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REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: Yes

"New law protects patients when HM, doctor split," 1-19-2000, Trenton Times, p. A10.

"Measure protecting patients from HMO switch gets ok," 1-19-2000, The Press, p. c7.

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P.L. 1999, CHAPTER 390, *approved January 18, 2000*
Senate, No. 799 (*First Reprint*)

1 AN ACT concerning certain managed care health benefits plans and
2 supplementing P.L.1997, c.192 (C.26:2S-1 et seq.).
3

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

7 1. a. Notwithstanding the provisions of any law to the contrary, a
8 carrier which offers a managed care plan shall provide in that plan that
9 if a covered person is receiving post-operative follow-up care,
10 oncological treatment, psychiatric treatment or obstetrical care by a
11 physician who is employed by or under contract with a carrier at the
12 time the treatment is initiated, the covered person may continue to be
13 treated by that physician for the duration of the treatment in the event
14 that the physician is no longer employed by or under contract with the
15 carrier as follows:

16 (1) for a period not to exceed six months in the case of
17 post-operative follow-up care;

18 (2) for a period not to exceed one year in the case of oncological
19 treatment and psychiatric treatment; and

20 (3) through the duration of a pregnancy and up to six weeks after
21 delivery in the case of obstetrical care.

22 The continuation of treatment by a particular physician as provided
23 for in this subsection ¹[.]¹ shall be at the option of the covered person.

24 The carrier shall provide that health care benefits or services, as
25 appropriate, shall be provided for the treatment of the conditions
26 provided in this subsection to the same extent as such benefits or
27 services were provided while the physician was employed by or under
28 contract with the carrier. Reimbursement for the health care services
29 shall be pursuant to the same fee schedule used to reimburse for the
30 services when the physician was employed by or under contract with
31 the carrier.

32 b. A carrier which offers a managed care plan shall also provide in
33 that plan for continued coverage of other health care services by a
34 physician who was employed by or under contract with the carrier at
35 the time the treatment was initiated, but is no longer employed by or
36 under contract with the carrier, for up to 120 calendar days in cases
37 where it is medically necessary for the covered person to continue
38 treatment with that physician.

39 Health care benefits or services, as applicable, shall be provided by
40 the health benefits plan for medically necessary treatment as provided

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly ABI committee amendments adopted December 2, 1999.

1 in this subsection to the same extent as such benefits or services were
2 provided while the physician was employed by or under contract with
3 the carrier. Reimbursement for the health care services shall be
4 pursuant to the same fee schedule used to reimburse for the services
5 when the physician was employed by or under contract with the
6 carrier.

7 c. ¹During the period of time a covered person is continuing to
8 receive treatment pursuant to subsection a. or b. of this section by a
9 physician who is no longer employed by or under contract with the
10 carrier, the carrier shall provide in its plan for reimbursement for any
11 treatment or services provided or delivered to the covered person in
12 an acute care hospital, regardless of whether the acute care hospital is
13 under contract or agreement with the carrier.

14 d.¹ The carrier shall not be liable for any inappropriate treatment
15 provided to the covered person by a physician who is no longer
16 employed by or under contract with the carrier.

17 ¹[d.] e.¹ The provisions of this section shall not apply to health
18 care services provided by a physician who is the subject of disciplinary
19 action by the State Board of Medical Examiners.

20

21 2. This act shall take effect immediately.

22

23

24

25

26 Requires carriers which offer managed care plans to permit covered
27 person to continue treatment for limited time with a physician no
28 longer employed by or under contract with the carrier for certain
29 health conditions.

SENATE, No. 799

STATE OF NEW JERSEY
208th LEGISLATURE

INTRODUCED MARCH 2, 1998

Sponsored by:

Senator JOSEPH F. VITALE

District 19 (Middlesex)

Senator JACK SINAGRA

District 18 (Middlesex)

SYNOPSIS

Requires carriers which offer managed care plans to permit covered person to continue treatment for limited time with a physician no longer employed by or under contract with the carrier for certain health conditions.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning certain managed care health benefits plans and
2 supplementing P.L.1997, c.192 (C.26:2S-1 et seq.).

