



Tuesday, October 19

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THE DAILY

Monday, October 18, 2010 12:41 PM

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Assembly committee takes closer look at going out of network

By [Beth Fitzgerald](#)[COMMENTS](#)[EMAIL](#)[PRINT](#)[SEND A LETTER TO THE EDITOR](#)

A bill to regulate the use of out-of-network health care providers — identified as [a factor driving up health care premiums](#) — came up for discussion Monday before an Assembly committee in Trenton, whose chair, **Gary S. Schaer** (D-Passaic), said he hopes to have a version of his bills through the Legislature by the end of this year.

The committee heard testimony from representatives of health insurers, doctors, hospitals, health insurance brokers and medical care experts, several of whom have been involved in a group working to reach a consensus on the bill for the past few months. Several who testified said they don't support the current version of the bill, and would look for amendments.

Schaer said he is open to proposals for amendments, and would like to post an amended version of the bill, A-3378, by early November.

David Knowlton, executive director of the Healthcare Quality Institute of New Jersey, chaired a working group of stakeholders who provided input on the bill, and said that input has helped in getting all the major issues on the table.

While health plans offer members the option to seek medical care outside the network, patients in such a case typically are required to pay a portion of the bill. The bill requires health care providers to make a good-faith effort to collect the patient's portion of the bill, giving the patients a financial incentive to remain

in-network. Knowlton said everyone involved in the working group that produced the bill agreed that it should “be consumer focused.”

He also said the group brought forth the information that only a small portion of out-of-network health care providers can be considered “abusive,” in that they charge inordinately high fees or are waiving the patient’s share of the bill. He also said high out-of-network charges do not enrich the health insurance companies.

Ward Sanders, president of the New Jersey Association of Health Plans, objected to a suggestion that the bill was brought to the Legislature as part of the insurance industry’s efforts to avoid paying market rate health bills.

“The practice of egregious charging is not an issue manufactured by the insurance industry,” Sanders told the committee. “It affects all payers, including self-funded unions, self-funded employers, the State Health Benefits Programs and other public employee plans.”

The New Jersey Association of Health Underwriters, which represents employers trying to find affordable-health coverage, opposes the bill in its current form, **Doug Lubenow**, legislative chair of the South Jersey chapter of the NJAHU, told the committee. He said employers are facing 20 to 40 percent increases in their health care premiums, and the bill does not address the escalating cost of insurance.

He said the group would like to see the bill include controls on out-of-network charges.

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