SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 1177

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 16, 2022

The Senate Commerce Committee reports favorably Senate Bill No. 1177, with committee amendments.

As amended, this bill amends the "Out-of-network Consumer Protection, Transparency, Cost Containment and Accountability Act" to revise certain aspects of the arbitration processes established in that act for claims involving health insurance carriers subject to the provisions of the act.

The bill extends the amount of time that the insurance carrier and healthcare provider have to negotiate a settlement in the event of an inadvertent use of out-of-network services from 30 to 60 days, and extends the deadline for the carrier, provider, or covered person to initiate binding arbitration in the event of a failure to reach a settlement from within 30 days of the final offer to within 90 days of the final offer. The bill provides that, in order for binding arbitration to be initiated, the difference between a carrier's and provider's final offers be $1,000 or higher for a billed amount of $2,500 or more or $500 or higher for a billed amount of less than $2,500.

Finally, the bill requires an arbitrator to include detailed written findings with each decision. The detailed written findings are to be an analysis of the decision including, but not be limited to, information concerning any databases, previous awards, or other documentation or arguments that contributed to the arbitrator's decision.

COMMITTEE AMENDMENTS

The committee amended the bill to remove a provision requiring arbitrators to be certified by the Department of Banking and Insurance; thereby preserving the requirement under current law that arbitrators be certified by the American Arbitration Association.