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RH/CL

P.L. 2017, CHAPTER 369, *approved January 16, 2018*  
Assembly Substitute (*First Reprint*) for  
Assembly, No. 3402

1 AN ACT concerning electronic submission of certain automobile  
2 insurance claims and supplementing P.L.1972, c.70 <sup>1</sup>[(39:6A-1  
3 et seq.)] (C.39:6A-1 et seq.)<sup>1</sup> .  
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:  
7

8 1. As used in this act:

9 “Complete electronic medical bill” means a medical bill that  
10 meets all of the following criteria: (1) it is submitted in the correct  
11 uniform billing format, with the correct uniform billing code sets,  
12 transmitted in compliance with the guidelines; (2) the bill and  
13 electronic attachments provide all information required under the  
14 guidelines established by this act; and (3) the health care provider  
15 or its billing representative has provided all information that the  
16 insurance carrier or its third party administrator requested.

17 “Electronic bill” means a communication between computerized  
18 data exchange systems that complies with the guidelines  
19 enumerated; or a mutually agreed upon electronic data exchange  
20 plan established between health care providers or their billing  
21 representatives and insurance companies or their third party  
22 administrators.

23 “Guidelines” means the <sup>1</sup>[format established by the  
24 Commissioner of Banking and Insurance pursuant to this act, which  
25 shall comply with the]<sup>1</sup> current version of the <sup>1</sup>[International  
26 Association of Industrial Accident Boards and Commissions  
27 (IAIABC) Workers’ Compensation Electronic Medical Billing Rule  
28 and Companion Guide] ASC X12 005010 format<sup>1</sup>.

29 “Insurance carrier” means any company underwriting personal  
30 injury protection coverage benefits payable under a standard  
31 automobile insurance policy pursuant to section 4 of P.L.1972, c.70  
32 (C.34:6A-4); a basic automobile insurance policy pursuant to  
33 section 4 of P.L.1998, c.21 (C.39:6A-3.1); or emergency care  
34 medical expense benefits payable under a special automobile  
35 insurance policy pursuant to section 45 of P.L.2003, c.89 (C.39:6A-

**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:

<sup>1</sup> Senate SCM committee amendments adopted December 14, 2017.

1 3.3) <sup>1</sup>, and shall include any managed care organization associated  
2 with the carrier<sup>1</sup>.

3  
4 2. <sup>1</sup>~~【The commissioner shall adopt rules and regulations which~~  
5 ~~require that:~~

6 a. ~~all~~ <sup>1</sup> a. All<sup>1</sup> healthcare providers or their billing  
7 representative shall submit electronic bills for payment which shall  
8 be completed on standardized forms following the guidelines  
9 established pursuant to this act <sup>1</sup>~~【;】~~<sup>1</sup>.

10 b. <sup>1</sup>~~【insurance】~~ Insurance<sup>1</sup> carriers <sup>1</sup>, medical management  
11 companies<sup>1</sup> or their third-party administrators shall accept  
12 electronic bills and shall comply with the guidelines <sup>1</sup>~~【;】~~<sup>1</sup>.

13 c. <sup>1</sup>~~【confidentiality】~~ Confidentiality<sup>1</sup> of medical information  
14 submitted on electronic bills for payment of medical services  
15 pursuant to this act <sup>1</sup>shall<sup>1</sup> be maintained <sup>1</sup>~~【;】~~<sup>1</sup>.

16 d. <sup>1</sup>~~【insurance】~~ Insurance<sup>1</sup> carriers or their third-party  
17 administrators shall acknowledge receipt of a complete electronic  
18 medical bill to the party that sent the complete electronic medical  
19 bill in compliance with the guidelines <sup>1</sup>~~【;】~~<sup>1</sup>.

