

45:9-22.5c to 45:9-22.5e et al

LEGISLATIVE HISTORY CHECKLIST

Compiled by the NJ State Law Library

LAWS OF: 2017 **CHAPTER:** 111

NJSA: 45:9-22.5c to 45:9-22.5e et al (Requires alternative payment models to register with DOH; permits health care practitioners to refer patients to health care service in which the practitioner has beneficial interest when related to alternative payment model.)

BILL NO: A4334 (Substituted for S2724)

SPONSOR(S) Conaway and others

DATE INTRODUCED: 11/21/2016

COMMITTEE: **ASSEMBLY:** Health & Senior Services

SENATE: No

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE: **ASSEMBLY:** 3/23/2017

SENATE: 5/25/2017

DATE OF APPROVAL: 7/13/2017

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (First Reprint enacted) Yes

A4334

SPONSOR'S STATEMENT: (Begins on page 6 of introduced bill) Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes

SENATE: No

(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: Yes

LEGISLATIVE FISCAL ESTIMATE: No

S2724

SPONSOR'S STATEMENT: (Begins on page 6 of introduced bill) Yes

COMMITTEE STATEMENT: **ASSEMBLY:** No

SENATE: Yes Health, Human Services &
Senior 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)

(continued)

FLOOR AMENDMENT STATEMENT: Yes

LEGISLATIVE FISCAL ESTIMATE: No

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: Yes

FOLLOWING WERE PRINTED:

To check for circulating copies, contact New Jersey State Government Publications at the State Library (609) 278-2640 ext.103 or <mailto:refdesk@njstatelib.org>

REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: No

RWH/JA

P.L.2017, CHAPTER 111, *approved July 13, 2017*
Assembly, No. 4334 (*First Reprint*)

1 AN ACT concerning patient referrals by health care practitioners and
2 amending and supplementing P.L.1989, c.19.

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

6
7 1. Section 1 of P.L.1989, c.19 (C.45:9-22.4) is amended to read
8 as follows:

9 For the purposes of **[this act]** P.L.1989, c.19 (C.45:9-22.4 et
10 seq.), P.L.2009, c.24 (C.45:9-22.5a et seq.), and P.L. _____,
11 c. (C. _____) (pending before the Legislature as this bill):

12 “Alternative payment entity” means an entity authorized to
13 receive compensation for the provision of health care on a basis that
14 entails the assumption of financial risk, including but not limited to
15 an organized delivery system licensed pursuant to P.L.1999, c.409
16 (C.17:48H-1 et seq.).

17 “Alternative payment model” means a model of payment ¹[for
18 health care services]¹ operated by Medicare, Medicaid, or a health
19 insurance carrier that:

20 (1) has been filed with the Department of Health pursuant to
21 section 3 of P.L. _____, c. (C. _____) (pending before the Legislature
22 as this bill);

23 (2) provides for payment for covered professional services
24 earned by participating health care practitioners and health care
25 services based on approved quality measures; and

26 (3) (a) requires an alternative payment entity to bear financial
27 risk for monetary losses under the alternative payment model;

28 (b) is a medical home; or

29 (c) is an accountable care organization authorized by the
30 Medicare Shared Savings Program pursuant to 42 U.S.C.s.1395jjj or
31 the Center for Medicare and Medicaid Innovation described at 42
32 U.S.C. s.1315a.

33 “Alternative payment model standards” means institutional and
34 specialty-specific goals under an alternative payment model related
35 to patient safety, use of approved quality measures, and any other
36 applicable quality of care goals, and operational performance,
37 which may incorporate specific patient management tasks, care

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 floor amendments adopted February 15, 2017.

1 redesign initiatives, and patient safety and quality of care
2 objectives.

3 “Approved quality measure” means an objective measure of
4 quality that:

5 (1) is identified and submitted by a nationally recognized
6 specialty board of certification or equivalent certification board, or
7 other similar stakeholder;

8 (2) has been submitted for publication in applicable specialty-
9 appropriate, peer-reviewed journals, with sufficient information to
10 allow an individual with reasonable knowledge of the health care
11 industry to understand the methods for developing and selecting the
12 measure, including clinical and other data supporting the measure;

13 (3) has been adopted or endorsed by a consensus organization,
14 including but not limited to the National Quality Forum or
15 Ambulatory Care Quality Alliance, including measures that have
16 been submitted by a physician specialty, and that the United States
17 Department of Health and Human Services identifies as having used
18 a consensus-based process for developing such measures;

19 (4) is included in an annual list of approved quality measures by
20 the Centers for Medicare & Medicaid Services, or on a similar list
21 developed by the Department of Health; or

22 (5) is collected and reported using a qualified clinical data
23 registry approved for the purpose of reporting the measure by the
24 Centers for Medicare & Medicaid Services.

25 "Health care service" means a business entity which provides on
26 an inpatient or outpatient basis: testing for or diagnosis or treatment
27 of human disease or dysfunction; or dispensing of drugs or medical
28 devices for the treatment of human disease or dysfunction. Health
29 care service includes, but is not limited to, a bioanalytical
30 laboratory, pharmacy, home health care agency, rehabilitation
31 facility, nursing home, hospital, or a facility which provides
32 radiological or other diagnostic imagery services, physical therapy,
33 ambulatory surgery, or ophthalmic services.

34 "Immediate family" means the practitioner's spouse and children,
35 the practitioner's siblings and parents, the practitioner's spouse's
36 siblings and parents, and the spouses of the practitioner's children.

37 “Participant” means an entity identified by a Tax Identification
38 Number through which one or more practitioners may bill a health
39 insurance carrier or other payor that is operating an Alternative
40 Payment Model, which alone or together with one or more
41 participants compose an alternative payment model.

42 "Practitioner" means a physician, chiropractor or podiatrist
43 licensed pursuant to Title 45 of the Revised Statutes.

44 "Significant beneficial interest" means any financial interest; but
45 does not include ownership of a building wherein the space is
46 leased to a person at the prevailing rate under a straight lease
47 agreement, or any interest held in publicly traded securities.

48 (cf: P.L.1991, c.187, s.83)

1 2. Section 2 of P.L.1989, c.19 (C.45:9-22.5) is amended to read
2 as follows:

3 2. a. A practitioner shall not refer a patient or direct an
4 employee of the practitioner to refer a patient to a health care
5 service in which the practitioner, or the practitioner's immediate
6 family, or the practitioner in combination with the practitioner's
7 immediate family has a significant beneficial interest; except that,
8 in the case of a practitioner, a practitioner's immediate family, or a
9 practitioner in combination with the practitioner's immediate family
10 who had the significant beneficial interest prior to the effective date
11 of P.L.1991, c.187 (C.26:2H-18.24 et al.), and in the case of a
12 significant beneficial interest in a health care service that provides
13 lithotripsy or radiation therapy pursuant to an oncological protocol
14 that was held prior to the effective date of this section of P.L.2009,
15 c.24, the practitioner may continue to refer a patient or direct an
16 employee to do so if that practitioner discloses the significant
17 beneficial interest to the patient.

