SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 2031

STATE OF NEW JERSEY

DATED: JUNE 20, 2022

The Senate Commerce Committee reports favorably Senate Bill No. 2031.

This bill establishes a process by which certain health care providers can be barred from collecting reimbursement from the medical expense benefits under the personal injury protection (PIP) coverage of an automobile insurance policy.

Specifically, the bill provides that the Commissioner of Banking and Insurance (the "commissioner"), in consultation with the Commissioner of Health and Senior Services and the Director of the Division of Consumer Affairs in the Department of Law and Public Safety, shall, by regulation, promulgate standards and procedures for investigating and, as appropriate, temporarily suspending or barring a health care provider from demanding, requesting or receiving reimbursement for services or equipment for which payment is to be made by an automobile insurer under PIP coverage. The bill requires the commissioner to ensure adequate due process protection to health care providers, including notice and opportunity to be heard, and to provide notice to health care providers at least 90 days in advance of the effective date of the regulations implementing the bill.

The bill establishes a process in which the commissioner, either by his own initiative or based on the recommendation of the Commissioner of Health and Senior Services or the Director of the Division of Consumer Affairs, may conduct an investigation into any health care provider who the commissioner reasonably believes:

(1) may be guilty of professional misconduct, incompetence, or negligence;

(2) exceeded the limits of his or her professional competence in rendering medical care or may have knowingly made a false statement or representation as to a material fact in any medical report under PIP;

(3) has solicited, or has employed another to solicit for himself or herself or for another, professional treatment, examination or care of an injured person in connection with certain claims;

(4) has refused to appear before, or to answer upon request of, the Commissioner of Banking and Insurance, the Commissioner of Health and Senior Services, the Director of the Division of Consumer Affairs, or any duly authorized officer of the State, any

legal question, or to produce any relevant information concerning his or her conduct in connection with rendering medical services; or

(5) has engaged in patterns of billing for services which were never rendered, are of no diagnostic value or are medically unnecessary.

The bill then requires the commissioner to notify any health care provider being investigated and provide the health care provider with adequate notice and opportunity to be heard. Under the bill, the commissioner is then required to make a determination, based on the investigation and the health care provider's response, whether to temporarily suspend or bar the health care provider from demanding, requesting or receiving reimbursement for services or equipment for which payment is to be made by an automobile insurer under PIP coverage.

The bill also requires the commissioner to compile a list of those health care providers who are barred from collecting reimbursement under the bill. Health care providers who are barred from collecting reimbursement under the bill are prohibited from subsequently treating for remuneration, as a private patient, any person seeking medical treatment under personal injury protection coverage. An injured claimant so treated or examined is permitted to raise this as a defense in any action by that health care provider for payment for treatment rendered at any time after that health care provider has been barred from demanding or requesting payment for medical services pursuant to this section.

The bill also provides that the commissioner, the Commissioner of Health and Senior Services and the Director of the Division of Consumer Affairs shall make the list of health care providers who are barred from reimbursement under the bill's provisions available to the public by means of a website and by a toll free number.

The bill also permits the commissioner, while conducting an investigation pursuant to the bill and, after a hearing and upon written notice to the provider, to temporarily suspend a health care provider from demanding, requesting or receiving any reimbursement for services or equipment for medical expense benefits for which payment is to be made by an automobile insurer under PIP coverage.

The bill is not intended to affect or alter the provisions of P.L.1989, c.19 (C.45:9-22.4 et seq.), which pertain to referrals of patients by practitioners.