins, Carter, McCann Stamato/Sarlo, Scutari, Bucco) – Allows public bodies to continue using newspapers for required public notices and legal advertisements until certain specified date regardless of format.

A5152/S3965 (Schaer, Haider, Park, Karabinchak, Greenwald/Scutari, Beach, Singer) – Reschedules June 2025 primary election date; provides for adjustment of certain election related deadlines.