18 b. If a practitioner is permitted to refer a patient to a health care
19 service pursuant to this section, the practitioner shall provide the
20 patient with a written disclosure form, prepared pursuant to section
21 3 of P.L.1989, c.19 (C.45:9-22.6), and post a copy of this disclosure
22 form in a conspicuous public place in the practitioner's office.

23 c. The restrictions on referral of patients established in this
24 section shall not apply to:

25 (1) medical treatment or a procedure that is provided at the
26 practitioner's medical office and for which a bill is issued directly in
27 the name of the practitioner or the practitioner's medical office;

28 (2) renal dialysis;

29 (3) ambulatory surgery or procedures requiring anesthesia
30 performed at a surgical practice registered with the Department of
31 Health pursuant to subsection g. of section 12 of P.L.1971, c.136
32 (C.26:2H-12) or at an ambulatory care facility licensed by the
33 Department of Health to perform surgical and related services or
34 lithotripsy services, if the following conditions are met:

35 (a) the practitioner who provided the referral personally
36 performs the procedure;

37 (b) the practitioner's remuneration as an owner of or investor in
38 the practice or facility is directly proportional to the practitioner's
39 ownership interest and not to the volume of patients the practitioner
40 refers to the practice or facility;

41 (c) all **【clinically-related】** clinically related decisions at a
42 facility owned in part by non-practitioners are made by practitioners
43 and are in the best interests of the patient; and

44 (d) disclosure of the referring practitioner's significant
45 beneficial interest in the practice or facility is made to the patient in
46 writing, at or prior to the time that the referral is made, consistent
47 with the provisions of section 3 of P.L.1989, c.19 (C.45:9-22.6);

48 **【and】**

1 (4) **【medically-necessary】** medically necessary intraoperative
2 monitoring services rendered during a neurosurgical, neurological,
3 or neuro-radiological surgical procedure that is performed in a
4 hospital; and

5 (5) Referrals that a practitioner makes, or directs an employee of
6 the practitioner to make, to a health care service in which the
7 referring practitioner has a significant beneficial interest, when
8 participants in an alternative payment model registered with the
9 Department of Health pursuant to section 3 of P.L. , c. (C.)
10 (pending before the Legislature as this bill) make a bona fide
11 determination that the significant beneficial interest is reasonably
12 related to the alternative payment model standards filed with the
13 Department of Health, provided that the determination is
14 documented and retained for a period of 10 years.

15 (cf: P.L.2016, c.20)

16
17 3. (New section) a. Participants desiring to establish an
18 alternative payment model shall submit to the Department of
19 Health, in a form and manner established by the Department of
20 Health, an application package to operate an alternative payment
21 model. The application shall include:

22 (1) a description of the alternative payment model, including the
23 participants in the model and how the model satisfies the definition
24 of an alternative payment model in section 1 of P.L.1989, c.19
25 (C.45:9-22.4);

26 (2) a description of the organizational structure of the entity
27 responsible for carrying out the alternative payment model,
28 including information on the organizational role of the participants
29 in the alternative payment model, and information regarding the
30 compliance of any alternative payment entity with applicable
31 provisions of P.L.1999, c.409 (C.17:48H-1 et seq.) and regulations
32 adopted pursuant thereto;

33 (3) the date on which the alternative payment model is proposed
34 to begin operation;

35 (4) an explanation of how the alternative payment model
36 satisfies the alternative payment model standards; and

37 (5) other information reasonably requested by the Department of
38 Health.

39 b. The Department of Health shall review the application
40 submitted pursuant to subsection a. of this section, and shall notify
41 participants in no more than 60 days if the proposed alternative
42 payment model does not meet the requirement of this act. The
43 Department of Health shall provide the participants with a
44 reasonable opportunity to remedy any deficiencies in the alternative
45 payment model proposal, and may terminate an alternative payment
46 model that continues to fail to meet the requirements of this act.

47 c. Notwithstanding subsections a. and b. of this section, an
48 alternative payment model shall be deemed approved by the

1 Department of Health without further review, and no participant
2 shall be required under this section to file additional information
3 with the department concerning such an alternative payment model,
4 if the alternative payment model has been authorized and approved
5 under the Medicare Shared Savings Program pursuant to 42
6 U.S.C.s.1395jjj or under a demonstration operated by the Center for
7 Medicare and Medicaid Innovation described at 42 U.S.C. s.1315a.

8
9 4. (New section) a. The Department of Health shall review
10 each registered alternative payment model at least once every six
11 years to determine whether the participants in the alternative
12 payment model have complied with this act and other relevant State
13 and federal laws and regulations, and whether the alternative
14 payment model has resulted in a degradation of quality of health
15 care provided to patients attributable to the alternative payment
16 model.

17 b. The department shall have authority to revoke the
18 registration of an alternative payment model if the department's
19 review finds that the alternative payment model fails to comply
20 with State or federal law, or if it results in a degradation of quality
21 of patient care.

22 c. An alternative payment model's registration shall not expire
23 or otherwise be terminated solely as a result of the department's
24 failure to conduct a review required pursuant to subsection a. of this
25 section.

26
27 5. The Commissioner of Health shall, in accordance with the
28 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
29 seq.), adopt any rules and regulations as the commissioner deems
30 necessary to carry out the provisions of this act.

31
32 6. This act shall take effect on the first day of the seventh
33 month next following the date of enactment, except that the
34 Commissioner of Health may take any anticipatory administrative
35 action in advance as shall be necessary for the implementation of
36 this act.

37
38
39
40
41 _____
42 Requires alternative payment models to register with DOH;
43 permits health care practitioners to refer patients to health care
44 service in which the practitioner has beneficial interest when related
to alternative payment model.

ASSEMBLY, No. 4334

STATE OF NEW JERSEY 217th LEGISLATURE

INTRODUCED NOVEMBER 21, 2016

Sponsored by:

Assemblyman HERB CONAWAY, JR.

District 7 (Burlington)

Assemblywoman NANCY J. PINKIN

District 18 (Middlesex)

SYNOPSIS

Requires alternative payment models to register with DOH; permits health care practitioners to refer patients to health care service in which the practitioner has beneficial interest when related to alternative payment model.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/6/2016)

1 AN ACT concerning patient referrals by health care practitioners and
2 amending and supplementing P.L.1989, c.19.

3

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

6

7 1. Section 1 of P.L.1989, c.19 (C.45:9-22.4) is amended to read
8 as follows:

9 For the purposes of **[this act]** P.L.1989, c.19 (C.45:9-22.4 et
10 seq.), P.L.2009, c.24 (C.45:9-22.5a et seq.), and P.L. _____,
11 c. (C. _____) (pending before the Legislature as this bill):

12 “Alternative payment entity” means an entity authorized to
13 receive compensation for the provision of health care on a basis that
14 entails the assumption of financial risk, including but not limited to
15 an organized delivery system licensed pursuant to P.L.1999, c.409
16 (C.17:48H-1 et seq.).