20 e. <sup>1</sup>~~【payment】~~ Payment<sup>1</sup> for a complete electronic medical bill  
21 deemed compensable by the insurance carrier shall be made in <sup>1</sup>~~【60~~  
22 ~~days or less after acknowledgement of receipt of the complete~~  
23 ~~electronic bill in】~~<sup>1</sup> accordance with subsection g. of section 5 of  
24 P.L.1972, c.70 (C.39:6A-5)<sup>1</sup>~~【; and~~

25 <sup>1</sup>~~【, provided, however, that】~~<sup>1</sup> insurance carriers or their third  
26 party administrators may <sup>1</sup>~~【exchange electronic data and】~~<sup>1</sup> establish  
27 <sup>1</sup>shorter<sup>1</sup> payment deadlines through <sup>1</sup>~~【PPO or IPO】~~<sup>1</sup> contracts or  
28 agreements with health care providers or their billing  
29 representatives in a non-prescribed format or timeline <sup>1</sup>~~【,~~  
30 ~~independent of the guidelines】~~<sup>1</sup>.

31  
32 <sup>1</sup>3. This act shall not apply to any provider that:

33 a. submits less than 25 medical bills per month to insurance  
34 carriers or third-party administrators;

35 b. furnishes services only outside of the United States;

36 c. experiences a disruption in electricity and communication  
37 connections that are beyond its control; or

38 d. demonstrates that a specific and unusual circumstance exists  
39 that precludes submission of electronic bills.<sup>1</sup>

40  
41 <sup>1</sup>~~【3.】~~ 4.<sup>1</sup> This act shall take effect immediately, except that  
42 insurance carriers <sup>1</sup>and third party administrators<sup>1</sup> shall not be  
43 required to adopt electronic bill transmission before the first day of  
44 the <sup>1</sup>~~【eighteenth】~~ 20th<sup>1</sup> month <sup>1</sup>next<sup>1</sup> following the <sup>1</sup>~~【adoption of~~

1 the rules by the Department of Banking and Insurance that are  
2 necessary to implement this act] date of enactment<sup>1</sup>. Nothing in  
3 this act shall prevent insurance carriers or their third-party  
4 administrators from earlier adoption of electronic bills transmission.

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7

8

9 Concerns electronic submission of certain automobile insurance  
10 claims.

# ASSEMBLY, No. 3402

## STATE OF NEW JERSEY 217th LEGISLATURE

INTRODUCED MARCH 3, 2016

**Sponsored by:**

**Assemblyman LOUIS D. GREENWALD**  
**District 6 (Burlington and Camden)**

**Co-Sponsored by:**

**Assemblyman Diegnan**

**SYNOPSIS**

Concerns electronic submission of certain automobile insurance claims.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 4/5/2016)**

1 AN ACT concerning electronic submission of certain automobile  
2 insurance claims and supplementing P.L.1972, c.70 (39:6A-1 et  
3 seq.).

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

7  
8 1. Notwithstanding any law to the contrary, the commissioner  
9 shall adopt rules and regulations which:

10 a. ensure that all health care providers submit medical bills for  
11 payment on standardized forms;

12 b. require acceptance of electronic claims for payment of  
13 medical services by insurers offering policies which provide:

14 (1) personal injury protection coverage benefits payable under a  
15 standard automobile insurance policy pursuant to section 4 of  
16 P.L.1972, c.70 (C.34:6A-4);

17 (2) medical expense benefits payable under a basic automobile  
18 insurance policy pursuant to section 4 of P.L.1998, c.21 (C.39:6A-  
19 3.1); or

20 (3) emergency care medical expense benefits payable under a  
21 special automobile insurance policy pursuant to section 45 of  
22 P.L.2003, c.89 (C.39:6A-3.3);

23 c. ensure confidentiality of medical information submitted on  
24 electronic claims for payment of medical services pursuant to the  
25 this act; and

26 d. provide that payment for medical services provided or  
27 prescribed by the health care provider shall be made by the insurer  
28 to the health care provider within 15 working days after electronic  
29 receipt of an itemized electronic billing. If the billing is contested,  
30 denied, or incomplete, payment shall be made of any uncontested  
31 amounts within 15 working days after electronic receipt of the  
32 billing. Any contested medical charge arising from any claim for  
33 payment of medical services shall be resolved pursuant to section  
34 24 of P.L.1998, c.21 (C.39:6A-5.1).

