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New Jersey Out-of-Network Bill

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On June 1, 2018, New Jersey Gov. Murphy passed the Out-of-Network Consumer Protection, Transparency, Cost Containment and Accountability Act (the "OON Act"). In general, the OON Act applies to emergency services and other care provided by out-of-network physicians in in-network settings (i.e. hospital-based physicians). It takes effect on **September 1, 2018**.

The Act provides reforms to several aspects of the state's health care system involving disclosures of out-of-network (OON) charges, arbitration for billing disputes, and provider network adequacy audits. The bill applies to fully-insured plans and does not apply to self-insured plans unless they choose to opt-in.

The Act requires that a covered patient be responsible only for "in-network" amounts when receiving care at an in-network facility, but may be receiving care from an OON provider. The Act prohibits out-of-network health care providers from directly or indirectly waiving or paying all or part of the deductible, copayment, or coinsurance owed by a covered person pursuant to the terms of the covered person's health benefits plan as an inducement for the covered person to seek health care services from that provider.

Health care professionals and health care facilities are required to provide disclosures of out of network status and obtain specific, knowing and voluntary consent from patients who wish to receive out of network services at the out of network cost. The health care providers and insurance carriers will look to negotiate or go to arbitration for a disputed fee amount. However, the providers cannot seek payment from the patient for payment of out of network balances unless the patient has given a specific consent to do so.

Employers should connect with their carriers for specific direction and questions on this new law.

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