17 “Alternative payment model” means a model of payment for
18 health care services operated by Medicare, Medicaid, or a health
19 insurance carrier that:

20 (1) has been filed with the Department of Health pursuant to
21 section 3 of P.L. _____, c. (C. _____) (pending before the Legislature
22 as this bill);

23 (2) provides for payment for covered professional services
24 earned by participating health care practitioners and health care
25 services based on approved quality measures; and

26 (3) (a) requires an alternative payment entity to bear financial
27 risk for monetary losses under the alternative payment model;

28 (b) is a medical home; or

29 (c) is an accountable care organization authorized by the
30 Medicare Shared Savings Program pursuant to 42 U.S.C.s.1395jjj or
31 the Center for Medicare and Medicaid Innovation described at 42
32 U.S.C. s.1315a.

33 “Alternative payment model standards” means institutional and
34 specialty-specific goals under an alternative payment model related
35 to patient safety, use of approved quality measures, and any other
36 applicable quality of care goals, and operational performance,
37 which may incorporate specific patient management tasks, care
38 redesign initiatives, and patient safety and quality of care
39 objectives.

40 “Approved quality measure” means an objective measure of
41 quality that:

42 (1) is identified and submitted by a nationally recognized
43 specialty board of certification or equivalent certification board, or
44 other similar stakeholder;

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 (2) has been submitted for publication in applicable specialty-
2 appropriate, peer-reviewed journals, with sufficient information to
3 allow an individual with reasonable knowledge of the health care
4 industry to understand the methods for developing and selecting the
5 measure, including clinical and other data supporting the measure;

6 (3) has been adopted or endorsed by a consensus organization,
7 including but not limited to the National Quality Forum or
8 Ambulatory Care Quality Alliance, including measures that have
9 been submitted by a physician specialty, and that the United States
10 Department of Health and Human Services identifies as having used
11 a consensus-based process for developing such measures;

12 (4) is included in an annual list of approved quality measures by
13 the Centers for Medicare & Medicaid Services, or on a similar list
14 developed by the Department of Health; or

15 (5) is collected and reported using a qualified clinical data
16 registry approved for the purpose of reporting the measure by the
17 Centers for Medicare & Medicaid Services.

18 "Health care service" means a business entity which provides on
19 an inpatient or outpatient basis: testing for or diagnosis or treatment
20 of human disease or dysfunction; or dispensing of drugs or medical
21 devices for the treatment of human disease or dysfunction. Health
22 care service includes, but is not limited to, a bioanalytical
23 laboratory, pharmacy, home health care agency, rehabilitation
24 facility, nursing home, hospital, or a facility which provides
25 radiological or other diagnostic imagery services, physical therapy,
26 ambulatory surgery, or ophthalmic services.

27 "Immediate family" means the practitioner's spouse and children,
28 the practitioner's siblings and parents, the practitioner's spouse's
29 siblings and parents, and the spouses of the practitioner's children.

30 "Participant" means an entity identified by a Tax Identification
31 Number through which one or more practitioners may bill a health
32 insurance carrier or other payor that is operating an Alternative
33 Payment Model, which alone or together with one or more
34 participants compose an alternative payment model.

35 "Practitioner" means a physician, chiropractor or podiatrist
36 licensed pursuant to Title 45 of the Revised Statutes.

37 "Significant beneficial interest" means any financial interest; but
38 does not include ownership of a building wherein the space is
39 leased to a person at the prevailing rate under a straight lease
40 agreement, or any interest held in publicly traded securities.

41 (cf: P.L.1991, c.187, s.83)

42
43 2. Section 2 of P.L.1989, c.19 (C.45:9-22.5) is amended to read
44 as follows:

45 2. a. A practitioner shall not refer a patient or direct an
46 employee of the practitioner to refer a patient to a health care
47 service in which the practitioner, or the practitioner's immediate
48 family, or the practitioner in combination with the practitioner's

1 immediate family has a significant beneficial interest; except that,
2 in the case of a practitioner, a practitioner's immediate family, or a
3 practitioner in combination with the practitioner's immediate family
4 who had the significant beneficial interest prior to the effective date
5 of P.L.1991, c.187 (C.26:2H-18.24 et al.), and in the case of a
6 significant beneficial interest in a health care service that provides
7 lithotripsy or radiation therapy pursuant to an oncological protocol
8 that was held prior to the effective date of this section of P.L.2009,
9 c.24, the practitioner may continue to refer a patient or direct an
10 employee to do so if that practitioner discloses the significant
11 beneficial interest to the patient.

12 b. If a practitioner is permitted to refer a patient to a health care
13 service pursuant to this section, the practitioner shall provide the
14 patient with a written disclosure form, prepared pursuant to section
15 3 of P.L.1989, c.19 (C.45:9-22.6), and post a copy of this disclosure
16 form in a conspicuous public place in the practitioner's office.

17 c. The restrictions on referral of patients established in this
18 section shall not apply to:

19 (1) medical treatment or a procedure that is provided at the
20 practitioner's medical office and for which a bill is issued directly in
21 the name of the practitioner or the practitioner's medical office;

22 (2) renal dialysis;

23 (3) ambulatory surgery or procedures requiring anesthesia
24 performed at a surgical practice registered with the Department of
25 Health pursuant to subsection g. of section 12 of P.L.1971, c.136
26 (C.26:2H-12) or at an ambulatory care facility licensed by the
27 Department of Health to perform surgical and related services or
28 lithotripsy services, if the following conditions are met:

29 (a) the practitioner who provided the referral personally
30 performs the procedure;

31 (b) the practitioner's remuneration as an owner of or investor in
32 the practice or facility is directly proportional to the practitioner's
33 ownership interest and not to the volume of patients the practitioner
34 refers to the practice or facility;

35 (c) all **【clinically-related】** clinically related decisions at a
36 facility owned in part by non-practitioners are made by practitioners
37 and are in the best interests of the patient; and

38 (d) disclosure of the referring practitioner's significant
39 beneficial interest in the practice or facility is made to the patient in
40 writing, at or prior to the time that the referral is made, consistent
41 with the provisions of section 3 of P.L.1989, c.19 (C.45:9-22.6);

42 **【and】**

43 (4) **【medically-necessary】** medically necessary intraoperative
44 monitoring services rendered during a neurosurgical, neurological,
45 or neuro-radiological surgical procedure that is performed in a
46 hospital; and

47 (5) Referrals that a practitioner makes, or directs an employee of
48 the practitioner to make, to a health care service in which the

1 referring practitioner has a significant beneficial interest, when
2 participants in an alternative payment model registered with the
3 Department of Health pursuant to section 3 of P.L. , c. (C.)
4 (pending before the Legislature as this bill) make a bona fide
5 determination that the significant beneficial interest is reasonably
6 related to the alternative payment model standards filed with the
7 Department of Health, provided that the determination is
8 documented and retained for a period of 10 years.

