

New Jersey Department of
**BANKING AND
INSURANCE**



Commissioner Tom Considine
www.njdobi.org

For Immediate Release:
January 19, 2012,

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PIP Reform Process Continues with Submission of Revisions for Publication in New Jersey Register

*New Streamlined Administrative Procedures Act Process Used to Propose Changes to
Rule Without Restarting Entire Rulemaking Procedure*

TRENTON – Department of Banking and Insurance Commissioner Tom Considine today signed a notice of proposal with changes to the prior Personal Injury Protection (PIP) proposal, which was initially published on August 1, 2011. Under recent amendments to the Administrative Procedure Act (APA), proposed and signed into law by Governor Christie, the Department can make changes to part of a proposed rule, without restarting the entire rulemaking process.

The changes being proposed to the PIP regulations do not affect approximately 75 percent of the proposal made by the Department in August. Under the new streamlined procedure implemented by the Christie Administration, only the portion included in the notice signed today will be open for comment. DOBI received and considered more than 18,000 comments on the original proposal.

“The Department’s comment period accomplished what it was meant to do; it produced meaningful feedback from stakeholders and affected parties which we were able to use to clarify and make improvements on our original PIP proposal. The changes included in the notice represent only a small portion of what we proposed in August and we continue to move forward with the reform. This is a significant step forward in the PIP reform process” Commissioner Considine said. “DOBI is utilizing the newly amended APA law as it was intended to be used: to simplify and streamline the regulatory process in New Jersey.”

This is the first time the Department is using the revised process allowed for by recent amendments to the Administrative Procedure Act, which the Governor signed into law on March 1, 2011.

PIP is the first party medical coverage of an auto insurance policy. This system provides medical benefits to injured parties regardless of fault. The intent of DOBI's proposed PIP reform is to control the cost of auto insurance while at the same time maximizing the available coverage, benefits and treatment consumers receive for their premium dollar. The proposals will help reduce fraud, remove wasteful costs, create a simpler and more transparent appeal and arbitration process, and will generate overall a more efficient system.

Changes in the notice signed today include: creation of a new Hospital Outpatient Surgical Facility (HOSF) fee schedule that is separate from the Ambulatory Surgical Center (ASC) facility fee schedule, amendments of the ASC facility fee schedule fees to eliminate an over-reimbursement for implantable devices that are included in the fees, deletion of 117 fees from the Physician's fee schedule for spinal and neurosurgical procedures to allow for further study due to their infrequency and availability of coverage, deletion of references to Workers' Compensation Managed Care Organizations from the PIP Protocols Rule, and removal of post-employment restriction on Dispute Relation Professionals (DRP's). Other technical and minor changes are also being proposed.

The notice will be published in the February 21, 2012 edition of the New Jersey Register, and will have a 60-day comment period that ends April 21, 2012.

"The PIP changes are the result of many months of hard work, discussion and collaboration with interested parties and stakeholders, consistent with Governor Christie's transparent approach to rulemaking. The end product will be an improved auto insurance market that protects consumers and increases competition and choice," Commissioner Considine concluded.

Anyone interested in submitting a comment in response to the notice following the intended February 21 publication date, can do so by emailing, legsregs@dobi.state.nj.us or by mailing a letter to 20 West State Street PO Box 325 Trenton, NJ 08625. A copy of the notice will be available for viewing at www.njdobi.org/ after it is published in the New Jersey Register. No comments will be accepted prior to the publication date.

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