

INSURANCE
DEPARTMENT OF BANKING AND INSURANCE
DIVISION OF INSURANCE

Personal Injury Protection Benefits; Medical Protocols; Diagnostic Tests

Proposed Amendments: N.J.A.C.11:3-4.10 and 11:3-4 Appendix Exhibit 11

Authorized By: Holly C. Bakke, Commissioner, Department of Banking and Insurance

Authority: N.J.S.A. 17:1-8.1, 17:1-15e, and 39:6A-3.1

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2002-273

Submit comments by October 4, 2002 to:

Karen Garfing, Assistant Commissioner
Regulatory Affairs
Department of Banking and Insurance
20 West State Street
P.O. Box 325
Trenton, NJ 08625-0325
Fax: (609) 292-0896
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The agency proposal follows:

Summary

The Department of Banking and Insurance (“Department”) is proposing amendments to N.J.A.C. 11:3-4.10 and Exhibit 11, the Personal Injury Protection Benefits; Medical Protocols; Diagnostic Tests (“PIP Protocols”) reporting requirements. The Department’s proposed amendments to the PIP Protocols reporting requirements change the submission of the decision point review/precertification report by insurers from being due on a monthly basis to a quarterly basis. The amendments require that the reports be compiled on a group basis using an Excel spreadsheet and allows filing on CD-ROM, in addition to the diskette and e-mail filing now

created. Additionally, the Department is amending these rules to clarify that insurers should not modify the template. Finally, the Department is amending this provision to provide that an insurer's report include a contact name, telephone number and mailing address.

The Department's amendment to Exhibit 11 merely reformats the Exhibit, it still contains the same information.

As the Department has provided a 60-day comment period on this notice of proposal, this notice is excepted from the rulemaking calendar requirement pursuant to N.J.A.C. 1:30-3.3(a)5.

Social Impact

The proposed amendments will benefit the Department and insurers. The proposed amendments reformat the current exhibit and will save the Department time in that it will not have to input data manually from the reports received from insurers, as it does under the current format. Currently, when some insurers submit their reports, they may change or alter cells in the current Excel format or they submit their report in a Microsoft format which then requires the information to be entered manually in order for the Department to be able to use it. Insurers will benefit because the proposed amendments will only require insurers to submit the reports quarterly instead of monthly.

Economic Impact

The proposed amendments should have a positive economic impact on insurers in that they only have to submit four reports a year instead of 12.

Federal Standards Statement

A Federal standards analysis is not required because the proposed amendments relate to the business of insurance and are not subject to any Federal requirements or standards.

Jobs Impact

The Department does not anticipate that any jobs will be either generated or lost as a consequence of the proposed amendments.

Agriculture Industry Impact

The Department does not expect any impact on the agriculture industry as a result of the proposed amendments.

Regulatory Flexibility Analysis

Pursuant to the New Jersey Regulatory Flexibility Act, N.J.S.A. 52:14B-17 et seq., a “small business” means any business resident in this State that employs fewer than 100 full-time employees; is independently owned and operated; and is not dominant in its field. A few New Jersey automobile insurers meet this definition. Although the proposed amendment imposes different recordkeeping and reporting obligations, they pertain to information that insurers currently provide. The proposed amendments change the format and reduce the number of reports insurers need to produce and submit. The proposed amendments do not require professional services. The Department does not believe that the amendments will impose any undue burden on small businesses, in that they are not treated any differently than any other insurer. For this reason, and to ensure consistency in the rating practices of insurers, the proposed amendments do not provide any differentiation based on an insurer’s size.

Smart Growth Impact

The proposed amendments have no impact on the achievement of smart growth and implementation of the State Department and Redevelopment Plan.

Full text of the proposal follows: (additions indicated in boldface **thus**; deletions indicated in brackets [thus]).

11:3-4.10 Reporting requirements

(a) Insurers shall file with the Department a completed [monthly] **quarterly** decision point review/precertification [implementation] report (Appendix Exhibit 11, incorporated herein by reference) [on the 10th day of each month which reflects the reported activity as of the last day of the premium month]. **The report shall be due no later than the last day of the calendar month following the evaluation dates of December 31, March 31, June 30 and September 30.**

(b) The report [referred to in (a) above] shall be [filed] **compiled on a group basis** [on paper] and **shall be submitted using the Excel spreadsheet template in the Exhibit. The template shall not be modified in any way. The template spreadsheet is available on the Department's web site at: http://www.state.nj.us/dobi/pn99_477.xls. The report shall be filed on diskette [or], by e-mail (**the preferred method**) [using an Excel spreadsheet format with data contained in one computer file] **or CD-ROM. The report shall contain a contact name, phone number and mailing address.** [This] **The** filing shall be e-mailed to [cday@dobi.state.nj.us] reports@dobi.state.nj.us or mailed to:**

New Jersey Department of Banking and Insurance
Office of Property and Casualty [Insurance]
[Attn: Statistical Unit]
P.O. Box 325
Trenton, NJ 08625-0325

APPENDIX

(Agency Note: As changes to Appendix Exhibit 11 could not be shown using brackets and boldface, the following is Exhibit 11 **as amended**, replacing the Exhibit now in the 11:3-4 Appendix.)

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