9 (cf: P.L.2016, c.20)

10

11 3. (New section) a. Participants desiring to establish an
12 alternative payment model shall submit to the Department of
13 Health, in a form and manner established by the Department of
14 Health, an application package to operate an alternative payment
15 model. The application shall include:

16 (1) a description of the alternative payment model, including the
17 participants in the model and how the model satisfies the definition
18 of an alternative payment model in section 1 of P.L.1989, c.19
19 (C.45:9-22.4);

20 (2) a description of the organizational structure of the entity
21 responsible for carrying out the alternative payment model,
22 including information on the organizational role of the participants
23 in the alternative payment model, and information regarding the
24 compliance of any alternative payment entity with applicable
25 provisions of P.L.1999, c.409 (C.17:48H-1 et seq.) and regulations
26 adopted pursuant thereto;

27 (3) the date on which the alternative payment model is proposed
28 to begin operation;

29 (4) an explanation of how the alternative payment model
30 satisfies the alternative payment model standards; and

31 (5) other information reasonably requested by the Department of
32 Health.

33 b. The Department of Health shall review the application
34 submitted pursuant to subsection a. of this section, and shall notify
35 participants in no more than 60 days if the proposed alternative
36 payment model does not meet the requirement of this act. The
37 Department of Health shall provide the participants with a
38 reasonable opportunity to remedy any deficiencies in the alternative
39 payment model proposal, and may terminate an alternative payment
40 model that continues to fail to meet the requirements of this act.

41 c. Notwithstanding subsections a. and b. of this section, an
42 alternative payment model shall be deemed approved by the
43 Department of Health without further review, and no participant
44 shall be required under this section to file additional information
45 with the department concerning such an alternative payment model,
46 if the alternative payment model has been authorized and approved
47 under the Medicare Shared Savings Program pursuant to 42

1 U.S.C.s.1395jjj or under a demonstration operated by the Center for
2 Medicare and Medicaid Innovation described at 42 U.S.C. s.1315a.

3
4 4. (New section) a. The Department of Health shall review
5 each registered alternative payment model at least once every six
6 years to determine whether the participants in the alternative
7 payment model have complied with this act and other relevant State
8 and federal laws and regulations, and whether the alternative
9 payment model has resulted in a degradation of quality of health
10 care provided to patients attributable to the alternative payment
11 model.

12 b. The department shall have authority to revoke the
13 registration of an alternative payment model if the department's
14 review finds that the alternative payment model fails to comply
15 with State or federal law, or if it results in a degradation of quality
16 of patient care.

17 c. An alternative payment model's registration shall not expire
18 or otherwise be terminated solely as a result of the department's
19 failure to conduct a review required pursuant to subsection a. of this
20 section.

21
22 5. The Commissioner of Health shall, in accordance with the
23 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
24 seq.), adopt any rules and regulations as the commissioner deems
25 necessary to carry out the provisions of this act.

26
27 6. This act shall take effect on the first day of the seventh
28 month next following the date of enactment, except that the
29 Commissioner of Health may take any anticipatory administrative
30 action in advance as shall be necessary for the implementation of
31 this act.

32
33

34 STATEMENT

35
36 This bill requires alternative payment models to register with the
37 Department of Health (DOH), and permits a health care practitioner to
38 refer patients to a health care service in which the practitioner has
39 beneficial interest when the referral is related to the alternative
40 payment model.

41 Current law prohibits a health care practitioner from referring, or
42 directing an employee to refer, a patient to a health care service in
43 which the practitioner or an immediate family member has a
44 significant beneficial interest, with limited exceptions. This bill would
45 create an additional exception for referrals made within the context of
46 an alternative payment model that is registered with and approved by
47 the DOH. To qualify for an exception, the participants in the
48 alternative payment model must make a bona fide determination that

1 the significant beneficial interest is reasonably related to the
2 alternative payment model standards filed with the DOH, and must
3 document the determination and retain the documentation for a period
4 of 10 years.

5 Under the bill, participants desiring to establish an alternative
6 payment model must submit to the DOH, in a form and manner
7 established by the DOH, an application package to operate an
8 alternative payment model. The application must include:

- 9 • a description of the alternative payment model, including the
10 participants in the model and how the model satisfies the
11 definition of an alternative payment model. “Alternative
12 payment model” is defined as a model of payment for health
13 care services operated by Medicare, Medicaid, or a health
14 insurance carrier that: (1) has been filed with the DOH; (2)
15 provides for payment for covered professional services earned
16 by participating health care practitioners and health care
17 services based on approved quality measures; and (3) requires
18 an alternative payment entity to bear financial risk for
19 monetary losses under the alternative payment model; is a
20 medical home; or is an accountable care organization
21 authorized by the federal Centers for Medicare & Medicaid
22 Services.
- 23 • a description of the organizational structure of the entity
24 responsible for carrying out the alternative payment model,
25 including information on the organizational role of the
26 participants in the alternative payment model, and information
27 regarding the compliance with laws and regulations concerning
28 organized delivery systems;
- 29 • the date on which the alternative payment model is proposed to
30 begin operation; and
- 31 • an explanation of how the alternative payment model satisfies
32 the alternative payment model standards. “Alternative
33 payment model standards” are defined as institutional and
34 specialty-specific goals under an alternative payment model
35 related to patient safety, use of approved quality measures, and
36 any other applicable quality of care goals, and operational
37 performance, which may incorporate specific patient
38 management tasks, care redesign initiatives, and patient safety
39 and quality of care objectives; and
- 40 • other information reasonably requested by the DOH.

41 The DOH would review the application, and must notify
42 participants in no more than 60 days if the proposed alternative
43 payment model does not meet the requirement of this act. The DOH
44 would provide the participants with a reasonable opportunity to
45 remedy any deficiencies in the alternative payment model proposal,
46 and may terminate an alternative payment model that continues to fail
47 to meet the requirements of this bill. An alternative payment model
48 already approved by the federal government would be automatically

1 deemed approved by DOH, and would be subject to no additional
2 review.

3 The DOH would review each registered alternative payment model
4 at least once every six years to determine whether the participants in
5 the alternative payment model have complied with this bill and other
6 relevant State and federal laws and regulations, and whether the
7 alternative payment model has resulted in a degradation of quality of
8 health care provided to patients attributable to the alternative payment
9 model. The DOH would have authority to revoke the registration of
10 an alternative payment model if the department's review finds that the
11 alternative payment model fails to comply with State or federal law, or
12 if it results in a degradation of quality of patient care. An alternative
13 payment model's registration would not expire or otherwise be
14 terminated solely as a result of the DOH's failure to conduct a review.

ASSEMBLY HEALTH AND SENIOR SERVICES COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4334

STATE OF NEW JERSEY

DATED: DECEMBER 5, 2016

The Assembly Health and Senior Services Committee reports favorably Assembly Bill No. 4334.

This bill requires alternative payment models to register with the Department of Health (DOH) and permits health care practitioners to refer patients to a health care service in which the practitioner has beneficial interest, provided that the referral is related to an alternative payment model. Alternative payment models, as defined in the bill, provide payments to health care practitioners and health care services based on their performance in meeting certain quality measures linked to patient safety and operational performance, which may include institution-specific and specialty-specific goals. The entity operating an alternative payment model, which may be Medicaid, Medicare, or a health insurance carrier, is required to bear financial risk for monetary losses under the model, unless the entity is a medical care home or an authorized accountable care organization.

