

45:9-27.5 ET SEQ.

LEGISLATIVE HISTORY CHECKLIST

NJSA 45:9-27.5 et seq.  
 Laws of 1975 Chapter 240  
 Bill No. A1618  
 Sponsor(s) Raer & Others  
 Date Introduced April 29, 1974  
 Committee: Assembly Commerce, Industry & Professions  
 Senate Labor, Industry & Professions

Amended during passage Yes No  
 Date of passage: Assembly November 18, 1974  
 Senate April 17, 1975  
 Date of approval October 24, 1975

Following statements are attached if available:

Sponsor statement Yes ~~No~~  
 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

97L.90 New Jersey. Commission of Investigation. Final report and recommendations  
 B55 on the investigation of the Workmen's Compensation system. Trenton, 1974.  
 1974

97L.90 New Jersey. Commission of Investigation. Statement by John F. McCarthy, Jr.,  
 I62 Chairman, at the close of public hearings.  
 1973a (These hearings were not transcribed.)

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ASSEMBLY, No. 1618

STATE OF NEW JERSEY

INTRODUCED APRIL 29, 1974

By Assemblymen BAER, VISOTCKY, SALKIND, HICKS, HOLLEN-  
BECK, KOZLOSKI, GLADSTONE and MARTIN

Referred to Committee on Commerce, Industry and Professions

AN ACT regarding the conduct of physicians and surgeons with  
relation to the billing of clients in certain cases, and supplement-  
ing chapter 9 of Title 45 of the Revised Statutes.

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

1 1. Definitions. As used in this act:

2 a. "Physician or surgeon" means a person licensed or permitted  
3 to practice medicine or surgery in this State.

4 b. "Contingent fee arrangement" means an agreement for medi-  
5 cal services of one or more physicians or surgeons, including any  
6 associated or forwarding medical practitioners, under which com-  
7 pensation in whole or in part is contingent upon the successful  
8 accomplishment or disposition of the legal claim to which such  
9 medical services are related.

1 2. Any physician or surgeon who renders treatment which he  
2 knows or reasonably should know is or will be related to, or is or  
3 will be the basis of, a legal claim for workmen's compensation  
4 or damages in negligence shall provide his patient with a true,  
5 accurate and itemized copy of the bill for treatment rendered. Such  
6 physician or surgeon should certify and attest by his signature  
7 on all originals and copies of such bills to the actuality and ac-  
8 curacy of the examinations and treatments rendered and the  
9 amounts charged for them.

1 3. In any matter where medical services rendered to a client  
2 form any part of the basis of a legal claim for damages or work-  
3 men's compensation, a physician shall not contract for, charge, or  
4 collect a fee in excess of the following limits:

5 a. The physician's standard fee for the same medical services  
6 which do not form any part of the basis of a legal claim for damages  
7 or workmen's compensation; plus

A1618 (1974)

2

8 b. The standard or established incremental costs, clerical or  
9 otherwise, incurred in rendering medical services which form any  
10 part of the basis of a legal claim for damages or workmen's com-  
11 pensation.

1 4. In any matter where medical services rendered to a client  
2 form any part of the basis of a legal claim for damages or work-  
3 men's compensation, a physician or surgeon shall not contract for,  
4 charge, or collect a contingent fee.

1 5. Any person who violates any provision of this act is a dis-  
2 orderly person.

1 6. This act shall take effect immediately.

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#### STATEMENT

This bill is based on the report of the State Commission of Investigation on the Workmen's Compensation System. Testimony before the S.C.I. revealed serious overcharging abuses based on excessive two-tier billing, false records of treatment and contingent fee arrangements. This bill requires itemization and verification of medical bills, bans contingent fee arrangements and strictly limits two-tier billing, in accordance with specific S.C.I. legislative recommendations.