

VETO MESSAGE:

No

GOVERNOR'S PRESS RELEASE ON SIGNING:

Yes

FOLLOWING WERE PRINTED:

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REPORTS:

Yes

974.90 New Jersey. Governor's Task Force on Health Care Fraud.
H434 Initial report...December 23, 1996. Trenton, 1996.
1996h [\[see especially pp. 6 & 62\]](#)

HEARINGS:

No

NEWSPAPER ARTICLES:

No

P.L. 1999, CHAPTER 162, *approved July 12, 1999*
Senate, No. 1696

1 **AN ACT** concerning the use of runners and supplementing chapter 21
2 of Title 2C of the New Jersey Statutes.

3

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

6

7 1. a. As used in this section:

8 "Provider" means an attorney, a health care professional, an owner
9 or operator of a health care practice or facility, any person who
10 creates the impression that he or his practice or facility can provide
11 legal or health care services, or any person employed or acting on
12 behalf of any of the aforementioned persons.

13 "Public media" means telephone directories, professional
14 directories, newspapers and other periodicals, radio and television,
15 billboards and mailed or electronically transmitted written
16 communications that do not involve in-person contact with a specific
17 prospective client, patient or customer.

18 "Runner" means a person who, for a pecuniary benefit, procures or
19 attempts to procure a client, patient or customer at the direction of,
20 request of or in cooperation with a provider whose purpose is to seek
21 to obtain benefits under a contract of insurance or assert a claim
22 against an insured or an insurance carrier for providing services to the
23 client, patient or customer. "Runner" shall not include a person who
24 procures or attempt to procure clients, patients or customers for a
25 provider through public media or a person who refers clients, patients
26 or customers to a provider as otherwise authorized by law.

27 b. A person is guilty of a crime of the third degree if that person
28 knowingly acts as a runner or uses, solicits, directs, hires or employs
29 another to act as a runner.

30 c. Notwithstanding the provisions of subsection e. of N.J.S.2C:44-
31 1, the court shall deal with a person who has been convicted of a
32 violation of this section by imposing a sentence of imprisonment
33 unless, having regard to the character and condition of the person, the
34 court is of the opinion that imprisonment would be a serious injustice
35 which overrides the need to deter such conduct by others. If the court
36 imposes a noncustodial or probationary sentence, such sentence shall
37 not become final for 10 days in order to permit the appeal of such
38 sentence by the prosecution. Nothing in this section shall preclude an
39 indictment and conviction for any other offense defined by the laws of
40 this State.

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42 2. This act shall take effect immediately.

1 STATEMENT

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3 This bill implements a recommendation of the Governor's Task
4 Force on Health Care Fraud by making it illegal to act as a runner, a
5 practice that facilitates fraud and serves no legitimate purpose. A
6 runner is defined as a person who receives a pecuniary benefit for
7 procuring or attempting to procure clients, patients or customers for
8 a provider whose purpose is to obtain benefits under an insurance
9 contract for providing services. Because most fraud schemes depend
10 on a volume of patients, health care providers and attorneys engaged
11 in fraud will often pay third parties for recruiting clients, patients and
12 customers. Often the client, patient or customer receives inadequate
13 or inappropriate care or services. Thus, the bill also makes it illegal
14 for a provider to provide or offer to provide a pecuniary benefit to a
15 runner. Soliciting clients through the public media and referring
16 clients, patients or customers to a provider as is otherwise authorized
17 by law, such as attorney referrals in accordance with the Rules of
18 Court, would be excluded from the prohibitions under the bill. Under
19 the bill, acting as a runner or hiring another person to act as a runner
20 would be graded as crimes of the third degree.

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25 Criminalizes the use of runners.

SENATE, No. 1696

STATE OF NEW JERSEY 208th LEGISLATURE

INTRODUCED JANUARY 28, 1999

Sponsored by:

Senator WILLIAM L. GORMLEY

District 2 (Atlantic)

Senator WAYNE R. BRYANT

District 5 (Camden and Gloucester)

Co-Sponsored by:

Senators Allen, Bucco, Assemblymen Talarico, Suliga and LeFevre

SYNOPSIS

Criminalizes the use of runners.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/25/1999)

1 AN ACT concerning the use of runners and supplementing chapter 21
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32 violation of this section by imposing a sentence of imprisonment
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34 court is of the opinion that imprisonment would be a serious injustice
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36 imposes a noncustodial or probationary sentence, such sentence shall
37 not become final for 10 days in order to permit the appeal of such
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39 indictment and conviction for any other offense defined by the laws of
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ASSEMBLY JUDICIARY COMMITTEE

STATEMENT TO

SENATE, No. 1696

STATE OF NEW JERSEY

DATED: JUNE 14, 1999

The Assembly Judiciary Committee reports favorably Senate Bill No. 1696.

