



State of New Jersey

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BULLETIN
OMC 2004-01

TO: All Health Maintenance Organizations Doing Business in New Jersey, and all Insurers, Health Service Corporations, Medical Service Corporations, and Hospital Service Corporations offering Health Benefits Plans that are Managed Care Plans and Organized Delivery Systems

FROM: Marilyn Dahl, Deputy Commissioner, New Jersey State Department of Health and Senior Services

DATE: April 20, 2004

RE: Review of Provider Agreements

The purpose of this bulletin is to inform health maintenance organizations, insurers, health service corporations, medical service corporations and hospital service corporations (collectively, carriers) offering health benefits plans that are managed care plans, as these terms are defined at N.J.S.A. 26:2S-1 et seq., of a change in the process used by the Department of Health and Senior Services (DHSS) in the review of forms of provider agreements. The changes described in this Bulletin also apply to licensed or certified organized delivery systems. There are two general changes in the process. DHSS anticipates that these changes will help streamline and speed the review process.

First, DHSS will no longer routinely review in their entirety all provider agreement forms submitted, if the provider agreement is accompanied by a completed checklist and a certification signed by an officer of the carrier or organized delivery system. The checklist and certification submitted must be the same as the checklist and certification enclosed with this bulletin. This form supercedes any prior checklist(s) distributed by DHSS. Additional copies of the form and certification may be obtained by contacting the Office of Managed Care, either via a carrier's or organized delivery system's assigned Project Officer, or by phone at (609) 633-0660, or facsimile at (609) 633-0807. DHSS anticipates making the form available on its website in the future, but the date of that addition is uncertain.

DHSS retains the right to review provider agreement forms in whole or in part in the event that the certification or information contained in the checklist appears to be defective. DHSS also retains the right to review forms in whole or in part from time to time as a matter of DHSS' monitoring and enforcement activity. Furthermore, forms submitted without a certification and/or checklist will be reviewed in their entirety.

Forms submitted with a certification and completed checklist will be deemed approved, and carriers or organized delivery systems may give effect to provider agreements issued on such forms, 60 days following the date of the submission, but only if: DHSS has issued an acknowledgement of receipt of the form, checklist and certification; and, DHSS has not either disapproved the forms, or requested additional information or clarification regarding the forms or their content. (Forms submitted without the certification and checklist shall continue to be subject to prior approval.) Should DHSS later determine that a form deemed approved is not in compliance with regulatory requirements, the carrier or organized delivery system will be subject to administrative action, including the possibility of the assessment of fines and other penalties available under law.

It should be noted that DHSS has been amenable to certain details being set forth in the provider manual instead of, or in addition to, the provider agreement. This continues to be true. However, all provider agreements should include a provision regarding the subject matter that is included in the provider manual. For purposes of completing the checklist under these circumstances, the carrier or organized delivery system must indicate the location of the provision in the provider agreement, and the general location of the information in the provider manual (i.e., section, chapter and/or page number of the provider manual). The provider manual should also be submitted.

Second, carriers and organized delivery systems no longer have to submit provider agreements for use with health benefits plans that are managed care plans to the Department of Banking and Insurance ("DOBI"). However, DOBI will complete its review of provider agreements for use with health benefits plans that commenced prior to the date of this Bulletin, as evidenced by prior correspondence sent to a carrier by DOBI directly or through an Attachment A.

Carriers should continue to file provider agreements with DOBI when such agreements are used in connection with policies or contracts that are not health benefits plans, if required by the insurance laws and regulations of New Jersey. Participating physician agreements used by health service corporations (N.J.S.A. 17:48E-10), agreements between participating dentists and dental service corporations (N.J.S.A. 17:48C-15) or dental plan organizations (N.J.A.C. 11:10-1.5), and agreements between providers and workers' compensation managed care organizations (N.J.A.C. 11:6-2.10) must continue to be filed with DOBI.

Questions regarding this matter may be directed to Sylvia Allen-Ware, Director of the Office of Managed Care, by email at Sylvia.Allen-Ware@doh.state.nj.us, by facsimile at (609) 633-0807, or by phone at (609) 633-0660.