

17:33A-6

**LEGISLATIVE HISTORY CHECKLIST**

**NJSA:** 17:33A-6 (Fraud prevention act-- eliminate verification of medical bills)

**LAWS OF:** 1987 **CHAPTER:** 342

**Bill No:** A3434

**Sponsor(s):** Loveys and Martin

**Date Introduced:** November 13, 1986

**Committee:** **Assembly:** Insurance

**Senate:** Labor, Industry and Professions

**Amended during passage:** No

**Date of Passage:** **Assembly:** March 5, 1987

**Senate:** December 14, 1987

**Date of Approval:** December 24, 1987

**Following statements are attached if available:**

**Sponsor statement:** Yes

**Committee statement:** **Assembly** Yes

**Senate** Yes

**Fiscal Note:** No

**Veto Message:** No

**Message on Signing:** No

**Following were printed:**

**Reports:** No

**Hearings:** No

**ASSEMBLY, No. 3434**

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**STATE OF NEW JERSEY**

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INTRODUCED NOVEMBER 13, 1986

By Assemblymen LOVEYS and MARTIN

AN ACT concerning insurance fraud, and amending P. L. 1983,  
c. 320.

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

1 1. Section 6 of P. L. 1983, c. 320 (C. 17:33A-6) is amended to  
2 read as follows:

3 6. a. Insurance claim forms shall contain a statement in a form  
4 approved by the commissioner that clearly states in substance the  
5 following: "Any person who knowingly files a statement of claim  
6 containing any false or misleading information is subject to crimi-  
7 nal and civil penalties."

8 b. **[**The commissioner shall promulgate rules and regulations re-  
9 quiring any or all persons or practitioners seeking payment for  
10 services or materials which will be reimbursed by an insurer to  
11 verify that the services and materials furnished were necessary  
12 and were, in fact, furnished. The furnishing of a verification re-  
13 quired under this subsection shall be a condition precedent to pay-  
14 ment by the insurer or recourse against the insured.**]** (*Deleted by*  
15 *amendment, P. L. , c. )*

1 2. This act shall take effect immediately.

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STATEMENT

This bill, which amends the "New Jersey Insurance Fraud Pre-  
vention Act," P. L. 1983, c. 320 (C. 17:33A-1 et seq.) to delete the  
requirement that persons and practitioners seeking payment for  
services or materials which will be reimbursed by an insurer verify  
oath that the services and materials which were furnished were  
necessary and were, in fact, furnished.

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INSURANCE—PROPERTY AND CASUALTY

Amends Insurance Fraud Prevention Act to eliminate verification  
of medical bills.

**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 printed in italics thus is new matter.**

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ASSEMBLY INSURANCE COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 3434**

**STATE OF NEW JERSEY**

DATED: FEBRUARY 5, 1987

This bill amends the law governing insurance fraud, P. L. 1983, c. 320 (C. 17:33A-1 et seq.), to eliminate the requirements that all persons or practitioners seeking payment for services or materials which will be reimbursed by an insurer verify that the services and materials (1) were furnished and (2) were necessary. The section of law which is eliminated by the bill also provides that reimbursement to the provider by an insurer need not be made unless the services performed have been verified by the provider.

The provision of law which this bill eliminates was originally enacted as a means of controlling fraud by making providers attest that services for which reimbursement was being sought had actually been performed. In practice, however, the procedure was deemed by the Department of Insurance to be cumbersome and unworkable. Thus, the Department has asked that the requirement for verification be deleted.

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SENATE LABOR, INDUSTRY AND PROFESSIONS  
COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 3434**

**STATE OF NEW JERSEY**

DATED: SEPTEMBER 9, 1987

This bill amends the "New Jersey Insurance Fraud Prevention Act," P. L. 1983, c. 320 (C. 17:33A-1 et seq.), to eliminate the requirement that all persons or practitioners seeking payment for services or materials which will be reimbursed by an insurer verify that the services and materials: (1) were furnished; and (2) were necessary. The provision of law which is eliminated by the bill also provides that reimbursement to the provider by an insurer need not be made unless the services performed have been verified by the provider.

The provision of law which this bill eliminates was originally enacted as a means of controlling fraud by making providers attest that services for which reimbursement was being sought had actually been performed. In practice however, the procedure was deemed by the Department of Insurance to be cumbersome and unworkable. Thus, the department has asked that the requirement for verification be deleted.