This bill would make punishable as a crime of the third degree acting as a runner or hiring a person to act as a runner. The bill defines a "runner" as a person who receives a pecuniary benefit for procuring or attempting to procure clients, patients or customers for a provider whose purpose is to obtain benefits under an insurance contract for providing services. Under the bill, "provider" includes attorneys, health care professionals and the owners and operators of health care practices or facilities. The soliciting of clients through the public media and referring clients, patients or customers to a provider as is otherwise authorized by the law would not be prohibited. The bill would implement a recommendation of the Governor's Task Force on Health Care Fraud.

This bill is identical to Assembly, No. 2930.

SENATE JUDICIARY COMMITTEE

STATEMENT TO

SENATE, No. 1696

STATE OF NEW JERSEY

DATED: FEBRUARY 18, 1999

The Senate Judiciary Committee reports favorably Senate Bill No. 1696.

This bill would make punishable as a crime of the third degree acting as a runner or hiring a person to act as a runner. The bill defines a "runner" as a person who receives a pecuniary benefit for procuring or attempting to procure clients, patients or customers for a provider whose purpose is to obtain benefits under an insurance contract for providing services. Under the bill, "provider" includes attorneys, health care professionals and the owners and operators of health care practices or facilities. The soliciting of clients through the public media and referring clients, patients or customers to a provider as is otherwise authorized by the law would not be prohibited. The bill would implement a recommendation of the Governor's Task Force on Health Care Fraud.

ASSEMBLY, No. 2930

STATE OF NEW JERSEY 208th LEGISLATURE

INTRODUCED MARCH 4, 1999

Sponsored by:

Assemblyman GUY F. TALARICO

District 38 (Bergen)

Co-Sponsored by:

Assemblyman LeFevre

SYNOPSIS

Criminalizes the use of runners.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 3/5/1999)

A2930 TALARICO

2

1 AN ACT concerning the use of runners and supplementing chapter 21
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ASSEMBLY JUDICIARY COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2930

STATE OF NEW JERSEY

DATED: JUNE 14, 1999

The Assembly Judiciary Committee reports favorably Assembly Bill No. 2930.

This bill would make punishable as a crime of the third degree acting as a runner or hiring a person to act as a runner. The bill defines a "runner" as a person who receives a pecuniary benefit for procuring or attempting to procure clients, patients or customers for a provider whose purpose is to obtain benefits under an insurance contract for providing services. Under the bill, "provider" includes attorneys, health care professionals and the owners and operators of health care practices or facilities. The soliciting of clients through the public media and referring clients, patients or customers to a provider as is otherwise authorized by the law would not be prohibited. The bill would implement a recommendation of the Governor's Task Force on Health Care Fraud.

This bill is identical to Senate, No. 1696.

Office of the Governor
NEWS RELEASE

PO BOX 004
TRENTON, NJ 08625

CONTACT: Gene Herman
609-777-2600

RELEASE: July 14, 1999

Gov. Christie Whitman has signed the following piece of legislation:

S-1696, sponsored by Senators William L. Gormley (R-Atlantic) and Wayne R. Bryant (D-Camden/Gloucester) and Assembly Members Guy F. Talarico (R- Bergen) and Joseph Suliga (D-Union), makes it a third degree crime to act as a runner or to solicit or employ a runner to procure clients. This law defines a runner as a person who, for a pecuniary benefit, procures or attempts to procure clients for a legal service provider or a health care provider, whose purpose is to obtain benefits from or assert a claim against an insurance company. The bill requires that a person convicted of this offense be sentenced to prison unless the sentencing court finds that imprisonment would be a serious injustice, which overrides the need to deter such conduct by others.

Specifically excluded from the definition of runners are persons who procure clients and patients through public media advertising or by any other means authorized by law, such as through lawyer or physician referral services. The bill implements a recommendation by the Governor's Task Force on Health Care Fraud.