

Office of the Governor

PO BOX 004
TRENTON, NJ 08625

NEWS RELEASE

CONTACT: Rae Hutton
609-777-2600

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DiFRANCESCO SIGNS LANDMARK HMO RIGHT TO SUE LEGISLATION

Acting Governor Donald T. DiFrancesco today signed legislation giving patients the right to sue their health maintenance organizations (HMOs) for delay or denial of care resulting in serious harm.

"While Congress has once again delayed considered of managed care reform in Washington, here in New Jersey we are enacting bipartisan solutions right now. From being one of the first states to enact a patient's bill of rights to the recently enacted Senior Gold discount prescription drug programs for seniors and the disabled, New Jersey has long been a national leader in health care policy. And with today's signing of legislation giving patients the right to sue their health insurance companies New Jersey is again at the forefront of health care policy," stated DiFrancesco.

The new law provides consumers with the right to sue their HMO if the insurer's decision to deny or delay care results in serious harm. In those cases where the serious harm threshold has not been met, patients will first appeal the HMO's care decision through the Independent Health Care Appeals Program and, if no resolution is met, will be able to file suit.

"By utilizing an independent review process, we will safeguard against frivolous lawsuits that could result in increased health care costs, while serving the clear purpose of protecting patients and their families. The legislation is aimed at increasing quality health practices - not lawsuits.

"This new protection is good for patients and preserves the doctor-patient relationship. It also makes out patient's bill of rights one of the strongest in the nation," remarked the acting Governor.

Right to sue legislation is the latest addition to the many programs New Jersey has instituted in recent years to improve the state's health care system. In addition to the patients' bill of rights, KidCare and FamilyCare, the recently enacted Senior Gold program is providing discount prescription drugs to middle-income seniors and the disabled. Taken as a whole, these bills will truly empower New Jersey's patients by providing greater accountability within the health care system, as well as improving access and affordability of services.

The Health Care Carrier Accountability Act was sponsored by Senators Len Connors (R-Atlantic/Burlington/Ocean), Bob Singer (R-Burlington/ Monmouth/Ocean), Lou Bassano (R-Essex/Union) and Shirley Turner (D-Mercer) and by Assemblymembers Steve Corodemus (R-Monmouth), Guy Talarico (R-Bergen), John Kelly (R-Bergen/Essex/Passaic) and Reed Guscoria (D-Mercer).

"I've said it before - health care decisions should be made in a doctor's office, not in an insurance company boardroom. The best possible care should be foremost in any decision made for patients. And we here in New Jersey want it to make sure it stays that way," DiFrancesco concluded.