Under the bill, participants seeking to establish an alternative payment model are required to submit an application package to DOH, in a form and manner established by DOH, which includes: (1) a description of the alternative payment model, including the participants in the model and how the model satisfies the definition of an alternative payment model as set forth in the bill; (2) a description of the organizational structure of the entity responsible for carrying out the alternative payment model, including information on the organizational role of the participants in the alternative payment model and information regarding compliance with laws and regulations concerning organized delivery systems; (3) the date on which the alternative payment model is proposed to begin operation; (4) an explanation of how the alternative payment model satisfies the alternative payment model standards; and (5) any other information reasonably requested by DOH.

DOH will be required to review applications, notify participants within 60 days if a proposed alternative payment model does not meet the requirements of the bill, and provide participants with a reasonable opportunity to remedy any deficiencies in the proposal; DOH may terminate an alternative payment model that continues to fail to meet the requirements of the bill. An alternative payment model already

approved by the federal government will be automatically deemed approved by DOH, without the need for additional review.

DOH will review each registered alternative payment model at least once every six years to determine whether the participants in the model have complied with the requirements of the bill and any other relevant State and federal laws and regulations, and whether the model has resulted in a degradation in the quality of health care provided to patients. DOH will have the authority to revoke the registration of an alternative payment model if the department's review finds that the model fails to comply with State or federal law or if the model results in degradation in the quality of patient care. An alternative payment model's registration will not expire or otherwise be terminated solely as a result of DOH's failure to conduct this review.

The bill revises the current prohibition against health care practitioners referring patients to a health care service in which the practitioner or an immediate family member has a significant beneficial interest, to create an additional exception for referrals made within the context of an alternative payment model that is registered with, and approved by, DOH. To qualify for an exception, the participants in the alternative payment model are required to make a bona fide determination that the significant beneficial interest is reasonably related to the alternative payment model standards filed with the DOH, document the determination, and retain this documentation for a period of 10 years.

STATEMENT TO
ASSEMBLY, No. 4334

with Assembly Floor Amendments
(Proposed by Assemblyman CONWAY)

ADOPTED: FEBRUARY 15, 2017

STATEMENT

This floor amendment revises the definition of “alternative payment model” to remove the phrase “health care service,” which is defined elsewhere in the section, so as to avoid potential confusion concerning the meaning of the phrase.

SENATE, No. 2724

STATE OF NEW JERSEY
217th LEGISLATURE

INTRODUCED NOVEMBER 3, 2016

Sponsored by:

Senator RICHARD J. CODEY

District 27 (Essex and Morris)

Senator JOSEPH F. VITALE

District 19 (Middlesex)

SYNOPSIS

Requires alternative payment models to register with DOH; permits health care practitioners to refer patients to health care service in which the practitioner has beneficial interest when related to alternative payment model.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning patient referrals by health care practitioners and
2 amending and supplementing P.L.1989, c.19.

3

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

6

7 1. Section 1 of P.L.1989, c.19 (C.45:9-22.4) is amended to read
8 as follows:

9 For the purposes of **[this act]** P.L.1989, c.19 (C.45:9-22.4 et
10 seq.), P.L.2009, c.24 (C.45:9-22.5a et seq.), and P.L. _____,
11 c. (C. _____) (pending before the Legislature as this bill):

12 “Alternative payment entity” means an entity authorized to
13 receive compensation for the provision of health care on a basis that
14 entails the assumption of financial risk, including but not limited to
15 an organized delivery system licensed pursuant to P.L.1999, c.409
16 (C.17:48H-1 et seq.).

17 “Alternative payment model” means a model of payment for
18 health care services operated by Medicare, Medicaid, or a health
19 insurance carrier that:

20 (1) has been filed with the Department of Health pursuant to
21 section 3 of P.L. _____, c. (C. _____) (pending before the Legislature
22 as this bill);

23 (2) provides for payment for covered professional services
24 earned by participating health care practitioners and health care
25 services based on approved quality measures; and

26 (3) (a) requires an alternative payment entity to bear financial
27 risk for monetary losses under the alternative payment model;

28 (b) is a medical home; or

29 (c) is an accountable care organization authorized by the
30 Medicare Shared Savings Program pursuant to 42 U.S.C.s.1395jjj or
31 the Center for Medicare and Medicaid Innovation described at 42
32 U.S.C. s.1315a.

33 “Alternative payment model standards” means institutional and
34 specialty-specific goals under an alternative payment model related
35 to patient safety, use of approved quality measures, and any other
36 applicable quality of care goals, and operational performance,
37 which may incorporate specific patient management tasks, care
38 redesign initiatives, and patient safety and quality of care
39 objectives.

40 “Approved quality measure” means an objective measure of
41 quality that:

42 (1) is identified and submitted by a nationally recognized
43 specialty board of certification or equivalent certification board, or
44 other similar stakeholder;

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 (2) has been submitted for publication in applicable specialty-
2 appropriate, peer-reviewed journals, with sufficient information to
3 allow an individual with reasonable knowledge of the health care
4 industry to understand the methods for developing and selecting the
5 measure, including clinical and other data supporting the measure;

6 (3) has been adopted or endorsed by a consensus organization,
7 including but not limited to the National Quality Forum or
8 Ambulatory Care Quality Alliance, including measures that have
9 been submitted by a physician specialty, and that the United States
10 Department of Health and Human Services identifies as having used
11 a consensus-based process for developing such measures;

12 (4) is included in an annual list of approved quality measures by
13 the Centers for Medicare & Medicaid Services, or on a similar list
14 developed by the Department of Health; or

15 (5) is collected and reported using a qualified clinical data
16 registry approved for the purpose of reporting the measure by the
17 Centers for Medicare & Medicaid Services.

18 "Health care service" means a business entity which provides on
19 an inpatient or outpatient basis: testing for or diagnosis or treatment
20 of human disease or dysfunction; or dispensing of drugs or medical
21 devices for the treatment of human disease or dysfunction. Health
22 care service includes, but is not limited to, a bioanalytical
23 laboratory, pharmacy, home health care agency, rehabilitation
24 facility, nursing home, hospital, or a facility which provides
25 radiological or other diagnostic imagery services, physical therapy,
26 ambulatory surgery, or ophthalmic services.

27 "Immediate family" means the practitioner's spouse and children,
28 the practitioner's siblings and parents, the practitioner's spouse's
29 siblings and parents, and the spouses of the practitioner's children.

30 "Participant" means an entity identified by a Tax Identification
31 Number through which one or more practitioners may bill a health
32 insurance carrier or other payor that is operating an Alternative
33 Payment Model, which alone or together with one or more
34 participants compose an alternative payment model.

35 "Practitioner" means a physician, chiropractor or podiatrist
36 licensed pursuant to Title 45 of the Revised Statutes.

37 "Significant beneficial interest" means any financial interest; but
38 does not include ownership of a building wherein the space is
39 leased to a person at the prevailing rate under a straight lease
40 agreement, or any interest held in publicly traded securities.

