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**HEARINGS:** No

**NEWSPAPER ARTICLES:** No

IS 5/20/08

P.L. 2007, CHAPTER 194, *approved October 26, 2007*  
Assembly, No. 439 (*Third Reprint*)

1 AN ACT concerning reimbursement for <sup>2</sup>**[medical transportation]**  
2 certain ambulance<sup>2</sup> services and supplementing Title 17B of the  
3 New Jersey Statutes.

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 "Ambulance service" means the provision of emergency <sup>2</sup>**[or**  
10 non-emergency]<sup>2</sup> health care services <sup>1</sup>, basic life support services,  
11 advanced life support services, critical care services, mobile  
12 intensive care services, <sup>2</sup>**[medical car services]**<sup>2</sup>, <sup>1</sup> or <sup>2</sup>emergency<sup>2</sup>  
13 medical transportation in a vehicle that is licensed, equipped and  
14 staffed in accordance with the requirements set forth by the  
15 <sup>1</sup>**[commissioner]** Commissioner of Health and Senior Services<sup>1</sup>.

16 "Assignment of benefits" means any written instrument executed  
17 by the covered person or his authorized representative which  
18 assigns a service provider the covered person's right to receive  
19 reimbursement for a covered service rendered to the covered  
20 person.

21 "Carrier" means an insurance company, health service  
22 corporation, hospital service corporation, medical service  
23 corporation or health maintenance organization authorized to issue  
24 health benefits plans in this State.

25 "Claim" means a claim by a covered person for payment of  
26 benefits under a health benefits plan.

27 "Commissioner" means the Commissioner of <sup>1</sup>**[Health and**  
28 **Senior Services]** Banking and Insurance<sup>1</sup>.

29 "Covered person" means a person on whose behalf a carrier  
30 offering the health benefits plan is obligated to pay benefits or  
31 provide services pursuant to the health benefits plan.

32 "Covered service" means <sup>2</sup>**[a medical transportation]** an  
33 ambulance<sup>2</sup> service provided to a covered person under a health  
34 benefits plan for which the carrier is obligated to pay benefits or  
35 provide services.

36 "Health benefits plan" means a hospital and medical expense  
37 insurance policy; health service corporation contract; hospital  
38 service corporation contract; medical service corporation contract;

**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>Assembly AFI committee amendments adopted May 11, 2006.

<sup>2</sup>Senate SCM committee amendments adopted October 23, 2006.

<sup>3</sup>Senate floor amendments adopted February 5, 2007.

1 health maintenance organization subscriber contract; or other plan  
2 for medical care delivered or issued for delivery in this State. For  
3 purposes of this act, health benefits plan shall not include one or  
4 more, or any combination of, the following: coverage only for  
5 accident, or disability income insurance, or any combination  
6 thereof; coverage issued as a supplement to liability insurance;  
7 liability insurance, including general liability insurance and  
8 automobile liability insurance; stop loss or excess risk insurance;  
9 workers' compensation or similar insurance; automobile medical  
10 payment insurance; credit-only insurance; coverage for on-site  
11 medical clinics; <sup>2</sup>coverage for Medicaid services pursuant to a  
12 contract with the State;<sup>2</sup> and <sup>2</sup>any<sup>2</sup> other similar insurance coverage,  
13 as specified in federal regulations, under which benefits for medical  
14 care are secondary or incidental to other insurance benefits. Health  
15 benefits plans shall not include the following benefits if they are  
16 provided under a separate policy, certificate or contract of insurance  
17 or are otherwise not an integral part of the plan: limited scope  
18 dental or vision benefits; benefits for long-term care, nursing home  
19 care, home health care, community-based care, or any combination  
20 thereof; and such other similar, limited benefits as are specified in  
21 federal regulations. Health benefits plan shall not include hospital  
22 confinement indemnity coverage if the benefits are provided under  
23 a separate policy, certificate or contract of insurance, there is no  
24 coordination between the provision of the benefits and any  
25 exclusion of benefits under any group health benefits plan  
26 maintained by the same plan sponsor, and those benefits are paid  
27 with respect to an event without regard to whether benefits are  
28 provided with respect to such an event under any group health plan  
29 maintained by the same plan sponsor.

30 <sup>2</sup>["Medical transportation service" means either an ambulance  
31 service or a mobility assistance vehicle service.

