

A-3211

Brief Description:

Makes reforms to the "Health Care Quality Act". It supplements the existing consumer safeguards as follows:

- Carriers must file rates and obtain approval before using the rates.
- Carriers that offer managed care plans shall provide for an annual audit of provider networks, at its own expense, by a private auditing firm. This is to ensure "adequacy".
- The commissioner shall establish an acceptable amount of surplus a carrier may maintain.
- Requires the State Auditor conduct an annual performance review audit of every HMO that provides services for recipients of Medicaid.

Sponsor: Assemblyman Herb Conaway, Jr. (Burlington & Camden)

Reasons to Support:

- Monies collected in the carrier surplus fund will be used for expanding access to affordable, quality health care for underserved individuals.

Reasons to Oppose:

- By virtue of being in business, carriers constantly review their networks for "adequacy". If they do not, they are made aware by employers and their employees.
- It is not logical or cost effective to involve an outside "firm" to intervene to determine adequacy of networks. Each sponsoring group with their healthcare advisor should set up initial parameters of minimal provider participation within a given area for their plan.
- Unnecessary government intervention with no funds to hire people to investigate or enforce.
- The 75% minimum MLR for small group is moving to 80% effective 1/09. Establishing a surplus fund would be unnecessary and possibly financially dangerous. Imposing additional loads on premiums only makes the cost of Health Insurance more unaffordable and less accessible.

NJAHU Position:

Conditionally Oppose

Status: Introduced September 25, 2008

Referred to Assembly Health & Senior Services Committee



Legislative Briefing

10.18.2008