

Property Liability Insurance Guaranty Association
Medical Malpractice Reinsurance Association
Surplus Lines Insurance Guaranty Fund
Unsatisfied Claim and Judgment Fund

NJPLIGA BULLETIN 2007 - 004

TO: New Jersey Property-Liability Insurance Guaranty Association Member Companies

FROM: Joseph DellaFera, Chief Executive Officer

SUBJECT: Excess Medical Benefits Claims – Regulatory Changes

DATE: August 1, 2007

It has come to our attention that not all member companies are aware of recent regulatory changes adopted by the New Jersey Department of Banking and Insurance. The purpose of this Bulletin is to outline these recent changes and to assist in the processing of excess medical benefits (“EMB”) reimbursement requests.

Several amendments to the EMB regulations were effective July 6, 2006. They are as follows:

N.J.A.C. 11:3-28.7(a): Insurers shall submit reimbursement requests as soon as practicable after the close of the quarter for claim payments of \$20,000 or more. For claim payments of less than \$20,000, insurers shall submit reimbursement requests either quarterly or at the close of the calendar year in which the expenses were incurred.

N.J.A.C. 11:3-28:10(a): Insurers shall conduct an investigation and audit of claims submitted by healthcare facilities when they are equal to or in excess of \$25,000 and an on-site audit when such claims are equal to or in excess of \$50,000.

N.J.A.C. 11:3-28.11(b): An insurer shall submit a written request, including a Van Purchase and Modification Agreement, seeking approval of modifications which are equal to or in excess of \$1,000 within 30 days of a claimant’s request for modifications.

N.J.A.C. 11:3-28.13(e): All recovery amounts obtained or that should have been obtained from a tortfeasor will be deducted from reimbursement claims.

An additional amendment was effective February 20, 2007:

N.J.A.C. 11:3-28.7(a)(1): Regardless of the size of a claim payment for excess medical expense benefits, an insurer shall submit a request for reimbursement within a period of two years from the date of payment by the insurer of the excess medical expense benefit for which reimbursement is sought.