



**State of New Jersey**  
DEPARTMENT OF BANKING AND INSURANCE  
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RICHARD J. CODEY  
*Acting Governor*

DONALD BRYAN  
*Acting Commissioner*

**BULLETIN NO. 05-09**

**TO: ALL THIRD PARTY ADMINISTRATORS OF HEALTH AND DENTAL BENEFITS PLANS, AND THIRD PARTY BILLING SERVICES FOR HEALTH CARE PROVIDERS CURRENTLY OPERATING IN NEW JERSEY**

**FROM: DONALD BRYAN, ACTING COMMISSIONER**

**RE: N.J.A.C. 11:23 – LICENSURE OR REGISTRATION OF THIRD PARTY ADMINISTRATORS AND CERTIFICATION OF THIRD PARTY BILLING SERVICES**

N.J.A.C. 11:23, adopted March 10, 2005 and effective April 4, 2005, sets forth the requirements for third party administrators of health and dental benefits subject to licensure or registration and third party billing services subject to certification in accordance with the provisions of N.J.S.A. 17B:27B-1 et seq. A copy of the regulations can be found in the New Jersey Register at 37 N.J.R. 1077(a) or on the Department's website at [www.njdobi.org/tpapage.htm](http://www.njdobi.org/tpapage.htm).

On January 17, 2002, the Department issued Bulletin No. 02-03, advising third party administrators and third party billing services that they could continue to operate in this State until regulations implementing N.J.S.A. 17B:27B-1 et seq. were adopted. The Bulletin further requested that third party administrators and third party billing services operating in this State notify the Department of their name, address, telephone number and contact person. The Department now requests that third party administrators and third party billing services that responded to Bulletin No. 02-03, as well as any operating in the State that did not previously respond, complete and return the attached form by May 27, 2005 in order to provide the Department with current information.

Information regarding the application process for licensure or registration of third party administrators and certification of third party billing services follows:

## **Third Party Administrators**

N.J.A.C. 11:23-1.2 defines a third party administrator as a person or entity that: processes and pays claims on behalf of a benefits payer without the assumption of financial risk for the payment of health or dental benefits. Third party administrator shall include: an entity not licensed in New Jersey as an insurer that is not an affiliate or a subsidiary of a New Jersey licensed insurer, that processes claims on behalf of a benefits payer; an entity that is an affiliate or a subsidiary of a New Jersey licensed insurer that processes claims on behalf of that insurer and any other benefits payer; and an entity that is a subsidiary or affiliate of a New Jersey licensed insurer that only processes claims on behalf of benefits payers other than insurers. Third party administrator shall not include an employee, affiliate or subsidiary of a benefits payer formed for the purpose of processing and paying claims solely on behalf of the benefits payer, nor shall it include a collection agency or bureau or pharmacy benefits manager. Third party administrator shall include organized delivery systems as defined by N.J.S.A. 17:48H-1, who are acting as third party administrators, which are certified by the Department of Health and Senior Services, but shall not include those organized delivery systems licensed by the Department of Banking and Insurance.

Pursuant to N.J.A.C. 11:23-2.1, every third party administrator that is either not licensed in New Jersey as an insurer or an organized delivery system and is not an affiliate or subsidiary of an insurer licensed in New Jersey, or an affiliate or a subsidiary of a New Jersey licensed insurer and only processes or pays claims on behalf of benefits payers other than insurers shall be licensed by the Commissioner. Every third party administrator that is a subsidiary or affiliate of an insurer licensed in New Jersey that processes claims on behalf of both that insurer and benefits payers other than that insurer shall be required to register with the Commissioner.

N.J.A.C. 11:23-2.2 (a) requires all third party administrators operating in this State prior to April 4, 2005, the effective date of the adopted new rules, to file an application for temporary initial licensure or registration with the Commissioner of Banking and Insurance (Commissioner) by July 3, 2005. Such application shall consist of the application for licensure or registration and a certification form completed by the applicant certifying that the applicant is familiar with all the statutory and regulatory requirements applicable to third party administrators and that the applicant has met or exceeded those requirements. All third party administrators who do not file for temporary initial licensure or registration by July 3, 2005 must apply for and obtain licensure or registration prior to operating in this State. The application and the certification form can be found on the Department's website at [www.njdobi.org/tpapage.htm](http://www.njdobi.org/tpapage.htm).

Pursuant to N.J.A.C. 11:23-2.3(c), the Commissioner may rely on the certification submitted by the applicant in issuing a temporary, initial license or registration, which shall be valid for the lesser of a period of one year from the date of issuance or until such time as the Commissioner approves or disapproves the application based on a detailed review. Applications which have not been approved or disapproved, or on which the applicant has not been notified that the application is incomplete, within one year from date of issuance of temporary initial license or registration, shall be deemed approved.

**Third Party Billing Services**

N.J.A.C. 11:23-1.2 defines a third party billing service as a person or entity that is paid by a health care provider to process claims or claim payments on behalf of the health care provider, and that is not an employee, affiliate or subsidiary of the health care provider.

N.J.A.C. 11:23-5.1(b) requires all third party billing services operating in this State prior to April 4, 2005, the effective date of the adopted new rules, to file an application for temporary initial certification with the Commissioner by August 2, 2005. Such application shall consist of the application for certification and a certification form completed by the applicant certifying that the application is complete, the applicant is familiar with all of the pertinent statutory and regulatory requirements, and the applicant has met or exceeded those requirements. All third party billing services that do not file for temporary initial certification must apply for and obtain certification prior to operating in this State. The application and the certification form can be found on the Department’s website at [www.njdobi.org/tpapage.htm](http://www.njdobi.org/tpapage.htm).

Pursuant to N.J.A.C. 11:23-5.4(b), the Commissioner may rely on the applicant’s certification in issuing a temporary initial certification, which shall be valid for the lesser of a period of one year from the date of issuance of the temporary initial certification or until such time as the Commissioner approves or disapproves the application based on a detailed review. Applications which have not been approved or disapproved, or where the applicant has not been notified that the application is incomplete, within one year from date of issuance of the temporary initial certification, shall be deemed approved.

**Department Address:**

Please return all forms or applications to Tim Costello

By mail at: Department of Banking and Insurance  
Third Party Administrators/Third Party Billing Svcs.  
P.O. Box 325  
20 West State Street  
Trenton, NJ 08625-0325

Or by fax at: 609-633-0527

Or by email at: [tpa@dobi.state.nj.us](mailto:tpa@dobi.state.nj.us)

4/27/05  
Date

/s/ Donald Bryan  
Donald Bryan  
Acting Commissioner

**RESPONSE TO BULLETIN NO. 05-**

In order to provide the New Jersey Department of Banking and Insurance with current information regarding the operations of third party administrators and third party billing services operating in the State of New Jersey, the following information is requested:

Name: \_\_\_\_\_

The above named entity operates in New Jersey as a

Third party administrator

Third party billing service

The above named entity will be applying for

Temporary initial licensure as a third party administrator

Temporary initial registration as a third party administrator

Temporary initial certification as a third party billing service

Current Mailing Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Physical Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Contact Person: \_\_\_\_\_  
(Name)  
\_\_\_\_\_  
(Title)

Telephone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

Email Address: \_\_\_\_\_