

Out of Network Legislation Signed by Governor Murphy

Article By:

Anjali N. Baxi

The Governor enacted the “Out-of-network Consumer Protection, Transparency, Cost Containment and Accountability Act” legislation banning “surprise medical bills” on June 1, 2018 to be effective by the end of the summer. As highlighted previously in this blog, the legislation is a healthcare consumer protection statute that takes the patient out of the equation of the reimbursement dispute between the providers and insurance companies. The statute only requires that the patient be responsible for “in-network” amounts. Health care professionals and health care facilities are required to provide disclosures of out-of-network status and obtain specific, knowing and voluntary consent from patient who wish to receive out of network services at the out-of-network cost. The health care providers and insurance companies still remain at odds regarding reimbursements and may negotiate or go to arbitration for a disputed fee amount. However, the providers cannot look to the patient for payment of out-of-network balances unless the patient has given a specific consent to do so.

Needless to say, there is much uncertainty in the private practice realm as to how out-of-network practices will continue to provide treatment and obtain reimbursement from insurance companies.

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