32 "Mobility assistance vehicle service" means the provision of  
33 nonemergency health care transportation, in accordance with the  
34 requirements set forth by the <sup>1</sup>**[commissioner]** Commissioner of  
35 Health and Senior Service<sup>1</sup>, supervised by certified trained  
36 personnel, for sick, infirm or otherwise disabled covered persons  
37 who are under the care and supervision of a physician and whose  
38 medical condition is not of sufficient magnitude or gravity to  
39 require transportation by ambulance, but does require transportation  
40 from place to place for medical care and whose use of an alternate  
41 form of transportation, such as taxicab, bus, other public  
42 conveyance, or private vehicle might create a serious risk to life and  
43 health.]<sup>2</sup>

44 "Payer" means a carrier or any agent thereof who is doing  
45 business in the State and is under a contractual obligation to pay  
46 claims.

1 "Service provider" means any person, public or private  
2 institution, agency, or business concern lawfully providing <sup>2</sup>[a  
3 medical transportation] an ambulance<sup>2</sup> service.

4  
5 2. a. Notwithstanding any provision of law to the contrary, a  
6 covered person may, through an assignment of benefits, assign to a  
7 service provider his right to receive reimbursement for any  
8 <sup>2</sup>[medical transportation] ambulance<sup>2</sup> service <sup>2</sup>[he obtains]  
9 rendered by the service provider,<sup>2</sup> regardless of whether the service  
10 provider is under contract with the carrier to provide services to the  
11 covered person.

12 b. <sup>2</sup>[When a covered person executes an assignment of benefits,  
13 the] A service provider provided an assignment of benefits by a  
14 covered person, pursuant to subsection a. of this section, shall  
15 submit a copy of that assignment of benefits, or provide other notice  
16 of that assignment of benefits acceptable to the commissioner  
17 pursuant to regulation, to the payer with any claim for payment for  
18 any ambulance service rendered to the covered person.

19 c. The<sup>2</sup> payer <sup>2</sup>, based upon the claim and notice of the  
20 assignment of benefits submitted by the service provider,<sup>2</sup> shall  
21 remit payment of the claim directly to the service provider <sup>3</sup>within  
22 the time frame established by P.L.1999, c.154 (C.17B:30-23 et al.)  
23 for remitting payment on a claim submitted by electronic means, or  
24 by other than electronic means, as applicable,<sup>3</sup> and provide written  
25 notice <sup>3</sup>, within the same applicable time frame,<sup>3</sup> of the payment to  
26 the covered person.

27 <sup>2</sup>[c.] d.<sup>2</sup> If a covered person executes an assignment of benefits  
28 <sup>2</sup>, and the service provider submits notice of that assignment of  
29 benefits with its claim for payment pursuant to subsection b. of this  
30 section,<sup>2</sup> but the payer remits payment of the claim to the covered  
31 person, rather than the service provider, the claim shall not be  
32 considered paid <sup>2</sup>[and the] . The<sup>2</sup> payer shall <sup>2</sup>, notwithstanding  
33 the incorrect payment of the claim to the covered person,<sup>2</sup> <sup>3</sup>[remit]  
34 remain liable for remitting<sup>3</sup> payment of the claim <sup>2</sup>to the service  
35 provider pursuant to the assignment of benefits<sup>2</sup> <sup>3</sup>[not later than 30  
36 days from the date the payer <sup>2</sup>[received] receives<sup>2</sup> notification from  
37 the service provider of the incorrect payment. Any claim paid later  
38 than <sup>2</sup>[31] 30<sup>2</sup> days after the date the payer received the <sup>2</sup>service  
39 provider's<sup>2</sup> notification shall be considered overdue]<sup>3</sup>.

40 <sup>3</sup>e.<sup>3</sup> Any overdue payment<sup>3</sup> on the claim to the service provider  
41 pursuant to the assignment of benefits<sup>3</sup> shall accrue interest at the  
42 rate <sup>3</sup>[of <sup>2</sup>[20%] 12%<sup>2</sup> per annum] established by P.L.1999, c.154  
43 (C.17B:30-23 et al.) for an overdue payment<sup>3</sup>.

