

ASSEMBLY FINANCIAL INSTITUTIONS AND INSURANCE
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 4032

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 2, 2022

The Assembly Financial Institutions and Insurance Committee reports favorably and with committee amendments Assembly Bill No. 4032.

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 60 days of the final offer.

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.

As amended and reported by the committee, Assembly Bill No. 4032 is identical to Senate Bill No. 1177 (1R), as also amended and reported by the committee.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

(1) extend the deadline under current law 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 60 days of the final offer, rather than 90 days as it was originally amended in the bill;

(2) remove from the bill a provision 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, thereby leaving current law intact;

(3) remove requirements in the bill and existing under current law requiring arbitrators to be certified; and

(4) stipulate that the bill take effect on the 90 day next following the date of enactment rather than immediately.