



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.**

WE SUPPORT A1952/S1285

AARP – NJ
AAUP Biomedical & Health Sciences of NJ
AFSCME New Jersey AFL-CIO
AFT Local 1904, Montclair State University
AFT New Jersey
American Federation of Teachers
Anti-Poverty Network
Consumers Union
Council of New Jersey State College Locals
CWA District 1
CWA Local 1014
CWA Local 1081
CWA New Jersey Area (Local 1032)
David Jones, PDC Member, State Trooper Fraternal Association
Faith in New Jersey
Family Voices
HPAE
Local 1766
National Association of Social Workers – NJ
National Multiple Sclerosis Society, New Jersey Chapters
National Patient Advocate Foundation
New Jersey AFL-CIO
New Jersey Appleseed Public Interest Law Center
New Jersey Citizen Action
New Jersey Firefighters' Mutual Benevolent Association
New Jersey Policy Perspective
New Jersey State Pipe Trades Association
New Jersey State Policemen's Benevolent Association, Inc.
New Jersey Public Health Institute
NJ Association of Mental Health & Addiction Agencies, Inc.
NJ Business & Industry Association
NJ Superior Officers Association
NJEA
Professional Firefighters Association of NJ
Rutgers AAUP-AFT
South Jersey NOW, the Alice Paul Chapter
State Troopers Fraternal Association
Statewide Parent Advocacy Network
Union of Rutgers Administrators