



**GOVERNOR'S PRESS RELEASE ON SIGNING:**

Yes

**FOLLOWING WERE PRINTED:**

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**REPORTS:**

No

**HEARINGS:**

No

**NEWSPAPER ARTICLES:**

Yes

"Key bills land on governor's desk; NJSBA raises concerns," New Jersey Law Journal, July 1, 2019

"High Court's Split Ruling on PIP Coverage Limits Flipped," New Jersey Law Journal, August 16, 2019

RWH/CL

P.L. 2019, CHAPTER 245, *approved August 15, 2019*  
Senate, No. 3963

1 AN ACT concerning unreimbursed economic loss in an action for  
2 recovery of damages for bodily injury under certain  
3 circumstances and amending P.L.1988, c.119 and P.L.1972, c.70.  
4

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

8 1. Section 10 of P.L.1988, c.119 (C.39:6A-4.6) is amended to  
9 read as follows:

10 10. a. The Commissioner of Banking and Insurance shall, within  
11 90 days after the effective date of P.L.1990, c.8 (C.17:33B-1 et al.),  
12 promulgate medical fee schedules on a regional basis for the  
13 reimbursement of health care providers providing services or  
14 equipment for medical expense benefits for which payment is to be  
15 made by an automobile insurer under personal injury protection  
16 coverage pursuant to P.L.1972, c.70 (C.39:6A-1 et seq.), **[or]** by an  
17 insurer under medical expense benefits coverage pursuant to section  
18 2 of P.L.1991, c.154 (C.17:28-1.6), or for payment of unreimbursed  
19 medical expenses that are admissible as uncompensated economic  
20 loss pursuant to section 12 of P.L. 1972, c. 70 (C39:6A-12). These  
21 fee schedules shall be promulgated on the basis of the type of  
22 service provided, and shall incorporate the reasonable and  
23 prevailing fees of 75% of the practitioners within the region. If, in  
24 the case of a specialist provider, there are fewer than 50 specialists  
25 within a region, the fee schedule shall incorporate the reasonable  
26 and prevailing fees of the specialist providers on a Statewide basis.  
27 The commissioner may contract with a proprietary purveyor of fee  
28 schedules for the maintenance of the fee schedule, which shall be  
29 adjusted biennially for inflation and for the addition of new medical  
30 procedures.

31 b. The fee schedule may provide for reimbursement for  
32 appropriate services on the basis of a diagnostic-related (DRG)  
33 payment by diagnostic code where appropriate, and may establish  
34 the use of a single fee, rather than an unbundled fee, for a group of  
35 services if those services are commonly provided together. In the  
36 case of multiple procedures performed simultaneously, the fee  
37 schedule and regulations promulgated pursuant thereto may also  
38 provide for a standard fee for a primary procedure, and proportional  
39 reductions in the cost of the additional procedures.

40 c. No health care provider may demand or request any payment  
41 from any person in excess of those permitted by the medical fee

**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 schedules established pursuant to this section, nor shall any person  
2 be liable to any health care provider for any amount of money  
3 which results from the charging of fees in excess of those permitted  
4 by the medical fee schedules established pursuant to this section.  
5 This subsection shall apply to unreimbursed medical expenses that  
6 are subject to the medical fee schedules and admissible as  
7 uncompensated economic loss pursuant to section 12 of P.L.1972,  
8 c.70 (C.39:6A-12).  
9 (cf: P.L.1997, c.151, s.33)

10

11 2. Section 12 of P.L.1972, c.70 (C.39:6A-12) is amended to  
12 read as follows:

13 12. Inadmissibility of evidence of losses collectible under  
14 personal injury protection coverage. Except as may be required in  
15 an action brought pursuant to section 20 of P.L.1983, c.362  
16 (C.39:6A-9.1), evidence of the amounts collectible or paid under a  
17 standard automobile insurance policy pursuant to sections 4 and 10  
18 of P.L.1972, c.70 (C.39:6A-4 and 39:6A-10), amounts collectible or  
19 paid for medical expense benefits under a basic automobile  
20 insurance policy pursuant to section 4 of P.L.1998, c.21 (C.39:6A-  
21 3.1) and amounts collectible or paid for benefits under a special  
22 automobile insurance policy pursuant to section 45 of P.L.2003,  
23 c.89 (C.39:6A-3.3), to an injured person, including the amounts of  
24 any deductibles, copayments or exclusions, including exclusions  
25 pursuant to subsection d. of section 13 of P.L.1983, c.362  
26 (C.39:6A-4.3), otherwise compensated is inadmissible in a civil  
27 action for recovery of damages for bodily injury by such injured  
28 person.