1       3. This act shall take effect <sup>1</sup>~~180~~ 90 days after enactment <sup>2</sup>~~;~~  
2 and shall apply to <sup>2</sup>~~any carrier that delivers, issues, executes or~~  
3 ~~renews~~ all health benefits plans that are delivered, issued, executed  
4 or renewed, or approved for issuance or renewal in this State.<sup>2</sup> on or  
5 after the effective date <sup>2</sup>~~of this act a health benefits plan in which~~  
6 ~~the carrier has reserved the right to change the premium~~<sup>2</sup>.

7

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11       Requires health insurers to honor an assignment of benefits for  
12 ambulance service payments under certain circumstances.

**ASSEMBLY, No. 439**

---

**STATE OF NEW JERSEY**

**212th LEGISLATURE**

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PRE-FILED FOR INTRODUCTION IN THE 2006 SESSION

**Sponsored by:**

**Assemblyman DAVID R. MAYER**  
**District 4 (Camden and Gloucester)**  
**Assemblyman HERB CONAWAY, JR.**  
**District 7 (Burlington and Camden)**  
**Assemblyman NEIL M. COHEN**  
**District 20 (Union)**  
**Assemblywoman PAMELA R. LAMPITT**  
**District 6 (Camden)**

**Co-Sponsored by:**

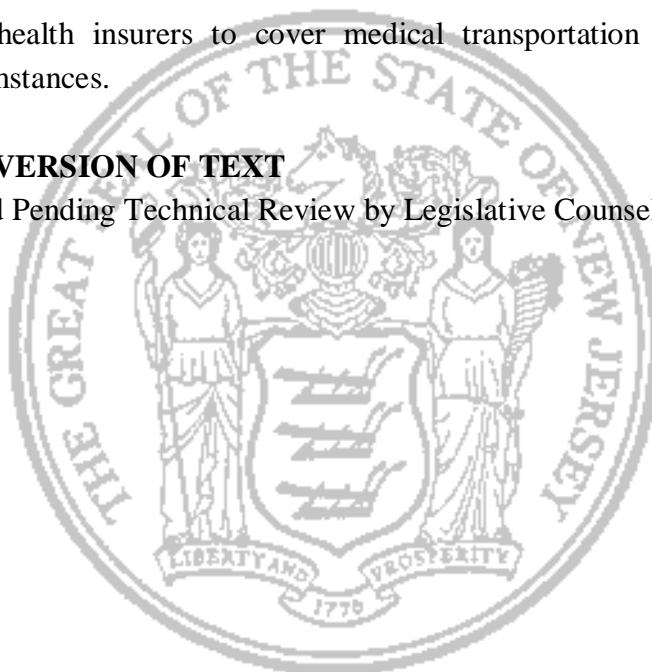
**Assemblyman Moriarty**

**SYNOPSIS**

Requires health insurers to cover medical transportation services under certain circumstances.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel



**(Sponsorship Updated As Of: 5/12/2006)**

1 AN ACT concerning reimbursement for medical transportation  
2 services and supplementing Title 17B 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. As used in this act:

8 "Ambulance service" means the provision of emergency or non-  
9 emergency health care services or medical transportation in a  
10 vehicle that is licensed, equipped and staffed in accordance with the  
11 requirements set forth by the commissioner.

12 "Assignment of benefits" means any written instrument executed  
13 by the covered person or his authorized representative which  
14 assigns a service provider the covered person's right to receive  
15 reimbursement for a covered service rendered to the covered  
16 person.

17 "Carrier" means an insurance company, health service  
18 corporation, hospital service corporation, medical service  
19 corporation or health maintenance organization authorized to issue  
20 health benefits plans in this State.

21 "Claim" means a claim by a covered person for payment of  
22 benefits under a health benefits plan.

23 "Commissioner" means the Commissioner of Health and Senior  
24 Services.

25 "Covered person" means a person on whose behalf a carrier  
26 offering the health benefits plan is obligated to pay benefits or  
27 provide services pursuant to the health benefits plan.

28 "Covered service" means a medical transportation service  
29 provided to a covered person under a health benefits plan for which  
30 the carrier is obligated to pay benefits or provide services.

