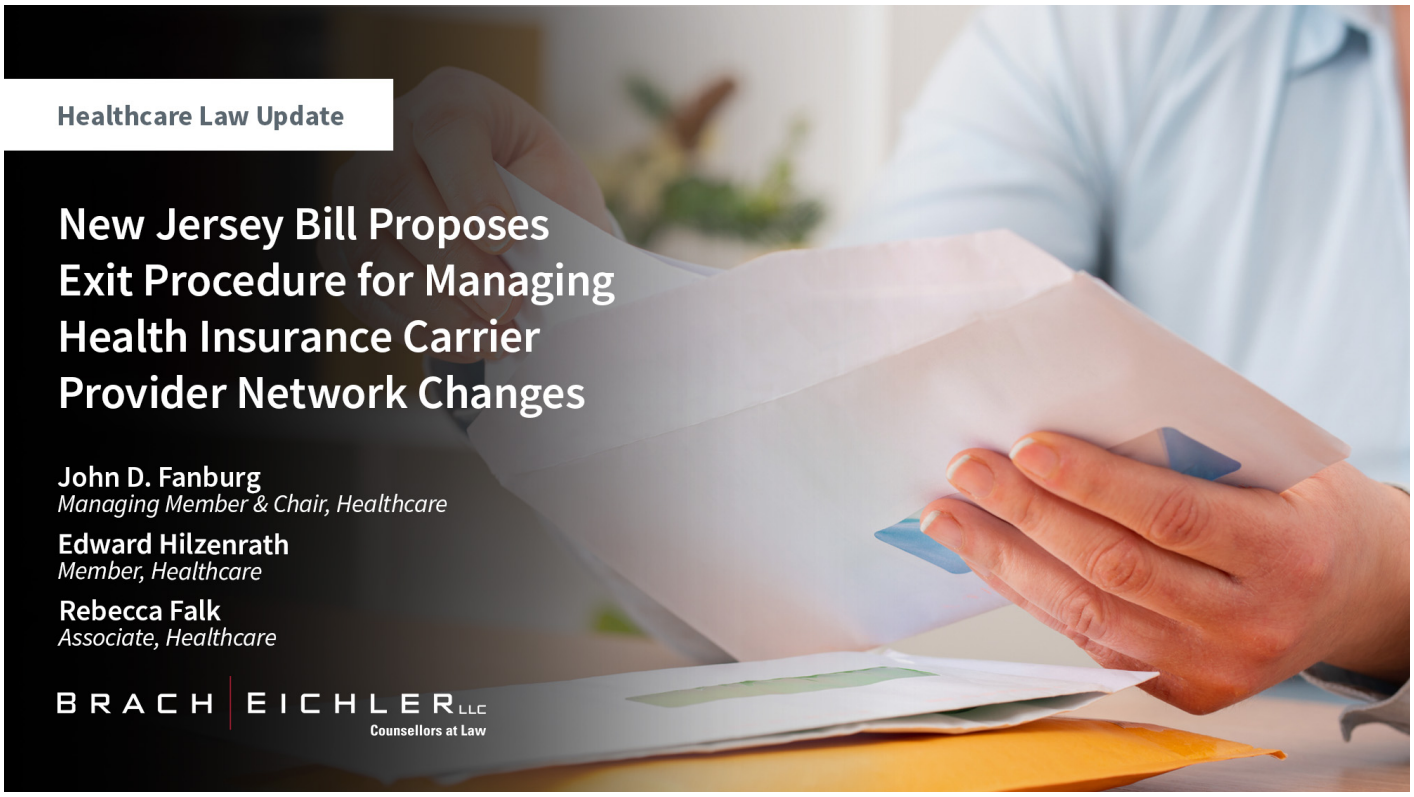
New Jersey Bill Proposes Exit Procedure for Managing Health Insurance Carrier Provider Network Changes



7/1/2025

Senate Bill S4251, introduced on March 3, 2025, would establish an exit procedure for when a "health care facility network," defined broadly as a single facility or group of facilities public or private that primarily provides health services such as diagnosis, treatment, and care, including hospitals, public health centers, clinics, nursing homes, rehabilitation centers, home health agencies, but excluding independent laboratories and outpatient offices of health professionals, is removed from or voluntarily leaves a health insurance carrier's provider network. Prior to any removal or departure, both the carrier and the facility would be required to provide electronic notice of the potential termination to each other, the Department of Banking and Insurance, and to all subscribers and patients in the county or counties where the facility is located, informing them that negotiations are underway and explaining the potential consequences if those negotiations fail. Additionally, the carrier would be required to continue to cover claims from the facility for at least 15 business days following notice.

If there is no agreement by the end of 15 business days, the bill would trigger a 30-day special enrollment period for individuals enrolled in small employer or individual health benefits plans who reside in the impacted counties. The bill would allow these individuals to change their health plan, including through the state-based exchange or by enrolling in a spouse's employer-based plan. The carrier would be required to provide coverage of claims from the facility for the entirety of the special enrollment period.

Click Here to read the entire July 2025 Healthcare Law Update now!

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