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## Assemblyman considers out-of-network waiver penalty

By Beth Fitzgerald  
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The Legislature is tackling an issue health care experts say is a significant factor in the rising medical spending in New Jersey: increased reliance on providers outside the network of the patient's health plan.

At a conference on health care Friday morning at Rutgers University, in New Brunswick, Assemblyman Gary Schaer (D-Passaic), chair of the Assembly Financial Institutions and Insurance Committee, said he plans to introduce by year-end legislation dealing with the out-of-network issue. The conference was sponsored by the New Jersey Association of Health Underwriters.

Last week, Schaer's committee held its first hearing, when he heard from David L. Knowlton, chief executive of the New Jersey Healthcare Quality Institute. Knowlton chaired Gov. Chris Christie's health care transition subcommittee, which issued a report last month and found that in New Jersey, insurance carriers are required to pay for out-of-network care. Some out-of-network providers, including some non-hospital surgical and medical care facilities, "charge extraordinarily high fees," the report said.

"People are using out-of-network facilities — those facilities are much more expensive, they are causing difficulties for the insurers and putting them at a competitive disadvantage," Schaer said.

In some cases, out-of-network providers are waiving the portion of the fee that the patient is required to pay for leaving the network, which means the patient has little incentive to use a less expensive in-network provider.

"One of the things that we could do, legislatively, is attach some penalties to that" waiver of the patient's share of the bill, Schaer said.

The legislation also will examine the proliferation of ambulatory surgical centers, which now number about 200 around the state. They've been accused of siphoning off wealthier, insured patients from hospitals.

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