31 "Health benefits plan" means a hospital and medical expense  
32 insurance policy; health service corporation contract; hospital  
33 service corporation contract; medical service corporation contract;  
34 health maintenance organization subscriber contract; or other plan  
35 for medical care delivered or issued for delivery in this State. For  
36 purposes of this act, health benefits plan shall not include one or  
37 more, or any combination of, the following: coverage only for  
38 accident, or disability income insurance, or any combination  
39 thereof; coverage issued as a supplement to liability insurance;  
40 liability insurance, including general liability insurance and  
41 automobile liability insurance; stop loss or excess risk insurance;  
42 workers' compensation or similar insurance; automobile medical  
43 payment insurance; credit-only insurance; coverage for on-site  
44 medical clinics; and other similar insurance coverage, as specified  
45 in federal regulations, under which benefits for medical care are  
46 secondary or incidental to other insurance benefits. Health benefits  
47 plans shall not include the following benefits if they are provided  
48 under a separate policy, certificate or contract of insurance or are



1 otherwise not an integral part of the plan: limited scope dental or  
2 vision benefits; benefits for long-term care, nursing home care,  
3 home health care, community-based care, or any combination  
4 thereof; and such other similar, limited benefits as are specified in  
5 federal regulations. Health benefits plan shall not include hospital  
6 confinement indemnity coverage if the benefits are provided under  
7 a separate policy, certificate or contract of insurance, there is no  
8 coordination between the provision of the benefits and any  
9 exclusion of benefits under any group health benefits plan  
10 maintained by the same plan sponsor, and those benefits are paid  
11 with respect to an event without regard to whether benefits are  
12 provided with respect to such an event under any group health plan  
13 maintained by the same plan sponsor.

14 "Medical transportation service" means either an ambulance  
15 service or a mobility assistance vehicle service.

16 "Mobility assistance vehicle service" means the provision of  
17 nonemergency health care transportation, in accordance with the  
18 requirements set forth by the commissioner, supervised by certified  
19 trained personnel, for sick, infirm or otherwise disabled covered  
20 persons who are under the care and supervision of a physician and  
21 whose medical condition is not of sufficient magnitude or gravity to  
22 require transportation by ambulance, but does require transportation  
23 from place to place for medical care and whose use of an alternate  
24 form of transportation, such as taxicab, bus, other public  
25 conveyance or private vehicle might create a serious risk to life and  
26 health.

27 "Payer" means a carrier or any agent thereof who is doing  
28 business in the State and is under a contractual obligation to pay  
29 claims.

30 "Service provider" means any person, public or private  
31 institution, agency or business concern lawfully providing a medical  
32 transportation service.

33

34 2. a. Notwithstanding any provision of law to the contrary, a  
35 covered person may, through an assignment of benefits, assign to a  
36 service provider his right to receive reimbursement for any medical  
37 transportation service he obtains regardless of whether the service  
38 provider is under contract with the carrier to provide services to the  
39 covered person.

40 b. When a covered person executes an assignment of benefits,  
41 the payer shall remit payment of the claim directly to the service  
42 provider and provide written notice of the payment to the covered  
43 person.

44 c. If a covered person executes an assignment of benefits but the  
45 payer remits payment of the claim to the covered person, rather than  
46 the service provider, the claim shall not be considered paid and the  
47 payer shall remit payment of the claim not later than 30 days from  
48 the date the payer received notification from the service provider of

1 the incorrect payment. Any claim paid later than 31 days after the  
2 date the payer received the notification shall be considered overdue.  
3 Any overdue payment shall accrue interest at the rate of 20% per  
4 annum.

5  
6 3. This act shall take effect 180 days after enactment and shall  
7 apply to any carrier that delivers, issues, executes or renews on or  
8 after the effective date of this act a health benefits plan in which the  
9 carrier has reserved the right to change the premium.

10

11

12

STATEMENT

13

14 This bill requires that health insurance carriers or their agents,  
15 collectively referred to as "payers," honor an assignment of benefits  
16 made to providers of medical transportation services whether or not  
17 the service provider is under contract with the carrier. Under the  
18 bill, if a person covered under a health benefits plan in this State  
19 assigns, through an execution of an assignment of benefits, his right  
20 to receive reimbursement for a covered service to a provider of  
21 medical transportation services, the payer must remit payment of  
22 the claim to which the assignment of benefits relates directly to the  
23 service provider. If a covered person executes an assignment of  
24 benefits but the payer remits payment to that covered person rather  
25 than the service provider, the claim shall not be considered paid and  
26 will accrue interest if not paid to the service provider within 30  
27 days of the payer receiving notice of the incorrect payment.

