



State of New Jersey

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BULLETIN NO. 17-01

TO: ALL HEALTH SERVICE CORPORATIONS, HOSPITAL SERVICE CORPORATIONS, MEDICAL SERVICE CORPORATIONS, HEALTH INSURANCE COMPANIES, ORGANIZED DELIVERY SYSTEMS AND HEALTH MAINTENANCE ORGANIZATIONS

FROM: RICHARD J. BADOLATO, COMMISSIONER

RE: IMPLEMENTATION OF P.L. 2017, c. 28, WHICH REQUIRES CERTAIN COVERAGE FOR TREATMENT OF SUBSTANCE USE DISORDERS AND WHICH PLACES CERTAIN RESTRICTIONS ON OPIOID AND OTHER PRESCRIPTION DRUGS

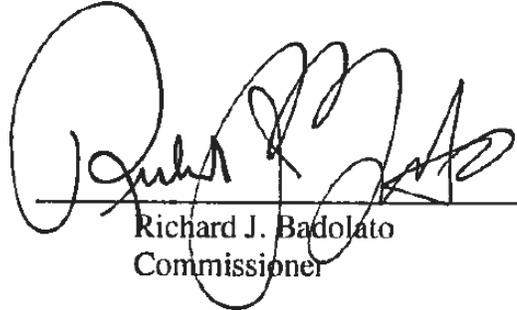
On February 15, 2017, P.L. 2017, c. 28 (“the Act”) was enacted. The Department of Banking and Insurance (“the Department”) is issuing this bulletin to inform all health service corporations, hospital service corporations, medical service corporations, health insurance companies, health maintenance organizations, (collectively, “carriers”) and any organized delivery systems with which carriers may contract for substance abuse services of certain requirements set forth in the Act.

The Act requires certain coverage for the treatment of substance use disorders. Among other requirements, the Act provides that the benefits for the first 28 days of an inpatient stay during each plan year shall be provided without any prior authorization, retrospective review or concurrent review and that medical necessity shall be determined by the covered person’s physician. The benefits for days 29 and thereafter of inpatient care shall be subject to concurrent review. The Act expressly provides that **if a carrier determines that continued inpatient care in a facility is no longer medically necessary, the carrier shall within 24 hours provide written notice to the covered person and the covered person’s physician of its decision and the right to file an expedited internal appeal of the determination pursuant to an expedited process pursuant to sections 11 through 13 of P.L. 1997, c. 192 (C.26:2S-11 through 26:2S-13) and N.J.A.C. 11:24A-3.5, as applicable.**

In order to comply with the intent of and to effectively provide the notice required under the Act, carriers must provide written notice following any determination regarding continued inpatient care in a facility within 24 hours to the covered person, the covered

person's physician, and to the facility providing the services. This notice will enable appropriate handling of a covered person's treatment and appeal rights.

3/6/17
Date


Richard J. Badolato
Commissioner

Bulletins/crm bulletin required treatment for substance use disorders final