

17:48A-1, 17:48A-2, 17:48A-32

LEGISLATIVE HISTORY CHECKLIST

(Medical Service Corporations benefits --includes diagnostic x-rays performed by licensed chiropractor)

NJSA 17:48A-1, 17:48A-2, 17:48A-32

Laws of 1977 Chapter 297

Bill No. A1898

Sponsor(s) LeFante

Date Introduced April 8, 1976

Committee: Assembly Commerce, Banking & Insurance

Senate Labor, Industry & Professions

Amended during passage Yes No Amendments during passage denoted by asterisks

Also according to Governor's recommendations Date of passage: Assembly Sept. 27, 1976 Re'enacted Sept. 12, 1977

Senate June 27, 1976 Re'enacted Nov. 28, 1977

Date of approval December 15, 1977

Following statements are attached if available:

Sponsor statement Yes No Below

Committee Statement: Assembly Yes No

Senate Yes No

Fiscal Note Yes No

Veto message Yes No

Message on signing Yes No

Following were printed:

Reports Yes No

Hearings Yes No

Sponsor's Statement:

The purpose of this bill is to provide the health care consumer who is a subscriber or covered dependent under a medical service corporation plan, with payment by such corporation for medical services rendered to him by a licensed chiropractor within the scope of his license.

10/4/76

DO NOT REMOVE FROM FILE

12/15/77

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## ASSEMBLY, No. 1898

## STATE OF NEW JERSEY

INTRODUCED APRIL 8, 1976

By Assemblyman LEFANTE

Referred to Committee on Commerce, Banking and Insurance

AN ACT to amend and supplement "An act concerning medical service corporations and regulating the establishment, maintenance and operation of medical service corporations and medical service plans, and supplementing Title 17 of the Revised Statutes by adding thereto a new chapter entitled 'Medical Service Corporations,' " approved May 29, 1940 (P. L. 1940, c. 74).

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

1 1. Section 1 of P. L. 1940, c. 74 (C. 17:48A-1) is amended to read  
2 as follows:

3 1. As used in this act the following words and phrases shall have  
4 the following meanings:

5 A medical service corporation is any corporation organized,  
6 without capital stock, and not for profit, for the purpose of estab-  
7 lishing, maintaining and operating nonprofit medical service plans,  
8 or to provide or pay for medical services on the basis of premiums  
9 or other valuable considerations. A nonprofit medical service plan  
10 is any plan or arrangement operated by a medical service corpora-  
11 tion, under the provisions of this act, and whereby the expense of  
12 medical services to subscribers and other covered dependents is paid  
13 in whole or in part by the corporation to participating physicians  
14 of such plans or arrangements and to others as provided herein. A  
15 subscriber is a person to whom a subscription certificate is issued  
16 by the corporation and which sets forth the kinds and extent of the  
17 medical services for which the corporation is liable to make payment  
18 and which constitutes the contract between the subscriber and the  
19 corporation. A covered dependent is the spouse, an adult dependent  
20 or a child of the subscriber who is named in the subscription certifi-

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

21 cate issued to the subscriber and with respect to whom appropriate  
 22 premium is specified in the certificate. A participating physician is  
 23 any physician licensed to practice medicine and surgery, *or licensed*  
 24 *to practice chiropractic* in the State of New Jersey pursuant to  
 25 chapter 9, Title 45, of the Revised Statutes, who agrees in writing  
 26 with the corporation to perform the medical services specified in  
 27 the [subscription certificates] *contracts* issued by the corporation  
 28 and at such rates of compensation as shall be determined by its  
 29 board of trustees and who agrees to abide by the bylaws, rules and  
 30 regulations of the corporation applicable to participating physi-  
 31 cians. Medical service includes all general and special medical  
 32 and surgical services *and chiropractic \*\*diagnostic X-ray\*\* ser-*  
 33 *vices*, ordinarily provided by such licensed physicians in accordance  
 34 with accepted practices in the community at the time the service  
 35 is rendered, *and within the scope of their licenses*. No subscriber  
 36 or his covered dependents shall be liable for any payment to any  
 37 participating physician for medical services specified in the sub-  
 38 scriber's certificate to be paid to the participating physician by the  
 39 corporation.