3

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

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7 1. a. Notwithstanding the provisions of any law to the contrary, a
8 carrier which offers a managed care plan shall provide in that plan that
9 if a covered person is receiving post-operative follow-up care,
10 oncological treatment, psychiatric treatment or obstetrical care by a
11 physician who is employed by or under contract with a carrier at the
12 time the treatment is initiated, the covered person may continue to be
13 treated by that physician for the duration of the treatment in the event
14 that the physician is no longer employed by or under contract with the
15 carrier as follows:

16 (1) for a period not to exceed six months in the case of
17 post-operative follow-up care;

18 (2) for a period not to exceed one year in the case of oncological
19 treatment and psychiatric treatment; and

20 (3) through the duration of a pregnancy and up to six weeks after
21 delivery in the case of obstetrical care.

22 The continuation of treatment by a particular physician as provided
23 for in this subsection, shall be at the option of the covered person.

24 The carrier shall provide that health care benefits or services, as
25 appropriate, shall be provided for the treatment of the conditions
26 provided in this subsection to the same extent as such benefits or
27 services were provided while the physician was employed by or under
28 contract with the carrier. Reimbursement for the health care services
29 shall be pursuant to the same fee schedule used to reimburse for the
30 services when the physician was employed by or under contract with
31 the carrier.

32 b. A carrier which offers a managed care plan shall also provide in
33 that plan for continued coverage of other health care services by a
34 physician who was employed by or under contract with the carrier at
35 the time the treatment was initiated, but is no longer employed by or
36 under contract with the carrier, for up to 120 calendar days in cases
37 where it is medically necessary for the covered person to continue
38 treatment with that physician.

39 Health care benefits or services, as applicable, shall be provided by
40 the health benefits plan for medically necessary treatment as provided
41 in this subsection to the same extent as such benefits or services were
42 provided while the physician was employed by or under contract with
43 the carrier. Reimbursement for the health care services shall be
44 pursuant to the same fee schedule used to reimburse for the services
45 when the physician was employed by or under contract with the
46 carrier.

1 c. The carrier shall not be liable for any inappropriate treatment
2 provided to the covered person by a physician who is no longer
3 employed by or under contract with the carrier.

4 d. The provisions of this section shall not apply to health care
5 services provided by a physician who is the subject of disciplinary
6 action by the State Board of Medical Examiners.

7
8 2. This act shall take effect immediately.
9

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11 STATEMENT
12

13 This bill requires carriers which offer managed care plans, including
14 health maintenance organizations and preferred provider organizations
15 and selective contracting arrangements offered by health insurance
16 companies in the State, to provide for the continuation of treatment by
17 a physician, under certain circumstances, in the event that the
18 physician is no longer employed by the carrier.

19 Specifically, the bill permits a covered person who is receiving post-
20 operative follow-up care, oncological treatment, psychiatric treatment
21 or obstetrical care by a physician who is employed by or under
22 contract with a carrier at the time the treatment is initiated, to continue
23 to be treated by that physician for the duration of the treatment in the
24 event that the physician is no longer employed by or under contract
25 with the carrier as follows:

26 (1) for a period not to exceed six months in the case of
27 post-operative follow-up care;

28 (2) for a period not to exceed one year in the case of oncological
29 treatment and psychiatric treatment; and

30 (3) through the duration of a pregnancy and up to six weeks after
31 delivery in the case of obstetrical care.

32 The continuation of treatment by a particular physician shall be at
33 the option of the covered person.

34 The bill also provides that a carrier which offers a managed care
35 plan shall provide in that plan for continued coverage of other health
36 care services by a physician who was employed by or under contract
37 with the carrier at the time the treatment was initiated, but is no longer
38 employed by or under contract with the carrier, for up to 120 calendar
39 days in cases where it is medically necessary for the covered person to
40 continue treatment with that physician.

41 Health care benefits or services, as applicable, shall be provided by
42 the health benefits plan for treatment of the specified conditions and
43 any medically necessary treatment to the same extent as such benefits
44 or services were provided while the physician was employed by or
45 under contract with the carrier. Reimbursement for the health care
46 services shall be pursuant to the same fee schedule used to reimburse

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4

1 for the services when the physician was employed by or under contract
2 with the carrier.

3 The bill provides that a carrier shall not be liable for any
4 inappropriate treatment provided to the covered person by a physician
5 who is no longer employed by or under contract with the carrier.