29 The court shall instruct the jury that, in arriving at a verdict as to  
30 the amount of the damages for noneconomic loss to be recovered by  
31 the injured person, the jury shall not speculate as to the amount of  
32 the medical expense benefits paid or payable by an automobile  
33 insurer under personal injury protection coverage payable under a  
34 standard automobile insurance policy pursuant to sections 4 and 10  
35 of P.L.1972, c.70 (C.39:6A-4 and 39:6A-10), medical expense  
36 benefits under a basic automobile insurance policy pursuant to  
37 section 4 of P.L.1998, c.21 (C.39:6A-3.1) or benefits under a  
38 special automobile insurance policy pursuant to section 45 of  
39 P.L.2003, c.89 (C.39:6A-3.3) to the injured person, nor shall they  
40 speculate as to the amount of benefits paid or payable by a health  
41 insurer, health maintenance organization or governmental agency  
42 under subsection d. of section 13 of P.L.1983, c.362 (C.39:6A-4.3).

43 Nothing in this section shall be construed to limit the right of  
44 recovery, against the tortfeasor, of uncompensated economic loss as  
45 defined by subsection k. of section 2 of P.L.1972, c.70 (C.39:6A-2),  
46 including all unreimbursed medical expenses not covered by the  
47 personal injury protection limits applicable to the injured party and  
48 sustained by the injured party, including the value of any

1 deductibles and copayments incurred through a driver's secondary  
2 insurance coverage and medical liens asserted by a health insurance  
3 company related to the treatment of injuries sustained in the  
4 accident. Medical expenses shall be subject to the current  
5 automobile medical fee schedules established pursuant to section 10  
6 of P.L.1988, c.119 (C.39:6A-4.6). In any case in which the  
7 recovery is for medical expenses only, a prevailing claimant shall  
8 be entitled to reasonable and necessary attorneys' fees incurred by  
9 the prevailing claimant in the collection of such medical expenses.  
10 (cf: P.L.2003, c.89, s.55)

11

12 3. This act shall take effect on August 1, 2019 and shall apply  
13 to automobile accidents occurring on or after that date.

14

15

16

STATEMENT

17

18 This bill permits a party injured in an automobile accident to  
19 recover, as part of the recovery of uncompensated economic loss,  
20 all unreimbursed medical expenses not covered by the personal  
21 inquiry protection (PIP) limits applicable to the injured party and  
22 sustained by the injured party. Beginning August 1, 2019, the bill  
23 subjects unreimbursed medical expenses in excess of the PIP limits  
24 to the automobile medical fee schedules and prohibits balance  
25 billing of any medical expenses claimed as damages and paid  
26 pursuant to the medical fee schedule. It is the intention of the  
27 Legislature that this bill entirely supplant the provisions of Senate  
28 Bill No. 2432 upon the bill's effective date for accidents occurring  
29 on or after August 1, 2019.

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34 \_\_\_\_\_  
35 Revises law concerning recovery of unreimbursed medical  
36 expenses as economic loss in civil action for damages arising from  
automobile accident.

# SENATE, No. 3963

## STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED JUNE 17, 2019

**Sponsored by:**

**Senator NICHOLAS P. SCUTARI**  
**District 22 (Middlesex, Somerset and Union)**  
**Senator NELLIE POU**  
**District 35 (Bergen and Passaic)**  
**Assemblywoman JOANN DOWNEY**  
**District 11 (Monmouth)**  
**Assemblyman JON M. BRAMNICK**  
**District 21 (Morris, Somerset and Union)**

**SYNOPSIS**

Revises law concerning recovery of unreimbursed medical expenses as economic loss in civil action for damages arising from automobile accident.

**CURRENT VERSION OF TEXT**

As introduced.