35  
36 2. This act shall take effect on the first day of the third month  
37 next following the date of enactment.

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39

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#### STATEMENT

41

42 This bill concerns the electronic submission of certain  
43 automobile insurance claims. Specifically, the bill requires the  
44 Commissioner of Banking and Insurance to adopt rules and  
45 regulations which:

46 (1) ensure that all health care providers submit medical bills for  
47 payment on standardized forms;

48 (2) require acceptance of electronic claims for payment of

**A3402 GREENWALD**

1 medical services by insurers offering policies which provide  
2 personal injury protection coverage benefits payable under a  
3 standard automobile insurance policy, medical expense benefits  
4 payable under a basic automobile insurance policy, or emergency  
5 care medical expense benefits payable under a special automobile  
6 insurance policy;

7 (3) ensure confidentiality of medical information submitted on  
8 electronic claims for payment of medical services; and

9 (4) provide that payment for medical treatment provided or  
10 prescribed by the health care provider shall be made by the insurer  
11 to the health care provider within 15 working days after electronic  
12 receipt of an itemized electronic billing. If the billing is contested,  
13 denied, or incomplete, payment shall be made of any uncontested  
14 amounts within 15 working days after electronic receipt of the  
15 billing.



ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3402

**STATE OF NEW JERSEY**

DATED: APRIL 4, 2016

The Assembly Appropriations Committee reports favorably Assembly Bill No. 3402.

This bill concerns the electronic submission of certain automobile insurance claims. Specifically, the bill requires the Commissioner of Banking and Insurance to adopt rules and regulations which:

(1) ensure that all health care providers submit medical bills for payment on standardized forms;

(2) require acceptance of electronic claims for payment of medical services by insurers offering policies which provide personal injury protection coverage benefits payable under a standard automobile insurance policy, medical expense benefits payable under a basic automobile insurance policy, or emergency care medical expense benefits payable under a special automobile insurance policy;

(3) ensure confidentiality of medical information submitted on electronic claims for payment of medical services; and

(4) provide that payment for medical treatment provided or prescribed by the health care provider shall be made by the insurer to the health care provider within 15 working days after electronic receipt of an itemized electronic billing. The bill requires that if the billing is contested, denied, or incomplete, payment be made of any uncontested amounts within 15 working days after electronic receipt of the billing.

FISCAL IMPACT:

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

# SENATE COMMERCE COMMITTEE

## STATEMENT TO

### ASSEMBLY SUBSTITUTE FOR ASSEMBLY, No. 3402

with committee amendments

# STATE OF NEW JERSEY

DATED: DECEMBER 14, 2017

The Senate Commerce Committee reports favorably and with committee amendments Assembly Substitute for Assembly Bill No. 3402.

This bill, with amendments, concerns the electronic submission of certain automobile insurance claims. Specifically, the bill provides that:

(1) all healthcare providers or their billing representative must submit electronic bills for payment completed on standardized forms following the guidelines established by the bill;

(2) insurance carriers or their third-party administrators must accept electronic bills and comply with the guidelines;

(3) confidentiality of medical information submitted on electronic bills for payment of medical services must be maintained;

(4) insurance carriers or their third-party administrators must acknowledge receipt of a complete electronic medical bill to the party that sent the complete electronic medical bill in compliance with the guidelines; and

(5) payments for a complete electronic medical bill deemed compensable by the insurance carrier be made in accordance with subsection g. of section 5 of P.L.1972, c.70 (C.39:6A-5), provided, however, that insurance carriers or their third party administrators may establish shorter payment deadlines through contracts or agreements with health care providers or their billing representatives in a non-prescribed format or timeline.