1 2. Section 2 of P. L. 1940, c. 74 (C. 17:48A-2) is amended to read  
 2 as follows:

3 2. No medical service corporation shall be converted into a  
 4 corporation organized for pecuniary profit. Every such corporation  
 5 shall be operated for the benefit of the subscribers. No person shall  
 6 be elected a trustee of any medical service corporation unless his  
 7 nomination has been approved by a recognized medical society or  
 8 professional medical organization having not less than 2,000 mem-  
 9 bers holding licenses to practice medicine and surgery pursuant to  
 10 chapter 9, Title 45, of the Revised Statutes, and which has been  
 11 incorporated for a period of not less than 10 years. No medical  
 12 service corporation shall impose any restrictions on physicians who  
 13 administer to its subscribers as to methods of diagnosis or treat-  
 14 ment. *The private relationship of physician and patient shall be*  
 15 *maintained and the subscriber shall at all times be free to choose*  
 16 *either a doctor of medicine, doctor of chiropractic or any other*  
 17 *participating physician*. No person, firm, association or corpora-  
 18 tion other than a medical service corporation shall establish, main-  
 19 tain or operate a medical service plan or any other means, agency  
 20 or device for contracting with persons to pay for or to provide for  
 21 medical services on the basis of premiums or other valuable con-  
 22 siderations to be collected by such person, firm, association or  
 23 corporation from such persons for the issue of such contracts;

24 provided, that this section shall not be construed as preventing the  
 25 exercise of any authority or privilege granted to any corporation  
 26 by any certificate of authority issued by the Commissioner of  
 27 **Banking and Insurance** pursuant to any law of this State; and  
 28 provided further, that this section shall not be construed as prevent-  
 29 ing any person, firm, association or corporation from furnishing  
 30 medical services required under any workmen's compensation law.  
 31 No medical service corporation shall solicit subscribers or enter into  
 32 any contract with any subscriber until it has received from the  
 33 Commissioner of **Banking and Insurance** a certificate of authority  
 34 to do so.

1 3. (New section) \*\*\***Notwithstanding any other provision of**  
 2 **P. L. 1940, c. 74 to which this act is a supplement, benefits shall not**  
 3 **be denied to an eligible individual for medical services when such**  
 4 **services are performed for or rendered to such an individual by**  
 5 **a duly licensed chiropractor within the scope of his practice. The**  
 6 **practice of a chiropractor shall be deemed to be within the provi-**  
 7 **sion of the act to which this act is a supplement, and duly licensed**  
 8 **chiropractors shall have the same privileges and benefits in the**  
 9 **scope of their practice under such act as are afforded thereunder**  
 10 **to physicians licensed to practice medicine and surgery. Any**  
 11 **medical service corporation which provides coverage for the**  
 12 **medical services or visits of physicians licensed to practice medicine**  
 13 **and surgery in this State shall also provide coverage for, and no**  
 14 **contract made by such a corporation shall exclude, medical services**  
 15 **or visits of licensed chiropractors within the scope of their licenses**  
 16 **whether or not such services or visits are of the same type as those**  
 17 **provided by physicians licensed to practice medicine and sur-**  
 17A **gery.】\*\*\***

18 **\*\*Said covered medical services by chiropractors shall include the**  
 19 **adjustment of the articulations of the spinal column and the**  
 20 **manipulation thereof, and other services performed by a licensed**  
 21 **chiropractor within the scope of his license.】\*\* To the extent that**  
 22 **under any contract issued by any medical service corporation, or**  
 23 **rider or supplement thereto, payment is authorized to physicians**  
 24 **licensed to practice medicine and surgery for \*\*any type of medical**  
 25 **service, visit or examination, including】\*\* \*[,]\* *diagnostic***  
 26 ***X-rays*\* \*\*without limiting the generality of the foregoing,】\*\***  
 27 **\*diagnostic X-rays and physical therapy procedures,】\* rendered**  
 28 **or performed in their offices \*\*or patients' homes】\*\*, similar**  
 29 **payment shall be authorized in the same contract, rider, or**  
 30 **supplement for \*\*similar services, visits or examinations】\*\***  
 31 **\*\*diagnostic X-rays\*\* rendered or performed by chiropractors,**

