

SA-VIT COLLECTION AGENCY TIPS OF THE MONTH ARCHIVES



February 2010

Good News for Out-of-Network Providers

The New Jersey Legislature passed and the acting governor signed legislation in January 2010, requiring insurers to remit patients' reimbursements directly to out-of-network providers. This legislation will become effective in January 2011, 365 days after being signed into law. During the year the administration will write rules for how the legislation will be applied. In order to receive the reimbursement checks from the insurance carriers, the providers must send a valid assignment of benefits signed by the patients along with the insurance claims.

Specific language in the law is contained in the New Jersey Assembly Bill No. 132, and Senate Bill No. 114(1R), of the 213th Legislature. It states in part:

"This bill as amended , provides that, with respect to a carrier that issues a managed care plan with an out-of-network benefit, in the event that the covered person assigns, through an assignment of benefits, his right to receive reimbursement for medically necessary health care services to an out-of-network health care provider, the carrier shall remit payment for the reimbursement directly to the health care provider, or in the alternative, to the health care provider and the covered person, as joint payees, with signature line for each of the payees."

As in most cases the "devil is in the details" which has to do with the administrative rule making that will take place during 2010, so it can be expected that there will be additional modifications to the law. For example, they may limit the amount of the reimbursement based upon a formula as a percentage of Medicare payments or some other criteria.

If you would like a copy of the entire bill, simply send an email to help@savit.com along with your fax number and it will be sent to you.