41 (cf: P.L.1991, c.187, s.83)

42
43 2. Section 2 of P.L.1989, c.19 (C.45:9-22.5) is amended to read
44 as follows:

45 2. a. A practitioner shall not refer a patient or direct an
46 employee of the practitioner to refer a patient to a health care
47 service in which the practitioner, or the practitioner's immediate
48 family, or the practitioner in combination with the practitioner's

1 immediate family has a significant beneficial interest; except that,
2 in the case of a practitioner, a practitioner's immediate family, or a
3 practitioner in combination with the practitioner's immediate family
4 who had the significant beneficial interest prior to the effective date
5 of P.L.1991, c.187 (C.26:2H-18.24 et al.), and in the case of a
6 significant beneficial interest in a health care service that provides
7 lithotripsy or radiation therapy pursuant to an oncological protocol
8 that was held prior to the effective date of this section of P.L.2009,
9 c.24, the practitioner may continue to refer a patient or direct an
10 employee to do so if that practitioner discloses the significant
11 beneficial interest to the patient.

12 b. If a practitioner is permitted to refer a patient to a health care
13 service pursuant to this section, the practitioner shall provide the
14 patient with a written disclosure form, prepared pursuant to section
15 3 of P.L.1989, c.19 (C.45:9-22.6), and post a copy of this disclosure
16 form in a conspicuous public place in the practitioner's office.

17 c. The restrictions on referral of patients established in this
18 section shall not apply to:

19 (1) medical treatment or a procedure that is provided at the
20 practitioner's medical office and for which a bill is issued directly in
21 the name of the practitioner or the practitioner's medical office;

22 (2) renal dialysis;

23 (3) ambulatory surgery or procedures requiring anesthesia
24 performed at a surgical practice registered with the Department of
25 Health pursuant to subsection g. of section 12 of P.L.1971, c.136
26 (C.26:2H-12) or at an ambulatory care facility licensed by the
27 Department of Health to perform surgical and related services or
28 lithotripsy services, if the following conditions are met:

29 (a) the practitioner who provided the referral personally
30 performs the procedure;

31 (b) the practitioner's remuneration as an owner of or investor in
32 the practice or facility is directly proportional to the practitioner's
33 ownership interest and not to the volume of patients the practitioner
34 refers to the practice or facility;

35 (c) all **【clinically-related】** clinically related decisions at a
36 facility owned in part by non-practitioners are made by practitioners
37 and are in the best interests of the patient; and

38 (d) disclosure of the referring practitioner's significant
39 beneficial interest in the practice or facility is made to the patient in
40 writing, at or prior to the time that the referral is made, consistent
41 with the provisions of section 3 of P.L.1989, c.19 (C.45:9-22.6);

42 **【and】**

43 (4) **【medically-necessary】** medically necessary intraoperative
44 monitoring services rendered during a neurosurgical, neurological,
45 or neuro-radiological surgical procedure that is performed in a
46 hospital; and

47 (5) Referrals that a practitioner makes, or directs an employee of
48 the practitioner to make, to a health care service in which the

1 referring practitioner has a significant beneficial interest, when
2 participants in an alternative payment model registered with the
3 Department of Health pursuant to section 3 of P.L. , c. (C.)
4 (pending before the Legislature as this bill) make a bona fide
5 determination that the significant beneficial interest is reasonably
6 related to the alternative payment model standards filed with the
7 Department of Health, provided that the determination is
8 documented and retained for a period of 10 years.

9 (cf: P.L.2016, c.20)

10

11 3. (New section) a. Participants desiring to establish an
12 alternative payment model shall submit to the Department of
13 Health, in a form and manner established by the Department of
14 Health, an application package to operate an alternative payment
15 model. The application shall include:

16 (1) a description of the alternative payment model, including the
17 participants in the model and how the model satisfies the definition
18 of an alternative payment model in section 1 of P.L.1989, c.19
19 (C.45:9-22.4);

20 (2) a description of the organizational structure of the entity
21 responsible for carrying out the alternative payment model,
22 including information on the organizational role of the participants
23 in the alternative payment model, and information regarding the
24 compliance of any alternative payment entity with applicable
25 provisions of P.L.1999, c.409 (C.17:48H-1 et seq.) and regulations
26 adopted pursuant thereto;

27 (3) the date on which the alternative payment model is proposed
28 to begin operation;

29 (4) an explanation of how the alternative payment model
30 satisfies the alternative payment model standards; and

31 (5) other information reasonably requested by the Department of
32 Health.

33 b. The Department of Health shall review the application
34 submitted pursuant to subsection a. of this section, and shall notify
35 participants in no more than 60 days if the proposed alternative
36 payment model does not meet the requirement of this act. The
37 Department of Health shall provide the participants with a
38 reasonable opportunity to remedy any deficiencies in the alternative
39 payment model proposal, and may terminate an alternative payment
40 model that continues to fail to meet the requirements of this act.

41

42 4. The Commissioner of Health shall, in accordance with the
43 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et
44 seq.), adopt any rules and regulations as the commissioner deems
45 necessary to carry out the provisions of this act.

46

47 5. This act shall take effect on the first day of the seventh
48 month next following the date of enactment, except that the

1 Commissioner of Health may take any anticipatory administrative
2 action in advance as shall be necessary for the implementation of
3 this act.

4

5

6

STATEMENT

7

8 This bill requires alternative payment models to register with the
9 Department of Health, and permits a health care practitioner to refer
10 patients to a health care service in which the practitioner has
11 beneficial interest when the referral is related to the alternative
12 payment model.

13 Current law prohibits a health care practitioner from referring, or
14 directing an employee to refer, a patient to a health care service in
15 which the practitioner or an immediate family member has a
16 significant beneficial interest, with limited exceptions. This bill
17 would create an additional exception for referrals made within the
18 context of an alternative payment model that is registered with and
19 approved by the Department of Health. To qualify for an exception,
20 the participants in the alternative payment model must make a bona
21 fide determination that the significant beneficial interest is
22 reasonably related to the alternative payment model standards filed
23 with the Department of Health, and must document the
24 determination and retain the documentation for a period of 10 years.

25 Under the bill, participants desiring to establish an alternative
26 payment model must submit to the Department of Health, in a form
27 and manner established by the Department of Health, an application
28 package to operate an alternative payment model. The application
29 must include:

30 • a description of the alternative payment model, including the
31 participants in the model and how the model satisfies the
32 definition of an alternative payment model. “Alternative
33 payment model” is defined as a model of payment for health
34 care services operated by Medicare, Medicaid, or a health
35 insurance carrier that: (1) has been filed with the Department of
36 Health; (2) provides for payment for covered professional
37 services earned by participating health care practitioners and
38 health care services based on approved quality measures; and
39 (3) requires an alternative payment entity to bear financial risk
40 for monetary losses under the alternative payment model; is a
41 medical home; or is an accountable care organization authorized
42 by the federal Centers for Medicare & Medicaid Services.