32 within the scope of their licenses, in their offices \*\*~~or patients'~~  
32A homes]\*\*\*\*. Wherever in the act to which this act is a supple-  
33 ment the words "physician licensed to practice medicine and  
34 surgery" or similar words appear, there shall be added thereto  
35 the words "or licensed to practice chiropractic for services within  
36 the scope of their licenses." The foregoing provisions shall be  
37 liberally construed in favor of payment for chiropractic services.

1 4. This act shall take effect immediately.

REFERENCE USE ONLY

ASSEMBLY COMMERCE, BANKING AND INSURANCE  
COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 1898**

with Assembly committee amendments

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**STATE OF NEW JERSEY**

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DATED: JUNE 10, 1976

This legislation requires the inclusion of benefits for chiropractic services in medical service corporation contracts. The bill also provides that the private relationship of physician and patient be maintained, and that the insured would at all times be free to choose a doctor of medicine, doctor of chiropractic, or any other participating physician.

The bill further provides that duly licensed chiropractors would be given the same privileges and benefits as are given to medical doctors under the present body of statutory law governing medical service corporation contracts (P. L. 1940, c. 74). The medical services which would be covered by such contracts would include the adjustment of the articulations of the spinal column and the manipulations thereof, as well as diagnostic X-rays. The committee has amended the bill to excise the term "and physical therapy procedures," inasmuch as physical therapy is a separate and distinct occupation.

REFERENCE USE ONLY

SENATE LABOR, INDUSTRY AND  
PROFESSIONS COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 1898**

with Senate committee amendments

**STATE OF NEW JERSEY**

DATED: MAY 16, 1977

As amended by the Senate Labor, Industry and Professions Committee, Assembly Bill No. 1898 provides that, to the extent that payment is authorized to physicians for diagnostic X-rays performed in their offices under a medical service corporation contract (or rider or supplement thereto), similar payment shall be authorized in the same contract, rider, or supplement for diagnostic X-rays performed by chiropractors in their offices. As originally drafted, medical services reimbursable under such contracts would have included adjustments of the articulations of the spinal column and the manipulations thereof.

The bill also provides that the private relationship of physician and patient shall be maintained and the subscriber shall at all times be free to choose either a doctor of medicine, a doctor of chiropractic or any other participating physician.

STATE OF NEW JERSEY  
EXECUTIVE DEPARTMENT

July 11, 1977

ASSEMBLY BILL No. 1898 (2nd OCR)

To the General Assembly:

Pursuant to Article V, Section 1, paragraph 14(b) of the Constitution, I herewith return Assembly Bill No. 1898, with my objections, for reconsideration.

According to the Senate Labor, Industry and Profession Committee statement, this bill was amended so that it would provide "that, to the extent that payment is authorized to physicians for diagnostic X-rays performed in their offices under a medical service corporation contract (or rider or supplement thereto), similar payment shall be authorized in the same contract, rider, or supplement for diagnostic X-rays performed by chiropractors in their offices." From the language deleted, it appears clear and it is my understanding that the Legislature did not intend, under the bill as finally passed, that chiropractic services, visits or examinations other than diagnostic X-rays, were to be covered. However, it appears that certain language was, perhaps inadvertently, left in Assembly Bill No. 1898 which could be interpreted to require, contrary to the intent of the Legislature, that services, visits or examinations by chiropractors be covered by medical service corporation contracts. The language should be deleted so that no issue may arise as to the scope of this legislation.

Accordingly, I herewith return Assembly Bill No. 1898 for reconsideration and I recommend that it be amended as follows:

On page 3, line 1, section 3: Delete "Notwithstanding any other provision of P.L."

On page 3, lines 2 through 17, section 3: Delete in entirety.

Respectfully,

/s/ Brendan Byrne

GOVERNOR

(seal)

Attest:

/s/ Henry N. Luther III

Executive Secretary to the Governor