(Sponsorship Updated As Of: 6/21/2019)

1 AN ACT concerning unreimbursed economic loss in an action for  
2 recovery of damages for bodily injury under certain  
3 circumstances and amending P.L.1988, c.119 and P.L.1972, c.70.  
4

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

8 1. Section 10 of P.L.1988, c.119 (C.39:6A-4.6) is amended to  
9 read as follows:

10 10. a. The Commissioner of Banking and Insurance shall, within  
11 90 days after the effective date of P.L.1990, c.8 (C.17:33B-1 et al.),  
12 promulgate medical fee schedules on a regional basis for the  
13 reimbursement of health care providers providing services or  
14 equipment for medical expense benefits for which payment is to be  
15 made by an automobile insurer under personal injury protection  
16 coverage pursuant to P.L.1972, c.70 (C.39:6A-1 et seq.), **[or]** by an  
17 insurer under medical expense benefits coverage pursuant to section  
18 2 of P.L.1991, c.154 (C.17:28-1.6), or for payment of unreimbursed  
19 medical expenses that are admissible as uncompensated economic  
20 loss pursuant to section 12 of P.L. 1972, c. 70 (C39:6A-12). These  
21 fee schedules shall be promulgated on the basis of the type of  
22 service provided, and shall incorporate the reasonable and  
23 prevailing fees of 75% of the practitioners within the region. If, in  
24 the case of a specialist provider, there are fewer than 50 specialists  
25 within a region, the fee schedule shall incorporate the reasonable  
26 and prevailing fees of the specialist providers on a Statewide basis.  
27 The commissioner may contract with a proprietary purveyor of fee  
28 schedules for the maintenance of the fee schedule, which shall be  
29 adjusted biennially for inflation and for the addition of new medical  
30 procedures.

31 b. The fee schedule may provide for reimbursement for  
32 appropriate services on the basis of a diagnostic-related (DRG)  
33 payment by diagnostic code where appropriate, and may establish  
34 the use of a single fee, rather than an unbundled fee, for a group of  
35 services if those services are commonly provided together. In the  
36 case of multiple procedures performed simultaneously, the fee  
37 schedule and regulations promulgated pursuant thereto may also  
38 provide for a standard fee for a primary procedure, and proportional  
39 reductions in the cost of the additional procedures.

40 c. No health care provider may demand or request any payment  
41 from any person in excess of those permitted by the medical fee  
42 schedules established pursuant to this section, nor shall any person  
43 be liable to any health care provider for any amount of money  
44 which results from the charging of fees in excess of those permitted  
45 by the medical fee schedules established pursuant to this section.

**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 This subsection shall apply to unreimbursed medical expenses that  
2 are subject to the medical fee schedules and admissible as  
3 uncompensated economic loss pursuant to section 12 of P.L.1972,  
4 c.70 (C.39:6A-12).

5 (cf: P.L.1997, c.151, s.33)

6

7 2. Section 12 of P.L.1972, c.70 (C.39:6A-12) is amended to  
8 read as follows:

9 12. Inadmissibility of evidence of losses collectible under  
10 personal injury protection coverage. Except as may be required in  
11 an action brought pursuant to section 20 of P.L.1983, c.362  
12 (C.39:6A-9.1), evidence of the amounts collectible or paid under a  
13 standard automobile insurance policy pursuant to sections 4 and 10  
14 of P.L.1972, c.70 (C.39:6A-4 and 39:6A-10), amounts collectible or  
15 paid for medical expense benefits under a basic automobile  
16 insurance policy pursuant to section 4 of P.L.1998, c.21 (C.39:6A-  
17 3.1) and amounts collectible or paid for benefits under a special  
18 automobile insurance policy pursuant to section 45 of P.L.2003,  
19 c.89 (C.39:6A-3.3), to an injured person, including the amounts of  
20 any deductibles, copayments or exclusions, including exclusions  
21 pursuant to subsection d. of section 13 of P.L.1983, c.362  
22 (C.39:6A-4.3), otherwise compensated is inadmissible in a civil  
23 action for recovery of damages for bodily injury by such injured  
24 person.

25 The court shall instruct the jury that, in arriving at a verdict as to  
26 the amount of the damages for noneconomic loss to be recovered by  
27 the injured person, the jury shall not speculate as to the amount of  
28 the medical expense benefits paid or payable by an automobile  
29 insurer under personal injury protection coverage payable under a  
30 standard automobile insurance policy pursuant to sections 4 and 10  
31 of P.L.1972, c.70 (C.39:6A-4 and 39:6A-10), medical expense  
32 benefits under a basic automobile insurance policy pursuant to  
33 section 4 of P.L.1998, c.21 (C.39:6A-3.1) or benefits under a  
34 special automobile insurance policy pursuant to section 45 of  
35 P.L.2003, c.89 (C.39:6A-3.3) to the injured person, nor shall they  
36 speculate as to the amount of benefits paid or payable by a health  
37 insurer, health maintenance organization or governmental agency  
38 under subsection d. of section 13 of P.L.1983, c.362 (C.39:6A-4.3).