43 • a description of the organizational structure of the entity
44 responsible for carrying out the alternative payment model,
45 including information on the organizational role of the
46 participants in the alternative payment model, and information
47 regarding the compliance with laws and regulations concerning
48 organized delivery systems;

- 1 • the date on which the alternative payment model is proposed to
2 begin operation; and
- 3 • an explanation of how the alternative payment model satisfies
4 the alternative payment model standards. “Alternative payment
5 model standards” are defined as institutional and specialty-
6 specific goals under an alternative payment model related to
7 patient safety, use of approved quality measures, and any other
8 applicable quality of care goals, and operational performance,
9 which may incorporate specific patient management tasks, care
10 redesign initiatives, and patient safety and quality of care
11 objectives; and
- 12 • other information reasonably requested by the Department of
13 Health.

14 The Department of Health would review the application, and
15 must notify participants in no more than 60 days if the proposed
16 alternative payment model does not meet the requirement of this
17 act. The Department of Health would provide the participants with
18 a reasonable opportunity to remedy any deficiencies in the
19 alternative payment model proposal, and may terminate an
20 alternative payment model that continues to fail to meet the
21 requirements of this bill.

SENATE HEALTH, HUMAN SERVICES AND SENIOR
CITIZENS COMMITTEE

STATEMENT TO

SENATE, No. 2724

with committee amendments

STATE OF NEW JERSEY

DATED: NOVEMBER 3, 2016

The Senate Health, Human Services and Senior Citizens Committee reports favorably and with committee amendments Senate Bill No. 2724.

As reported by the committee, the bill requires alternative payment models to register with the Department of Health (DOH), and permits a health care practitioner to refer patients to a health care service in which the practitioner has beneficial interest when the referral is related to the alternative payment model.

Current law prohibits a health care practitioner from referring, or directing an employee to refer, a patient to a health care service in which the practitioner or an immediate family member has a significant beneficial interest, with limited exceptions. This bill would create an additional exception for referrals made within the context of an alternative payment model that is registered with and approved by the DOH. To qualify for an exception, the participants in the alternative payment model must make a bona fide determination that the significant beneficial interest is reasonably related to the alternative payment model standards filed with the DOH, and must document the determination and retain the documentation for a period of 10 years.

Under the bill, participants desiring to establish an alternative payment model must submit to the DOH, in a form and manner established by the DOH, an application package to operate an alternative payment model. The application must include:

- a description of the alternative payment model, including the participants in the model and how the model satisfies the definition of an alternative payment model. “Alternative payment model” is defined as a model of payment for health care services operated by Medicare, Medicaid, or a health insurance carrier that: (1) has been filed with the DOH; (2) provides for payment for covered professional services earned by participating health care practitioners and health care services based on approved quality measures; and (3) requires an alternative payment entity to bear financial risk for monetary losses under the alternative payment

model; is a medical home; or is an accountable care organization authorized by the federal Centers for Medicare & Medicaid Services.

- a description of the organizational structure of the entity responsible for carrying out the alternative payment model, including information on the organizational role of the participants in the alternative payment model, and information regarding the compliance with laws and regulations concerning organized delivery systems;
- the date on which the alternative payment model is proposed to begin operation; and
- an explanation of how the alternative payment model satisfies the alternative payment model standards. “Alternative payment model standards” are defined as institutional and specialty-specific goals under an alternative payment model related to patient safety, use of approved quality measures, and any other applicable quality of care goals, and operational performance, which may incorporate specific patient management tasks, care redesign initiatives, and patient safety and quality of care objectives; and
- other information reasonably requested by the DOH.

The DOH would review the application, and must notify participants in no more than 60 days if the proposed alternative payment model does not meet the requirement of this act. The DOH would provide the participants with a reasonable opportunity to remedy any deficiencies in the alternative payment model proposal, and may terminate an alternative payment model that continues to fail to meet the requirements of this bill. An alternative payment model already approved by the federal government would be automatically deemed approved by DOH, and would be subject to no additional review.

The DOH would review each registered alternative payment model at least once every six years to determine whether the participants in the alternative payment model have complied with this bill and other relevant State and federal laws and regulations, and whether the alternative payment model has resulted in a degradation of quality of health care provided to patients attributable to the alternative payment model. The DOH would have authority to revoke the registration of an alternative payment model if the department’s review finds that the alternative payment model fails to comply with State or federal law, or if it results in a degradation of quality of patient care. An alternative payment model’s registration would not expire or otherwise be terminated solely as a result of the DOH’s failure to conduct a review.

The committee amended the bill to provide that an alternative payment model already approved by the federal government would be automatically deemed approved and would be subject to no additional review. The amendments also add the requirement that the DOH review, and potentially terminate, alternative payment models every six years.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 2724

STATE OF NEW JERSEY

DATED: DECEMBER 15, 2016

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2724 (1R).

This bill requires participants desiring to establish an alternative payment model to register with the Department of Health (DOH), and permits a health care practitioner to refer patients to a health care service in which the practitioner has a beneficial interest when the referral is related to the alternative payment model.

Current law prohibits a health care practitioner from referring, or directing an employee to refer, a patient to a health care service in which the practitioner or an immediate family member has a significant beneficial interest, with limited exceptions. This bill creates an additional exception for referrals made within the context of an alternative payment model that is registered with and approved by the DOH. To qualify for an exception, the participants in the alternative payment model must make a bona fide determination that the significant beneficial interest is reasonably related to the alternative payment model standards filed with the DOH, and must document the determination and retain the documentation for a period of 10 years.

Under the bill, participants desiring to establish an alternative payment model must submit to the DOH, in a form and manner established by the DOH, an application package to operate an alternative payment model. The application must include:

-- a description of the alternative payment model, including the participants in the model and how the model satisfies the definition of an alternative payment model. "Alternative payment model" is defined as a model of payment for health care services operated by Medicare, Medicaid, or a health insurance carrier that: (1) has been filed with the DOH; (2) provides for payment for covered professional services earned by participating health care practitioners and health care services based on approved quality measures; and (3) requires an alternative payment entity to bear financial risk for monetary losses under the alternative payment model; is a medical home; or is an accountable care organization authorized by the federal Centers for Medicare & Medicaid Services.

-- a description of the organizational structure of the entity responsible for carrying out the alternative payment model, including information on the organizational role of the participants in the

alternative payment model, and information regarding the compliance with laws and regulations concerning organized delivery systems;

-- the date on which the alternative payment model is proposed to begin operation; and

-- an explanation of how the alternative payment model satisfies the alternative payment model standards. "Alternative payment model standards" are defined as institutional and specialty-specific goals under an alternative payment model related to patient safety, use of approved quality measures, and any other applicable quality of care goals, and operational performance, which may incorporate specific patient management tasks, care redesign initiatives, and patient safety and quality of care objectives; and

-- other information reasonably requested by the DOH.

The bill directs the DOH to review the application, and to notify participants in no more than 60 days if the proposed alternative payment model does not meet the requirement of this bill. The DOH is to provide the participants with a reasonable opportunity to remedy any deficiencies in the alternative payment model proposal, and may terminate an alternative payment model that continues to fail to meet the requirements of this bill. An alternative payment model already approved by the federal government is automatically deemed approved by the DOH, and is not subject to additional review.