28 As provided under the bill, a medical transportation service  
29 means both emergency and nonemergency transportation services  
30 provided by an ambulance service or a mobility assistance vehicle  
31 service in accordance with the rules and regulations set forth by the  
32 Commissioner of Health and Senior Services.

ASSEMBLY FINANCIAL INSTITUTIONS AND INSURANCE  
COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 439**

with committee amendments

**STATE OF NEW JERSEY**

DATED: MAY 11, 2006

The Assembly Financial Institutions and Insurance Committee reports favorably and with committee amendments Assembly Bill No.439.

This bill, as amended, requires that health insurance carriers or their agents, collectively referred to as "payers," honor an assignment of benefits made to providers of medical transportation services whether or not the service provider is under contract with the carrier. Under the bill, if a person covered under a health benefits plan in this State assigns, through an execution of an assignment of benefits, his right to receive reimbursement for a covered service to a provider of medical transportation services, the payer must remit payment of the claim, to which the assignment of benefits relates, directly to the service provider. If a covered person executes an assignment of benefits but the payer remits payment to that covered person rather than the service provider, the claim shall not be considered paid and will accrue interest if not paid to the service provider within 30 days of the payer receiving notice of the incorrect payment.

As provided under the bill, a medical transportation service means both emergency and nonemergency transportation services provided by an ambulance service or a mobility assistance vehicle service in accordance with the rules and regulations set forth by the Commissioner of Health and Senior Services.

This bill was pre-filed for introduction in the 2006-2007 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

COMMITTEE AMENDMENTS

The committee amended the bill to expand the definition of "ambulance service" to include the provision of basic life support, advanced life support, critical care, mobile intensive care, and medical car services. The amendments transfer regulatory oversight from the Department of Health and Senior Services to the Department of Banking and Insurance since oversight of managed care is now the

responsibility of the Department of Banking and Insurance. Finally, the bill was amended to change the effective date from 180 days to 90 days.

# SENATE COMMERCE COMMITTEE

## STATEMENT TO

[First Reprint]

### **ASSEMBLY, No. 439**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: OCTOBER 23, 2006

The Senate Commerce Committee reports favorably and with committee amendments Assembly Bill No. 439 (1R).

This bill, as amended, requires that health insurance carriers or their agents, collectively referred to as "payers," honor an assignment of benefits made by covered persons to providers of emergency ambulance services, whether or not the provider is under contract with the carrier.

Under the amended bill, if a person covered under a health benefits plan in this State assigns, through an execution of an assignment of benefits, his right to receive reimbursement for any emergency ambulance service rendered by a service provider, the service provider shall submit a copy of that assignment of benefits, or provide other notice of that assignment of benefits deemed acceptable to the Commissioner of Banking and Insurance, to the payer with any claim for payment regarding services rendered to the covered person. The payer, based upon the claim and assignment of benefits, shall remit payment of the claim directly to the service provider, and provide written notice of the payment to the covered person.

If a payer receives notice of an assignment of benefits with a claim, but incorrectly remits payment to the covered person rather than the service provider, the claim shall not be considered paid. The payer, notwithstanding this incorrect payment, shall remit payment of the claim to the service provider pursuant to the assignment of benefits not later than 30 days from the date the payer receives notification from the service provider of the incorrect payment. Any claim paid later than 30 days after the date the payer received the service provider's notification of incorrect payment shall be considered overdue, and shall accrue interest at the rate of 12% per annum.

The bill, as amended, is identical to the provisions of Senate Bill No. 329 (1R), as reported by the committee.

