

S - 2742

Brief Description:

Requires:

- The commissioner to conduct an annual quality assurance audit to measure the performance of each payer's records specific to claims processing procedures.
- The payer to maintain a record of the number of claims which result in claims processing errors.
- Disclosure of contracting arrangements of health benefit plans, dental contracts and plans and prescription drug plans
- Employees of local units or school boards receive the benefit of certain negotiated rate structures within the State Health Benefit Program and the School Employees Health Benefit Program.
- The bill applies an 80% loss ratio to large group (51+) health insurance policies that must be reported to the NJDOBI Commissioner.

Sponsor:

- Senator Loretta Weinberg (D-Bergen)

Reasons to Support:

- Will oversee the non payment of claims to assure payment to the provider or member when deemed appropriate.
- Enforces stricter penalties for untimely or non payment of claims.
- Encourages competitiveness to strive for better results among payers.
- Increases the investigation of fraudulent claims.
- Ultimately promotes a higher quality of care to the member through more precise claims processing.

Reasons to Oppose:

- Additional costs to the payer will increase premium rates.
- "Over policing" is timely and costly is not efficient.
- Limiting carriers' to an 80% loss ratio for large groups (51+) will drive more carriers out of the marketplace and prevent new carriers from contemplating entering the system. This will lead to less competition.
- Full disclosure of network contracts and reimbursement rates will lead to pricing collusion among the providers. This would have a dramatically negative impact on competition in the market.

NJAHU Position:

Oppose



Legislative Briefing

4.13.2009