39 Nothing in this section shall be construed to limit the right of  
40 recovery, against the tortfeasor, of uncompensated economic loss as  
41 defined by subsection k. of section 2 of P.L.1972, c.70 (C.39:6A-2),  
42 including all unreimbursed medical expenses not covered by the  
43 personal injury protection limits applicable to the injured party and  
44 sustained by the injured party, including the value of any  
45 deductibles and copayments incurred through a driver's secondary  
46 insurance coverage and medical liens asserted by a health insurance  
47 company related to the treatment of injuries sustained in the  
48 accident. Medical expenses shall be subject to the current

1 automobile medical fee schedules established pursuant to section 10  
2 of P.L.1988, c.119 (C.39:6A-4.6). In any case in which the  
3 recovery is for medical expenses only, a prevailing claimant shall  
4 be entitled to reasonable and necessary attorneys' fees incurred by  
5 the prevailing claimant in the collection of such medical expenses.  
6 (cf: P.L.2003, c.89, s.55)

7

8 3. This act shall take effect on August 1, 2019 and shall apply  
9 to automobile accidents occurring on or after that date.

10

11

12

STATEMENT

13

14 This bill permits a party injured in an automobile accident to  
15 recover, as part of the recovery of uncompensated economic loss,  
16 all unreimbursed medical expenses not covered by the personal  
17 inquiry protection (PIP) limits applicable to the injured party and  
18 sustained by the injured party. Beginning August 1, 2019, the bill  
19 subjects unreimbursed medical expenses in excess of the PIP limits  
20 to the automobile medical fee schedules and prohibits balance  
21 billing of any medical expenses claimed as damages and paid  
22 pursuant to the medical fee schedule. It is the intention of the  
23 Legislature that this bill entirely supplant the provisions of Senate  
24 Bill No. 2432 upon the bill's effective date for accidents occurring  
25 on or after August 1, 2019.

# ASSEMBLY, No. 5639

## STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED JUNE 17, 2019

**Sponsored by:**

**Assemblywoman JOANN DOWNEY**

**District 11 (Monmouth)**

**Assemblyman JON M. BRAMNICK**

**District 21 (Morris, Somerset and Union)**

**SYNOPSIS**

Revises law concerning recovery of unreimbursed medical expenses as economic loss in civil action for damages arising from automobile accident.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 6/19/2019)**

1 AN ACT concerning unreimbursed economic loss in an action for  
2 recovery of damages for bodily injury under certain  
3 circumstances and amending P.L.1988, c.119 and P.L.1972, c.70.  
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:  
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8 1. Section 10 of P.L.1988, c.119 (C.39:6A-4.6) is amended to  
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10 10. a. The Commissioner of Banking and Insurance shall,  
11 within 90 days after the effective date of P.L.1990, c.8 (C.17:33B-1  
12 et al.), promulgate medical fee schedules on a regional basis for the  
13 reimbursement of health care providers providing services or  
14 equipment for medical expense benefits for which payment is to be  
15 made by an automobile insurer under personal injury protection  
16 coverage pursuant to P.L.1972, c.70 (C.39:6A-1 et seq.), **[or]** by an  
17 insurer under medical expense benefits coverage pursuant to section  
18 2 of P.L.1991, c.154 (C.17:28-1.6), or for payment of unreimbursed  
19 medical expenses that are admissible as uncompensated economic  
20 loss pursuant to section 12 of P.L. 1972, c. 70 (C39:6A-12). These  
21 fee schedules shall be promulgated on the basis of the type of  
22 service provided, and shall incorporate the reasonable and  
23 prevailing fees of 75% of the practitioners within the region. If, in  
24 the case of a specialist provider, there are fewer than 50 specialists  
25 within a region, the fee schedule shall incorporate the reasonable  
26 and prevailing fees of the specialist providers on a Statewide basis.  
27 The commissioner may contract with a proprietary purveyor of fee  
28 schedules for the maintenance of the fee schedule, which shall be  
29 adjusted biennially for inflation and for the addition of new medical  
30 procedures.

31 b. The fee schedule may provide for reimbursement for  
32 appropriate services on the basis of a diagnostic-related (DRG)  
33 payment by diagnostic code where appropriate, and may establish  
34 the use of a single fee, rather than an unbundled fee, for a group of  
35 services if those services are commonly provided together. In the  
36 case of multiple procedures performed simultaneously, the fee  
37 schedule and regulations promulgated pursuant thereto may also  
38 provide for a standard fee for a primary procedure, and proportional  
39 reductions in the cost of the additional procedures.