The bill directs the DOH to review each registered alternative payment model at least once every six years to determine if the participants in the alternative payment model have complied with this bill and other relevant State and federal laws and regulations, and if the alternative payment model has resulted in a degradation of quality of health care provided to patients attributable to the alternative payment model. The DOH is provided authority to revoke the registration of an alternative payment model if the department's review finds that the alternative payment model fails to comply with State or federal law, or if it results in a degradation of quality of patient care. An alternative payment model's registration is not to expire or be terminated solely as a result of the DOH's failure to conduct a review.

The bill requires the Commissioner of Health to adopt any rules and regulations as the commissioner deems necessary to carry out the provisions of the bill.

The bill is scheduled to take effect on the first day of the seventh month next following the date of enactment, but permits the commissioner to take certain anticipatory administrative actions in advance of that date.

FISCAL IMPACT:

The bill has not been certified as requiring a fiscal note.

STATEMENT TO
[First Reprint]
SENATE, No. 2724

with Senate Floor Amendments
(Proposed by Senator CODEY)

ADOPTED: JANUARY 23, 2017

This amendment alters the definition of “alternative payment model” in the bill to avoid possible confusion about multiple possible meanings of the phrase “health care service,” and to clarify that the bill is not meant to use this phrase in contradictory ways. The definition includes models of payment “for covered professional services earned by participating health care practitioners and health care services” that meet other provisions of the definition.

Governor Christie Takes Action On Pending Legislation

Thursday, July 13, 2017

Tags: [Bill Action](#)

Trenton, NJ - Governor Chris Christie today announced that he has taken action on the following pending legislation:

BILL SIGNINGS:

S-1451/A-3856 (Ruiz, Allen/Holley, McKnight, Singleton) - Directs DOE to make database of special education decisions available on website

S-2059/A-3769 (Weinberg/Vainieri Huttle, Mukherji) - Requires DOH to ensure that fetal death certification and reporting requirements are consistent with current federal standards

S-2348/A-3799 (Ruiz, Diegnan/Lampitt, Vainieri Huttle, Muoio, Oliver, Mosquera, DiMaio, McKnight, Mukherji) - Includes students who participate in school intramural sports programs in the student-athlete head injury safety program

S-2492/A-4091 (Gordon, O'Toole/Eustace, Chiaravalloti, Mukherji, Benson, Jasey) - Enhances resident voting participation rights in common interest communities

S-2878/A-4523 (Vitale, Codey/Schaer, Singleton, Vainieri Huttle, Pinkin) - Requires DOH to permit certain health care facilities to use shared clinical space when providing primary health care and behavioral health care for mild to moderate behavioral health conditions

SJR-50/AJR-69 (Weinberg, Gordon/DiMaio, Pinkin, Quijano) - Designates April as "Genocide Awareness Month"

SJR-62/AJR-96 (Codey/Eustace, Lampitt, Pinkin, Mukherji, Jones, Downey, Rooney) - Designates month of May of each year as "Mental Health Awareness Month"

A-374/S-2462 (Auth, Prieto, Schepisi, Jimenez, Mukherji/Sacco, Cruz-Perez) - Prohibits MVC from imposing duplicate license or identification card fee and digitized picture fee if duplicate is requested to reflect change in organ donor status

A-2181/S-2809 (Caride, Schaer/Sarlo) - Prohibits NJTA from requiring county guarantee to provide maintenance of pedestrian bridge under certain circumstances when determining approval for construction of pedestrian bridge

A-2690/S-1944 (Johnson, Rible, Dancer, O'Scanlon, Space, Phoebus/Cardinale, Van Drew) - Expands list of retired law enforcement officers eligible to carry handgun

A-4334/S-2724 (Conaway, Pinkin/Codey, Vitale) - Requires alternative payment models to register with DOH; permits health care practitioners to refer patients to health care service in which the practitioner has beneficial interest when related to alternative payment model

A-4350/S-2914 (Eustace, Karabinchak/Greenstein) - Precludes DEP from imposing certain certification requirements on installers of individual subsurface sewage disposal systems

Stay Connected
with Social Media

Stay Connected
with Email Alerts

LIKE THIS PAGE? SHARE IT
WITH YOUR FRIENDS.



More Information

[Senate Bill 587](#)

[Senate Bill 677](#)

[Senate Bill 806](#)

[Senate Bill 3006](#)

[ASSEMBLY BILL NO. 1855](#)

[ASSEMBLY BILL NO. 4701](#)

A-4583/S-2991 (Zwicker, Conaway, Land, Downey, Houghtaling/Turner, T. Kean) - Appropriates \$2,988,859 from 2009 Historic Preservation Fund and constitutionally dedicated CBT revenues to provide capital preservation grants for certain historic preservation projects

AJR-27/SJR-59 (Muio, Gusciora, Benson, Eustace, Pinkin, Sumter, Mukherji/Turner) - Designates May of each year as "Asthma Awareness Month"

BILLS VETOED:

S-587/A-2937 (Cunningham/Sumter, Mukherji, Quijano) – ABSOLUTE - Requires incarcerated individual from State to be counted at residential address for legislative redistricting purposes

S-677/A-3677 (Rice, Turner/Wimberly, Singleton, Holley, Tucker, Sumter, Quijano) – CONDITIONAL - Requires racial and ethnic impact statement for certain bills and regulations affecting sentencing

S-806/A-2463 (Weinberg, Gordon/Eustace, Vainieri Huttie, Caride, Muio, Lagana, Lampitt, Mukherji) – CONDITIONAL - Requires owner or operator of certain trains to have discharge response, cleanup, and contingency plans to transport certain hazardous materials by rail; requires NJ DOT to request bridge inspection reports from US DOT

S-3006/A-4589 (Weinberg, Gordon/Vainieri Huttie, Quijano, Wisniewski, Johnson, Mukherji) – ABSOLUTE - Prohibits PANYNJ from providing assistance for enforcement of March 6, 2017 US Executive Order banning entry into US of individuals from certain countries

A-1855/S-3123 (Wimberly, Prieto, Oliver, Sumter/Cruz-Perez, Cunningham) – CONDITIONAL - Concerns outreach and training for minorities and women in the construction industry

A-4701/S-3059 (Eustace, Zwicker, Vainieri Huttie, Gusciora, Kennedy, Benson, Jasey/Sweeney, Smith) – ABSOLUTE - Requires State full participation in Regional Greenhouse Gas Initiative

Press Contact:
Brian Murray
609-777-2600



[Contact Us](#) | [Privacy Notice](#) | [Legal Statement & Disclaimers](#) | [Accessibility Statement](#) | 

Statewide: [NJ Home](#) | [Services A to Z](#) | [Departments/Agencies](#) | [FAQs](#)
Office of the Governor: [Home](#) | [Newsroom](#) | [Media](#) | [Administration](#) | [NJ's Priorities](#) | [Contact Us](#)

Copyright © State of New Jersey, 1996-2018
Office of the Governor
PO Box 001
Trenton, NJ 08625
609-292-6000