The committee amendments to the bill:

- narrow the definition of "ambulance service" to include only emergency health care services and transportation, and entirely remove the definition of "mobility assistance vehicle service," as this latter

definition only pertains to nonemergency transportation, in order to narrow the overall scope of the bill so that it only pertains to the provision of emergency ambulance services;

- eliminate the definition of “medical transportation service” as unnecessary, as the amended bill only applies to emergency “ambulance services”;

- clarify that the State’s Medicaid program is not incorporated within the scope of the bill by excluding coverage for Medicaid services from the definition of “health benefits plan”;

- require an ambulance service provider to submit a copy of an assignment of benefits, or other notice of that assignment of benefits acceptable to the Commissioner of Banking and Insurance, to the payer with any claim for payment regarding services rendered;

- correct the timeframe for declaring a payment from a payer to be overdue, so that it is measured beginning after 30 days, not 31 days, from the date that payer received the service provider’s notification concerning an incorrect payment. This 30 day-limit corresponds to the timeframe set forth for payers in the underlying bill for making payment on claims without penalty;

- lower the interest rate charged for overdue payments from 20% to 12%, which makes this interest penalty consistent with the 12% interest rate charged for late payments on claims pursuant to the “Health Claims Authorization, Processing and Payment Act,” P.L.2005, c.352 (C.17B:30-48 et al.); and

- clarify the prospective nature of the effective date to apply only to those health benefits plans “delivered, issued, executed or renewed, or approved for issuance or renewal in this State, on or after the effective date.”

STATEMENT TO  
[Second Reprint]  
**ASSEMBLY, No. 439**

with Senate Floor Amendments  
(Proposed By Senator MADDEN)

ADOPTED: FEBRUARY 5, 2007

The floor amendments provide that any claim paid to providers of ambulance services pursuant to an assignment of benefits shall:

-be remitted by the payer within the time frame established by P.L.1999, c.154 (C.17B:30-23 et al.), commonly referred to as the Healthcare Information Networks and Technologies Act (or “HINT act”), for paying a claim submitted by electronic means, or by other than electronic means, as applicable; and

-accrue interest, if overdue based upon that time frame, at the rate of interest also established by the HINT act.

The intent of the amendments is to establish uniformity between the bill and the HINT act on these two claims issues, in order to better maintain the singular set of general standards set forth in the HINT act, which are not specific to any one type of health claim, regarding the payment activities of payers.

# SENATE, No. 329

## STATE OF NEW JERSEY 212th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2006 SESSION

**Sponsored by:**

**Senator FRED H. MADDEN, JR.**

**District 4 (Camden and Gloucester)**

**SYNOPSIS**

Requires health insurers to cover medical transportation services under certain circumstances.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel





S329 MADDEN

1 AN ACT concerning reimbursement for medical transportation  
2 services and supplementing Title 17B 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. As used in this act:

8 "Ambulance service" means the provision of emergency or non-  
9 emergency health care services or medical transportation in a  
10 vehicle that is licensed, equipped and staffed in accordance with the  
11 requirements set forth by the commissioner.

12 "Assignment of benefits" means any written instrument executed  
13 by the covered person or his authorized representative which  
14 assigns a service provider the covered person's right to receive  
15 reimbursement for a covered service rendered to the covered  
16 person.

17 "Carrier" means an insurance company, health service  
18 corporation, hospital service corporation, medical service  
19 corporation or health maintenance organization authorized to issue  
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21 "Claim" means a claim by a covered person for payment of  
22 benefits under a health benefits plan.

23 "Commissioner" means the Commissioner of Health and Senior  
24 Services.

25 "Covered person" means a person on whose behalf a carrier  
26 offering the health benefits plan is obligated to pay benefits or  
27 provide services pursuant to the health benefits plan.

28 "Covered service" means a medical transportation service  
29 provided to a covered person under a health benefits plan for which  
30 the carrier is obligated to pay benefits or provide services.

31 "Health benefits plan" means a hospital and medical expense  
32 insurance policy; health service corporation contract; hospital  
33 service corporation contract; medical service corporation contract;  
34 health maintenance organization subscriber contract; or other plan  
35 for medical care delivered or issued for delivery in this State. For  
36 purposes of this act, health benefits plan shall not include one or  
37 more, or any combination of, the following: coverage only for  
38 accident, or disability income insurance, or any combination  
39 thereof; coverage issued as a supplement to liability insurance;  
40 liability insurance, including general liability insurance and  
41 automobile liability insurance; stop loss or excess risk insurance;  
42 workers' compensation or similar insurance; automobile medical  
43 payment insurance; credit-only insurance; coverage for on-site  
44 medical clinics; and other similar insurance coverage, as specified  
45 in federal regulations, under which benefits for medical care are  
46 secondary or incidental to other insurance benefits. Health benefits  
47 plans shall not include the following benefits if they are provided  
48 under a separate policy, certificate or contract of insurance or are