40 c. No health care provider may demand or request any payment  
41 from any person in excess of those permitted by the medical fee  
42 schedules established pursuant to this section, nor shall any person  
43 be liable to any health care provider for any amount of money  
44 which results from the charging of fees in excess of those permitted  
45 by the medical fee schedules established pursuant to this section.

**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 This subsection shall apply to unreimbursed medical expenses that  
2 are subject to the medical fee schedules and admissible as  
3 uncompensated economic loss pursuant to section 12 of P.L.1972,  
4 c.70 (C.39:6A-12).

5 (cf: P.L.1997, c.151, s.33)

6

7 2. Section 12 of P.L.1972, c.70 (C.39:6A-12) is amended to  
8 read as follows:

9 12. Inadmissibility of evidence of losses collectible under  
10 personal injury protection coverage. Except as may be required in  
11 an action brought pursuant to section 20 of P.L.1983, c.362  
12 (C.39:6A-9.1), evidence of the amounts collectible or paid under a  
13 standard automobile insurance policy pursuant to sections 4 and 10  
14 of P.L.1972, c.70 (C.39:6A-4 and 39:6A-10), amounts collectible or  
15 paid for medical expense benefits under a basic automobile  
16 insurance policy pursuant to section 4 of P.L.1998, c.21 (C.39:6A-  
17 3.1) and amounts collectible or paid for benefits under a special  
18 automobile insurance policy pursuant to section 45 of P.L.2003,  
19 c.89 (C.39:6A-3.3), to an injured person, including the amounts of  
20 any deductibles, copayments or exclusions, including exclusions  
21 pursuant to subsection d. of section 13 of P.L.1983, c.362  
22 (C.39:6A-4.3), otherwise compensated is inadmissible in a civil  
23 action for recovery of damages for bodily injury by such injured  
24 person.

25 The court shall instruct the jury that, in arriving at a verdict as to  
26 the amount of the damages for noneconomic loss to be recovered by  
27 the injured person, the jury shall not speculate as to the amount of  
28 the medical expense benefits paid or payable by an automobile  
29 insurer under personal injury protection coverage payable under a  
30 standard automobile insurance policy pursuant to sections 4 and 10  
31 of P.L.1972, c.70 (C.39:6A-4 and 39:6A-10), medical expense  
32 benefits under a basic automobile insurance policy pursuant to  
33 section 4 of P.L.1998, c.21 (C.39:6A-3.1) or benefits under a  
34 special automobile insurance policy pursuant to section 45 of  
35 P.L.2003, c.89 (C.39:6A-3.3) to the injured person, nor shall they  
36 speculate as to the amount of benefits paid or payable by a health  
37 insurer, health maintenance organization or governmental agency  
38 under subsection d. of section 13 of P.L.1983, c.362 (C.39:6A-4.3).

39 Nothing in this section shall be construed to limit the right of  
40 recovery, against the tortfeasor, of uncompensated economic loss as  
41 defined by subsection k. of section 2 of P.L.1972, c.70 (C.39:6A-2),  
42 including all unreimbursed medical expenses not covered by the  
43 personal injury protection limits applicable to the injured party and  
44 sustained by the injured party, including the value of any  
45 deductibles and copayments incurred through a driver's secondary  
46 insurance coverage and medical liens asserted by a health insurance  
47 company related to the treatment of injuries sustained in the  
48 accident. Medical expenses shall be subject to the current

1 automobile medical fee schedules established pursuant to section 10  
2 of P.L.1988, c.119 (C.39:6A-4.6). In any case in which the  
3 recovery is for medical expenses only, a prevailing claimant shall  
4 be entitled to reasonable and necessary attorneys' fees incurred by  
5 the prevailing claimant in the collection of such medical expenses.  
6 (cf: P.L.2003, c.89, s.55)

7

8 3. This act shall take effect on August 1, 2019 and shall apply  
9 to automobile accidents occurring on or after that date.

10

11

12

#### STATEMENT

13

14 This bill permits a party injured in an automobile accident to  
15 recover, as part of the recovery of uncompensated economic loss,  
16 all unreimbursed medical expenses not covered by the personal  
17 inquiry protection (PIP) limits applicable to the injured party and  
18 sustained by the injured party. Beginning August 1, 2019, the bill  
19 subjects unreimbursed medical expenses in excess of the PIP limits  
20 to the automobile medical fee schedules and prohibits balance  
21 billing of any medical expenses claimed as damages and paid  
22 pursuant to the medical fee schedule. It is the intention of the  
23 Legislature that this bill entirely supplant the provisions of Senate  
24 Bill No. 2432 upon the bill's effective date for accidents occurring  
25 on or after August 1, 2019.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 5639**

**STATE OF NEW JERSEY**

DATED: JUNE 18, 2019

The Assembly Appropriations Committee reports favorably Assembly Bill No. 5639.