6 Also, the provisions of the bill shall not apply to health care services
7 provided by a physician who is the subject of disciplinary action by the
8 State Board of Medical Examiners.

ASSEMBLY BANKING AND INSURANCE COMMITTEE

STATEMENT TO

SENATE, No. 799

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 2, 1999

The Assembly Banking and Insurance Committee reports favorably and with committee amendments Senate Bill No. 799.

As amended by the committee, this bill requires health insurers, including health maintenance organizations, which offer managed care plans to provide in those plans for the continuation of treatment by a physician, under certain circumstances, in the event that the physician is no longer employed by the insurer.

Specifically, the bill permits a covered person who is receiving post-operative follow-up care, oncological treatment, psychiatric treatment or obstetrical care by a physician who is employed by or under contract with an insurer at the time the treatment is initiated to continue to be treated by that physician for the duration of the treatment in the event that the physician is no longer employed by or under contract with the insurer as follows:

- (1) for a period not to exceed six months in the case of post-operative follow-up care;
- (2) for a period not to exceed one year in the case of oncological treatment and psychiatric treatment; and
- (3) through the duration of a pregnancy and up to six weeks after delivery in the case of obstetrical care.

The continuation of treatment by a particular physician shall be at the option of the covered person.

The bill also provides that an insurer which offers a managed care plan shall provide in that plan for continued coverage of other health care services by a physician who was employed by or under contract with the insurer at the time the treatment was initiated, but is no longer employed by or under contract with the insurer, for up to 120 calendar days in cases where it is medically necessary for the covered person to continue treatment with that physician.

Health care benefits or services, as applicable, shall be provided by the health benefits plan for treatment of the specified conditions and any medically necessary treatment to the same extent as such benefits or services were provided while the physician was employed by or

under contract with the insurer. Reimbursement for the health care services shall be pursuant to the same fee schedule used to reimburse for the services when the physician was employed by or under contract with the insurer.

The bill also provides that during the time period that a covered person is continuing to receive treatment under the provisions specified in the bill, by a physician who is no longer employed by or under contract with the carrier, the carrier shall provide in its plan for reimbursement for any treatment or services provided or delivered to the covered person in an acute care hospital, regardless of whether the acute care hospital is under contract or agreement with the carrier.

The bill provides that an insurer shall not be liable for any inappropriate treatment provided to the covered person by a physician who is no longer employed by or under contract with the insurer. Also, the provisions of the bill shall not apply to health care services provided by a physician who is the subject of disciplinary action by the State Board of Medical Examiners.

The committee amended the bill to also provide for reimbursement for any treatment or services provided or delivered to a covered person in an acute care hospital, regardless of whether the acute care hospital is under contract or agreement with the carrier during the time period that the covered person continues to receive treatment under the provision specified in the bill.

As reported by the committee, this bill is identical to Assembly Bill No. 2025(1R).

SENATE HEALTH COMMITTEE

STATEMENT TO

SENATE, No. 799

STATE OF NEW JERSEY

DATED: MARCH 26, 1998

The Senate Health Committee reports favorably Senate Bill No. 799.

This bill requires carriers which offer managed care plans, including health maintenance organizations and preferred provider organizations and selective contracting arrangements offered by health insurance companies in the State, to provide for the continuation of treatment by a physician, under certain circumstances, in the event that the physician is no longer employed by the carrier.

Specifically, the bill permits a covered person who is receiving post-operative follow-up care, oncological treatment, psychiatric treatment or obstetrical care by a physician who is employed by or under contract with a carrier at the time the treatment is initiated, to continue to be treated by that physician for the duration of the treatment in the event that the physician is no longer employed by or under contract with the carrier as follows:

- (1) for a period not to exceed six months in the case of post-operative follow-up care;
- (2) for a period not to exceed one year in the case of oncological treatment and psychiatric treatment; and
- (3) through the duration of a pregnancy and up to six weeks after delivery in the case of obstetrical care.

The continuation of treatment by a particular physician shall be at the option of the covered person.

The bill also provides that a carrier which offers a managed care plan shall provide in that plan for continued coverage of other health care services by a physician who was employed by or under contract with the carrier at the time the treatment was initiated, but is no longer employed by or under contract with the carrier, for up to 120 calendar days in cases where it is medically necessary for the covered person to continue treatment with that physician.

