

Proposed N.J. Amendment Limits Cost-Sharing

Editorial Staff

The New Jersey Department of Banking and Insurance (DOBI) recently published proposed amendments to the Health Benefit Plan regulations, New Jersey Administration Code 11:22-5.2 through 5.9, which contain significant changes that will affect chiropractic reimbursement in the state. The proposed regulations may be viewed in full at www.state.nj.us/dobi/proposed/prn08_16.pdf.

In sum, the proposed amendments limit patient responsibility for in-network co-pays/co-insurance ("cost-sharing") to an amount that *cannot exceed 50 percent of the cost of the service*. In addition, stacking of network co-pays and co-insurance is not permitted, and individual and family annual out-of-pocket limits are required to be established that, when reached, exempt the patient for any further out-of-pocket expense for the remainder of the year.

For example, the regulations appear to require that if an insurer's fee scheduled reimbursement for a CPT 98942 is \$40, the insurer must insure and reimburse at least \$20 to the chiropractor after the deductible has been met in order to meet the 50 percent requirement of the regulation. This will stop the trend in patient cost-sharing eating up most, if not all, of the benefit and resulting in checks being sent to chiropractors for \$1.50 in reimbursement because of excessive patient cost-sharing provisions.

The DOBI specifically states in the summary of the amendments that its monitoring of insurers since 2003 "has disclosed that some carriers are submitting policy forms and contracts with multiple and extensive cost-sharing provisions that render the benefits under the policy or contract illusory. Accordingly, the Department has determined that, in order for the benefit to be meaningful a health benefit plan may include cost-sharing provisions, excluding deductibles, of no greater than 50 percent of the cost of service." The proposed regulations also greatly expand the annual and lifetime dollar maximums allowed under insurance plans, as well as cap dental out-of-pocket cost-sharing to 75 percent of the cost of the service.

The proposed regulations are now out for public comment, with the comment period expiring March 22, 2008. The Association of New Jersey Chiropractors (ANJC) will be submitting official comments in favor of the proposed regulations.

Article submitted by Jeff Randolph, Esq., general counsel to the ANJC; and Dennis Marco, executive vice president, Porzio Governmental Affairs, LLC.

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