This bill permits a party injured in an automobile accident to recover, as part of the recovery of uncompensated economic loss, all unreimbursed medical expenses not covered by the personal inquiry protection (PIP) limits applicable to the injured party and sustained by the injured party. Beginning August 1, 2019, the bill subjects unreimbursed medical expenses in excess of the PIP limits to the automobile medical fee schedules and prohibits balance billing of any medical expenses claimed as damages and paid pursuant to the medical fee schedule. It is the intention of the Legislature that this bill entirely supplant the provisions of Senate Bill No. 2432 upon the bill's effective date for accidents occurring on or after August 1, 2019.

FISCAL IMPACT:

This bill is not certified as requiring a fiscal note.

# Governor Murphy Takes Action on Legislation

08/15/2019

**TRENTON** – Today, Governor Phil Murphy signed the following bills into law:

**S2432 (Scutari, Pou/Downey, Bramnick, Quijano, Coughlin)** - Permits recovery of uncompensated medical expenses in civil action for damages arising from automobile accident.

**S3963 (Scutari, Pou/Downey, Bramnick)** - Revises law concerning recovery of unreimbursed medical expenses as economic loss in civil action for damages arising from automobile accident.

[Copy of Statement on S2432 and S3963](#)

**GOVERNOR'S STATEMENT UPON SIGNING FOR  
SENATE BILL NO. 2432 (First Reprint) AND  
SENATE BILL NO. 3963**

Today I am pleased to sign Senate Bill Nos. 2432 (First Reprint) and 3963, permitting a party injured in an automobile accident to recover, as part of the recovery of uncompensated economic loss, unreimbursed medical expenses that exceed the party's personal injury protection (PIP) limits. The bills are intended to overturn the March 26, 2019 decision of the New Jersey Supreme Court in Haines v. Taft. In Haines, the Court ruled that a party to an automobile accident may not recover unreimbursed medical expenses in excess of the party's PIP policy limits from the other driver. Recognizing that a plausible reading of the State's no-fault insurance laws could permit such a recovery, the Court "invited" the Legislature to clarify the statutory language at issue if the Legislature disagreed with the Court's decision. I applaud the sponsors of this bill for acting quickly to clarify the State's laws with regard to the recovery of unreimbursed medical expenses. The enactment of Senate Bill Nos. 2432 and 3963 will ensure that low-income drivers, who must settle for lesser PIP coverage options because they cannot afford better coverage, will not be denied the ability to recover their unreimbursed medical expenses from those who caused their injuries.

My signature of Senate Bill No. 3963 immediately follows my approval of Senate Bill No. 2432 (First Reprint), which overturns the Haines decision effective immediately and applies to causes of action pending on and arising after the effective date. Although I fully support the immediate reversal of the Haines decision, Senate Bill No. 2432 (First Reprint) contains a problematic provision that allows for the recovery of all medical expenses unpaid or uncovered by an injured party's PIP coverage, including expenses otherwise paid for through health insurance coverage. This provision appears to undermine the State's collateral source doctrine, which helps contain the cost of automobile insurance by preventing plaintiffs from recovering damages already paid by another source. The Legislature's inclusion of this provision is surprising, as it is unrelated to the bill's core mission of overturning the court's decision in Haines.

After my Administration expressed concerns to the sponsors of Senate Bill No. 2432 that this provision could have a negative impact on automobile insurance rates, the Legislature worked collaboratively with my Administration to draft and pass Senate Bill No. 3963. Senate Bill No. 3963 omits the offending language contained in the prior bill, making clear that the collateral source doctrine still applies to automobile cases. In addition, Senate Bill No. 3963 further protects drivers and contains insurance premium rates by subjecting unreimbursed medical expenses in excess of a driver's PIP policy limits to the automobile medical fee schedules. The bill also prohibits balance billing of any medical expenses claimed as damages and paid pursuant to the medical fee schedules. Together, the two bills

adequately protect drivers while ensuring that automobile insurance premium rates remain steady.

Date: August 15, 2019

/s/ Philip D. Murphy

Governor

Attest:

/s/ Matthew J. Platkin

Chief Counsel to the Governor