Health care benefits or services, as applicable, shall be provided by the health benefits plan for treatment of the specified conditions and any medically necessary treatment to the same extent as such benefits or services were provided while the physician was employed by or under contract with the carrier. Reimbursement for the health care services shall be pursuant to the same fee schedule used to reimburse for the services when the physician was employed by or under contract

with the carrier.

The bill provides that a carrier shall not be liable for any inappropriate treatment provided to the covered person by a physician who is no longer employed by or under contract with the carrier. Also, the provisions of the bill shall not apply to health care services provided by a physician who is the subject of disciplinary action by the State Board of Medical Examiners.

ASSEMBLY, No. 2025

STATE OF NEW JERSEY 208th LEGISLATURE

INTRODUCED MAY 7, 1998

Sponsored by:

Assemblywoman **ARLINE M. FRISCIA**
District 19 (Middlesex)

Co-Sponsored by:

Assemblymen **Barnes, Conaway**, Assemblywoman **Cruz-Perez**,
Assemblymen **Green, Impreveduto**, Assemblywoman **Previte**,
Assemblyman **T.Smith**, Assemblywomen **Weinberg, Quigley**,
Assemblymen **Zisa, Augustine, Doria, Suliga, Greenwald, Caraballo**,
Cohen, Gusciora and Stanley

SYNOPSIS

Requires carriers which offer managed care plans to permit covered person to continue treatment for limited time with a physician no longer employed by or under contract with the carrier for certain health conditions.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 7/28/1998)

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43 the carrier. Reimbursement for the health care services shall be
44 pursuant to the same fee schedule used to reimburse for the services
45 when the physician was employed by or under contract with the
46 carrier.

1 c. The carrier shall not be liable for any inappropriate treatment
2 provided to the covered person by a physician who is no longer
3 employed by or under contract with the carrier.

4 d. The provisions of this section shall not apply to health care
5 services provided by a physician who is the subject of disciplinary
6 action by the State Board of Medical Examiners.

7
8 2. This act shall take effect immediately.

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11 STATEMENT

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13 This bill requires carriers which offer managed care plans, including
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15 and selective contracting arrangements offered by health insurance
16 companies in the State, to provide for the continuation of treatment by
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6 Also, the provisions of the bill shall not apply to health care services
7 provided by a physician who is the subject of disciplinary action by the
8 State Board of Medical Examiners.

ASSEMBLY BANKING AND INSURANCE COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2025

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 2, 1999

The Assembly Banking and Insurance Committee reports favorably and with committee amendments, Assembly Bill No. 2025.

As amended by the committee, this bill requires health insurers including health maintenance organizations which offer managed care plans to provide in that plan for the continuation of treatment by a physician, under certain circumstances, in the event that the physician is no longer employed by the insurer.

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The bill also provides that an insurer which offers a managed care plan shall provide in that plan for continued coverage of other health care services by a physician who was employed by or under contract with the insurer at the time the treatment was initiated, but is no longer employed by or under contract with the insurer, for up to 120 calendar days in cases where it is medically necessary for the covered person to continue treatment with that physician.

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services shall be pursuant to the same fee schedule used to reimburse for the services when the physician was employed by or under contract with the insurer.

The bill also provides that during the time period that a covered person is continuing to receive treatment in accordance with the provision specified in the bill, with a physician who is no longer employed by or under contract with the carrier, the carrier shall provide in its plan for reimbursement for any treatment or services provided or delivered to the covered person in an acute care hospital, regardless of whether the acute care hospital is under contract or agreement with the carrier.

The bill provides that an insurer shall not be liable for any inappropriate treatment provided to the covered person by a physician who is no longer employed by or under contract with the insurer. Also, the provisions of the bill shall not apply to health care services provided by a physician who is the subject of disciplinary action by the State Board of Medical Examiners.

The committee amended the bill to also provide that during the time period that a covered person is continuing to receive treatment in accordance with the provision specified in the bill, with a physician who is no longer employed by or under contract with the carrier, the carrier shall provide in its plan for reimbursement for any treatment or services provided or delivered to the covered person in an acute care hospital, regardless of whether the acute care hospital is under contract or agreement with the carrier.