Pursuant to the amended bill, “complete electronic medical bill” means a medical bill that meets all of the following criteria: (1) it is submitted in the correct uniform billing format, with the correct uniform billing code sets, transmitted in compliance with the guidelines; (2) the bill and electronic attachments provide all information required under the guidelines established by the bill; and (3) the health care provider or its billing representative has provided all information that the insurance carrier or its third party administrator requested.

“Guidelines” means the current version of the ASC X12 005010 format.

The amended bill also excludes from its provision any provider that:

- (1) submits less than 25 medical bills per month to insurance carriers or third-party administrators;
- (2) furnishes services only outside of the United States;
- (3) experiences a disruption in electricity and communication connections that are beyond its control; or
- (4) demonstrates that a specific and unusual circumstance exists that precludes submission of electronic bills.

As amended and reported by the committee, Assembly Substitute for Assembly Bill No. 3402 is identical to the Senate Committee Substitute for Senate Bill No. 2137 as reported by the committee today.

#### Committee Amendments

The committee amendments:

- Revise the definitions of “guidelines” and “insurance carrier.”
- Remove direction for the Commissioner of Banking and Insurance to adopt rules and regulations.
- Require, in addition to insurance carriers and third-party administrators, medical management companies to accept electronic bills.
- Provide that payments for a complete electronic medical bill deemed compensable by the insurance carrier be made in accordance with subsection g. of section 5 of P.L.1972, c.70 (C.39:6A-5), provided, however, that insurance carriers or their third party administrators may establish shorter payment deadlines through contracts or agreements with health care providers or their billing representatives in a non-prescribed format or timeline.
- Provide that the bill shall not apply to any provider that:
  - (1) submits less than 25 medical bills per month to insurance carriers or third-party administrators;
  - (2) furnishes services only outside of the United States;
  - (3) experiences a disruption in electricity and communication connections that are beyond its control; or
  - (4) demonstrates that a specific and unusual circumstance exists that precludes submission of electronic bills.
- Revise the effective date to provide that the bill shall take effect immediately, except that insurance carriers and third party administrators shall not be required to adopt electronic bill transmission before the first day of the 20th month next following the date of enactment. Nothing in the bill is to prevent insurance carriers or their third-party administrators from earlier adoption of electronic bills transmission.
- Make a technical correction in the title of the bill.

**SENATE, No. 2137**

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**STATE OF NEW JERSEY**  
**217th LEGISLATURE**

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INTRODUCED MAY 2, 2016

**Sponsored by:**

**Senator STEVEN V. OROHO**

**District 24 (Morris, Sussex and Warren)**

**SYNOPSIS**

Concerns electronic submission of certain automobile insurance claims.

**CURRENT VERSION OF TEXT**

As introduced.



S2137 OROHO

2

1 AN ACT concerning electronic submission of certain automobile  
2 insurance claims and supplementing P.L.1972, c.70 (39:6A-1 et  
3 seq.).

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

7  
8 1. Notwithstanding any law to the contrary, the commissioner  
9 shall adopt rules and regulations which:

10 a. ensure that all health care providers submit medical bills for  
11 payment on standardized forms;

12 b. require acceptance of electronic claims for payment of  
13 medical services by insurers offering policies which provide:

14 (1) personal injury protection coverage benefits payable under a  
15 standard automobile insurance policy pursuant to section 4 of  
16 P.L.1972, c.70 (C.39:6A-4);

17 (2) medical expense benefits payable under a basic automobile  
18 insurance policy pursuant to section 4 of P.L.1998, c.21 (C.39:6A-  
19 3.1); or

20 (3) emergency care medical expense benefits payable under a  
21 special automobile insurance policy pursuant to section 45 of  
22 P.L.2003, c.89 (C.39:6A-3.3);

23 c. ensure confidentiality of medical information submitted on  
24 electronic claims for payment of medical services pursuant to the  
25 this act; and

26 d. provide that payment for medical services provided or  
27 prescribed by the health care provider shall be made by the insurer  
28 to the health care provider within 15 working days after electronic  
29 receipt of an itemized electronic billing. If the billing is contested,  
30 denied, or incomplete, payment shall be made of any uncontested  
31 amounts within 15 working days after electronic receipt of the  
32 billing. Any contested medical charge arising from any claim for  
33 payment of medical services shall be resolved pursuant to section  
34 24 of P.L.1998, c.21 (C.39:6A-5.1).

