



Protect NJ Health Care Consumers
Support to A1952/S1285
***The Out-of-Network Consumer Protection, Transparency,
Cost Containment and Accountability Act***

Health Care coverage in NJ is unaffordable and out of network charges by doctors and hospitals adds up to \$1 billion to NJ premiums every year.

- Premiums in New Jersey's individual market are the highest in the nation.
- Family health premium costs are rising faster than incomes, making coverage unaffordable for many NJ families.
- ACA Marketplace enrollment is slowing down, due mainly to rising premiums caused in part by excessive out-of-network charges. Failing to rein in excessive OON charges undermines the progress we've made under the ACA.
- Almost 1 million New Jerseyans remain uninsured. We cannot achieve universal coverage if we don't crack down on egregious charges like these.

The bill will rein in excessive charges and reduce health care costs for all NJ's privately insured, by establishing arbitration and a cap on out-of-network rates.

- All protections in the bill apply to the fully insured market. Union and other employer, self funded health plans can and will opt in to realize these protections.
- The NJ SHBP (State Health Benefits Plan) and local governments will save about \$140 million dollars.
- Disputed out-of-network charges will be resolved through binding arbitration between payer and provider – keeping the consumer out of the middle. Reimbursements will range from 90-200% of Medicare.

The bill will also protect consumers from surprise, out of network charges. Every year, 168,000 New Jerseyans receive surprise out-of-network bills totaling \$400 million. Under the bill:

- Consumers will be told whether a provider is in or out of network.
- Disclosure will not void protection. Consumers won't be on the hook for involuntary out-of-network bills in emergencies or when receiving care at an in-network facility. When there is no choice of an in-network provider, consumers will be held harmless.
- Consumers will pay the lowest cost share allowed under their plan in those instances.

All providers – including hospitals – are and must be subject to the bill's provision in order to protect consumers and our health care system.

- Most of the surprise out-of-network bills consumers receive are for care they received while in a hospital.
- 8 in 10 NJ hospitals are in-network with all insurers, but close to 20% are not and charge excessively high rates for care. One hospital is charging **\$35,000 for a one night hospital stay – 2700% of the Medicare reimbursement rate of \$1288.**
- Excluding hospitals encourages price gouging and invites more for-profit health companies to game the system to increase profits.

**Surprise medical bills put profits above patients and increase costs for us all.
Make health care more affordable for all New Jerseyans.**

Support A1952/S1285

END SURPRISE OUT-OF-NETWORK MEDICAL BILLS NOW

WE SUPPORT A1952/S1285

New Jersey Citizen Action

NJ Business & Industry Association

AARP – NJ

New Jersey Policy Perspective

Consumers Union

National Patient Advocate Foundation

NJ Public Health Institute

NJEA

NJ Association of Mental Health & Addiction Agencies

Anti-Poverty Network

CWA Local 1081

CWA Local 1032

National Association of Social Workers – NJ

National MS Society, New Jersey Chapters

Faith in New Jersey

Family Voices

Statewide Parent Advocacy Network

South Jersey Chapter of NOW, the Alice Paul Chapter

HPAE

David Jones, PDC Member, State Trooper Fraternal Association

NJ State PBA

Firefighters Mutual Benevolent Association

New Jersey State Pipe Trades Association