

HEALTHCARE ALERT: DEADLINES ARE SET FOR LICENSURE AND
REGISTRATION OF THIRD PARTY ADMINISTRATORS
AND CERTIFICATION OF THIRD PARTY BILLING
SERVICES.

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In 2001, the New Jersey Legislature approved the "Third Party Administrator Act", N.J.S.A. 17B:27B-1, et seq., (the "Act") setting forth the statutory requirements for the licensure or registration of Third Party Administrators ("TPA") of Health and Dental Benefits Plans, as well as certification of Third Party Billing Services ("TPBS") that provide billing services for Health Care Providers.

In January 2002, the Department of Banking and Insurance (the "Department") issued Bulletin No. 02-03, advising TPAs and TPBSs that they may continue to operate in New Jersey until the Department adopts regulations implementing the Act. After a three year wait, the regulations were adopted on March 10, 2005 and became effective April 4, 2005. These regulations, found at N.J.A.C. 11:23, set forth the specific requirements for TPAs of health and dental benefits to become licensed or registered with the Department. The regulations also set forth the specific requirements for TPBSs to become certified by the Department.

The Department gave notice of these regulatory requirements on April 27, 2005, in Bulletin No. 05-09, wherein it also requested that all TPAs and TPBSs provide current information to the Department by May 27, 2005.

THIRD PARTY ADMINISTRATORS

Pursuant to N.J.A.C. 11:23-2.2, all TPAs operating in New Jersey prior to April 4, 2005, are required to file an application for temporary initial licensure or registration with the Department by no later than July 3, 2005. All TPAs that do not file for temporary initial licensure or registration by July 3, 2005 must apply for and obtain licensure or registration prior to operating in this State after that date.

THIRD PARTY BILLING SERVICES

N.J.A.C. 11:23-5.1 requires that all TPBSs operating in New Jersey prior to April 4, 2005, are required to file an application for temporary initial certification with the Department by no later than August 2, 2005. All TPBSs that do not file for temporary initial certification by August 2, 2005 must apply for and obtain certification prior to operating in this State after that date.

The applications require extensive documentation and may take some time to complete. The deadlines of July 3, and August 2 do not provide much time to prepare. Thus, it is imperative that TPAs and TPBSs begin the process immediately.

The important dates to remember:

May 27, 2005- TPAs and TPBSs are to provide current information to the Department of Banking and Insurance.

July 3, 2005- TPAs must file applications for temporary initial licensure or registration.

August 2, 2005- TPBSs must file applications for temporary initial certification.

For more information on the Third Party Administrators Act or any other health care law issues, please contact Brian M. Foley, Esq. or any member of Schenck, Price, Smith & King's Health Care Practice Group.