1 otherwise not an integral part of the plan: limited scope dental or  
2 vision benefits; benefits for long-term care, nursing home care,  
3 home health care, community-based care, or any combination  
4 thereof; and such other similar, limited benefits as are specified in  
5 federal regulations. Health benefits plan shall not include hospital  
6 confinement indemnity coverage if the benefits are provided under  
7 a separate policy, certificate or contract of insurance, there is no  
8 coordination between the provision of the benefits and any  
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10 maintained by the same plan sponsor, and those benefits are paid  
11 with respect to an event without regard to whether benefits are  
12 provided with respect to such an event under any group health plan  
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14 "Medical transportation service" means either an ambulance  
15 service or a mobility assistance vehicle service.

16 "Mobility assistance vehicle service" means the provision of  
17 nonemergency health care transportation, in accordance with the  
18 requirements set forth by the commissioner, supervised by certified  
19 trained personnel, for sick, infirm or otherwise disabled covered  
20 persons who are under the care and supervision of a physician and  
21 whose medical condition is not of sufficient magnitude or gravity to  
22 require transportation by ambulance, but does require transportation  
23 from place to place for medical care and whose use of an alternate  
24 form of transportation, such as taxicab, bus, other public  
25 conveyance or private vehicle might create a serious risk to life and  
26 health.

27 "Payer" means a carrier or any agent thereof who is doing  
28 business in the State and is under a contractual obligation to pay  
29 claims.

30 "Service provider" means any person, public or private  
31 institution, agency or business concern lawfully providing a medical  
32 transportation service.

33

34 2. a. Notwithstanding any provision of law to the contrary, a  
35 covered person may, through an assignment of benefits, assign to a  
36 service provider his right to receive reimbursement for any medical  
37 transportation service he obtains regardless of whether the service  
38 provider is under contract with the carrier to provide services to the  
39 covered person.

40 b. When a covered person executes an assignment of benefits,  
41 the payer shall remit payment of the claim directly to the service  
42 provider and provide written notice of the payment to the covered  
43 person.

44 c. If a covered person executes an assignment of benefits but the  
45 payer remits payment of the claim to the covered person, rather than  
46 the service provider, the claim shall not be considered paid and the  
47 payer shall remit payment of the claim not later than 30 days from  
48 the date the payer received notification from the service provider of

1 the incorrect payment. Any claim paid later than 31 days after the  
2 date the payer received the notification shall be considered overdue.  
3 Any overdue payment shall accrue interest at the rate of 20% per  
4 annum.

5  
6 3. This act shall take effect 180 days after enactment and shall  
7 apply to any carrier that delivers, issues, executes or renews on or  
8 after the effective date of this act a health benefits plan in which the  
9 carrier has reserved the right to change the premium.

10

11

12

STATEMENT

13

14 This bill requires that health insurance carriers or their agents,  
15 collectively referred to as "payers," honor an assignment of benefits  
16 made to providers of medical transportation services whether or not  
17 the service provider is under contract with the carrier. Under the  
18 bill, if a person covered under a health benefits plan in this State  
19 assigns, through an execution of an assignment of benefits, his right  
20 to receive reimbursement for a covered service to a provider of  
21 medical transportation services, the payer must remit payment of  
22 the claim to which the assignment of benefits relates directly to the  
23 service provider. If a covered person executes an assignment of  
24 benefits but the payer remits payment to that covered person rather  
25 than the service provider, the claim shall not be considered paid and  
26 will accrue interest if not paid to the service provider within 30  
27 days of the payer receiving notice of the incorrect payment.

28 As provided under the bill, a medical transportation service  
29 means both emergency and nonemergency transportation services  
30 provided by an ambulance service or a mobility assistance vehicle  
31 service in accordance with the rules and regulations set forth by the  
32 Commissioner of Health and Senior Services.

# SENATE COMMERCE COMMITTEE

## STATEMENT TO

### **SENATE, No. 329**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: OCTOBER 23, 2006

The Senate Commerce Committee reports favorably and with committee amendments Senate Bill No. 329.

This bill, as amended, requires that health insurance carriers or their agents, collectively referred to as "payers," honor an assignment of benefits made by covered persons to providers of emergency ambulance services, whether or not the provider is under contract with the carrier.