35  
36 2. This act shall take effect on the first day of the third month  
37 next following the date of enactment.

38

39

40

STATEMENT

41

42 This bill concerns the electronic submission of certain  
43 automobile insurance claims. Specifically, the bill requires the  
44 Commissioner of Banking and Insurance to adopt rules and  
45 regulations which:

46 (1) ensure that all health care providers submit medical bills for  
47 payment on standardized forms;

**S2137 OROHO**

- 1       (2) require acceptance of electronic claims for payment of  
2 medical services by insurers offering policies which provide  
3 personal injury protection coverage benefits payable under a  
4 standard automobile insurance policy, medical expense benefits  
5 payable under a basic automobile insurance policy, or emergency  
6 care medical expense benefits payable under a special automobile  
7 insurance policy;
- 8       (3) ensure confidentiality of medical information submitted on  
9 electronic claims for payment of medical services; and
- 10       (4) provide that payment for medical treatment provided or  
11 prescribed by the health care provider shall be made by the insurer  
12 to the health care provider within 15 working days after electronic  
13 receipt of an itemized electronic billing. If the billing is contested,  
14 denied, or incomplete, payment shall be made of any uncontested  
15 amounts within 15 working days after electronic receipt of the  
16 billing.

# SENATE COMMERCE COMMITTEE

## STATEMENT TO

### SENATE COMMITTEE SUBSTITUTE FOR SENATE, No. 2137

# STATE OF NEW JERSEY

DATED: DECEMBER 14, 2017

The Senate Commerce Committee reports favorably a Senate Committee Substitute for Senate Bill No. 2137.

This substitute bill concerns the electronic submission of certain automobile insurance claims. Specifically, the substitute provides that:

(1) all healthcare providers or their billing representative must submit electronic bills for payment completed on standardized forms following the guidelines established by the bill;

(2) insurance carriers or their third-party administrators must accept electronic bills and comply with the guidelines;

(3) confidentiality of medical information submitted on electronic bills for payment of medical services must be maintained;

(4) insurance carriers or their third-party administrators must acknowledge receipt of a complete electronic medical bill to the party that sent the complete electronic medical bill in compliance with the guidelines; and

(5) payments for a complete electronic medical bill deemed compensable by the insurance carrier be made in accordance with subsection g. of section 5 of P.L.1972, c.70 (C.39:6A-5), provided, however, that insurance carriers or their third party administrators may establish shorter payment deadlines through contracts or agreements with health care providers or their billing representatives in a non-prescribed format or timeline.

Pursuant to the substitute bill, “complete electronic medical bill” means a medical bill that meets all of the following criteria: (1) it is submitted in the correct uniform billing format, with the correct uniform billing code sets, transmitted in compliance with the guidelines; (2) the bill and electronic attachments provide all information required under the guidelines established by the bill; and (3) the health care provider or its billing representative has provided all information that the insurance carrier or its third party administrator requested.

“Guidelines” means the current version of the ASC X12 005010 format.

The bill also excludes from its provision any provider that:

- (1) submits less than 25 medical bills per month to insurance carriers or third-party administrators;
- (2) furnishes services only outside of the United States;
- (3) experiences a disruption in electricity and communication connections that are beyond its control; or
- (4) demonstrates that a specific and unusual circumstance exists that precludes submission of electronic bills.

As reported by the committee today, the Senate Committee Substitute for Senate Bill No. 2137 is identical to the Assembly Substitute for Assembly Bill No. 3402 as amended and reported by the committee today.