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Contact: Maura Collinsgru | Maura@njcitizenaction.org | 609-519-0408

NJ Out-of-Network Bill Gaining Momentum: Ready to Move in the Assembly

Consumer, Business and Labor Groups Join Legislators To Call For Passage of the Out-of-Network Consumer Protection Bill

Highland Park, NJ – NJ for Health Care Coalition and the state’s largest payers of health insurance gathered at the Statehouse today with sponsors and supporters of the proposed Out-of-Network bill. The group called on legislative leaders to post and pass the bill before year’s end.

“As the number of consumers dealing with the financial and emotional stress caused by these bills continues to grow, so too does support in the Legislature for this bill. New Jersey legislators could soon make New Jersey the fifth state to adopt responsible measures to protect consumers and our health care system from surprise medical bills,” said **Maura Collinsgru, Health Care Program Director for New Jersey Citizen Action.**

Despite the progress that has been made with health care reform under the Affordable Care Act, New Jersey consumers, employers and taxpayers continue to face escalating health care costs. A recent report issued by the Coalition and New Jersey Policy Perspective estimates involuntary out-of-network charges are costing the state’s consumers nearly \$1 billion annually.

Legislation to protect consumers from surprise medical bills is gaining momentum around the country. This year – California, and in the last two years, New York, Florida and Illinois have all passed out-of-network legislation in an attempt to protect consumers and reign in charges that unnecessarily increase health care costs. New Jersey is poised to be next.

Assemblyman Craig Coughlin, one of the lead sponsors of the bill and Chair of the Assembly Financial Institutions and Insurance Committee recognized the widespread support and building momentum behind the bill. “The broad coalition of consumers, employers as well as public and private sector unions that stand before you today is a demonstration of the ground swell of support coalescing behind the out-of-network bill. As more and more consumers are forced to pay dollar one of their health care charges and often as much as the first five thousand dollars for those in high deductible plans, it is imperative for the legislature to act to address surprise out-of-network billing as well as egregious out-of-network charges. This bill creates those important consumer protections in a fair and balanced manner. I am glad to see many of our colleagues in the Assembly have signed on as co-sponsors and I look forward to continuing the dialogue with Assembly Leadership and stakeholders so that New Jersey residents and their employers will enjoy the benefits created by the strongest out-of-network consumer protection bill in the Nation.”

Under current law, only a small percent of New Jersey health care consumers are protected from out-of-network charges, and only in an emergency situation. Consumers insured under federally regulated plans, which account for the majority of New Jersey's insured consumers, have no protections at all from surprise out-of-network bills. And those with protections in emergency situations are unprotected in non-emergency situations. **A1952/S1285** would expand protections for non-emergency situations and allow self-funded plans to opt-in. The bill would not only protect consumers from getting these bills, but also tamp down on egregious charges, set by some providers, that currently get passed onto more than 5 million health care consumers each year.

Chuck Bell, Program Manager for Consumers Union whose organization has been working with states across the country on this issue stated, "Every single privately insured health care consumer in New Jersey is affected by this problem, and could face financial hardship or ruin from unfair, egregious medical bills. The Legislature must get this bill over the finish line, and fast, to protect millions of New Jersey patients who are vulnerable to unfair billing practices. After all the hearings and negotiations lawmakers have undertaken regarding surprise bills, it's grossly unfair to ask consumers to wait another year to get the issue resolved."

Involuntary out-of-network charges have been especially costly for the state's business and labor community who operate self-funded health plans. The harmful across-the-board impact of out-of-network bills has motivated many of them to join with the Coalition in calling on legislators to act now to pass the **Out-of-Network Consumer Protection, Transparency, Cost Containment and Accountability Act (A1952/S1285)**.

Mary Beaumont, Vice President of Health & Legal Affairs for NJ Business and Industry Association urged New Jersey to follow other states like Illinois, New York, Florida and California that have enacted legislation to protect consumers and payers. "We must take action to bring these costs under control. Consumers and businesses should not face the continual threat of ever higher premiums and medical bills they cannot pay because they are being treated and billed for services offered by a healthcare provider that is not in their network."

Eddie Donnelly, President of the New Jersey Firefighters Mutual Benevolent Association, another public sector union supporting the bill said, "The NJ FMBA remains committed to protecting the highest quality health care for our members while containing out of network costs. Our members are on the front lines protecting NJ residents and visitors everyday and health care is vital to our members. Common sense OON savings should be enacted to contain the ever escalating costs of health care premiums."

Patrick Nowlan, Executive Director of Rutgers AAUP-AFT and Member of the State Health Benefits Plan Design Committee said, "This legislation is sorely needed to protect not just the state, its employees and taxpayers, but all health care consumers whether individuals or private employers. Union members on the Plan Design Committee have voiced their unanimous support of this legislation. We call on Management and Legislators to do the same. It's fiscally responsible and sound public policy."

Health Professionals and Allied Employees, the union representing health care workers and is also a member of the State Health Benefits Plan Design Committee, has felt the impact of this issue from both sides. **Bridget Devane, Public Policy Director for HPAE** stated, "Our members care deeply

about their patients and the future of their hospitals. Healthcare workers live and work in the communities they serve and utilize their hospitals for their own medical care. This legislation creates a balance that protects patients from surprise medical bills while also protecting the financial stability of New Jersey hospitals by establishing fair reimbursement rates for our hospitals and providers.”

The groups gathered strongly urged legislators to pass this carefully-developed, comprehensive legislation now, so consumers don't have to wait another year or more for these vital new protections to take effect.

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