Under the amended bill, if a person covered under a health benefits plan in this State assigns, through an execution of an assignment of benefits, his right to receive reimbursement for any emergency ambulance service rendered by a service provider, the service provider shall submit a copy of that assignment of benefits, or provide other notice of that assignment of benefits deemed acceptable to the Commissioner of Banking and Insurance, to the payer with any claim for payment regarding services rendered to the covered person. The payer, based upon the claim and assignment of benefits, shall remit payment of the claim directly to the service provider, and provide written notice of the payment to the covered person.

If a payer receives notice of an assignment of benefits with a claim, but incorrectly remits payment to the covered person rather than the service provider, the claim shall not be considered paid. The payer, notwithstanding this incorrect payment, shall remit payment of the claim to the service provider pursuant to the assignment of benefits not later than 30 days from the date the payer receives notification from the service provider of the incorrect payment. Any claim paid later than 30 days after the date the payer received the service provider's notification of incorrect payment shall be considered overdue, and shall accrue interest at the rate of 12% per annum.

The bill, as amended, is identical to the provisions of Assembly Bill No. 439 (2R), as reported by the committee.

The committee amendments to the bill:

- narrow the definition of "ambulance service" to include only emergency health care services and transportation, and entirely remove the definition of "mobility assistance vehicle service," as this latter definition only pertains to nonemergency transportation, in order to

narrow the overall scope of the bill so that it only pertains to the provision of emergency ambulance services;

- present more specificity within the definition of “ambulance service” in order to more greatly detail the specific emergency medical services provided in a medically equipped and staffed transportation vehicle, including basic life support services, advanced life support services, critical care services, and mobile intensive care services;

- eliminate the definition of “medical transportation service” as unnecessary, as the amended bill only applies to emergency “ambulance services”;

- clarify that the State’s Medicaid program is not incorporated within the scope of the bill by excluding coverage for Medicaid services from the definition of “health benefits plan”;

- transfer regulatory oversight for the processing and payment of ambulance service claims from the Commissioner of Health and Senior Services to the Commissioner of Banking and Insurance, since the latter commissioner is the regulator of medical claims processing and payments generally. The Commissioner of Health and Senior Services retains responsibility for regulating the licensing, equipping, and staffing of medically equipped vehicles, consistent with this commissioner’s general scope of authority;

- require an ambulance service provider to submit a copy of an assignment of benefits, or other notice of that assignment of benefits acceptable to the Commissioner of Banking and Insurance, to the payer with any claim for payment regarding services rendered;

- correct the timeframe for declaring a payment from a payer to be overdue, so that it is measured beginning after 30 days, not 31 days, from the date that payer received the service provider’s notification concerning an incorrect payment. This 30 day-limit corresponds to the timeframe set forth for payers in the underlying bill for making payment on claims without penalty;

- lower the interest rate charged for overdue payments from 20% to 12%, which makes this interest penalty consistent with the 12% interest rate charged for late payments on claims pursuant to the “Health Claims Authorization, Processing and Payment Act,” P.L.2005, c.352 (C.17B:30-48 et al.); and

- change the effective date so that the bill becomes effective 90 days after enactment, instead of 180 days as provided by the underlying bill, and clarify the prospective nature of this effective date to apply only to those health benefits plans “delivered, issued, executed or renewed, or approved for issuance or renewal in this State, on or after the effective date.”

This bill was pre-filed for introduction in the 2006-2007 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

# STATEMENT TO

[First Reprint]

## **SENATE, No. 329**

with Senate Floor Amendments  
(Proposed By Senator MADDEN)

ADOPTED: FEBRUARY 5, 2007

The floor amendments provide that any claim paid to providers of ambulance services pursuant to an assignment of benefits shall:

-be remitted by the payer within the time frame established by P.L.1999, c.154 (C.17B:30-23 et al.), commonly referred to as the Healthcare Information Networks and Technologies Act (or “HINT act”), for paying a claim submitted by electronic means, or by other than electronic means, as applicable; and

-accrue interest, if overdue based upon that time frame, at the rate of interest also established by the HINT act.

The intent of the amendments is to establish uniformity between the bill and the HINT act on these two claims issues, in order to better maintain the singular set of general standards set forth in the HINT act, which are not specific to any one type of health claim, regarding the payment activities of payers.